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ECONOMIC INTEGRATION OF MIGRANTS AND REFUGEES IN EGYPT:

Economic Contributions and Opportunities, Legal Pathways, and Policy Barriers

2026 Report



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About Entlaq

Entlaq is a dynamic Cairo-based think tank dedicated to reshaping Egypt's entrepreneurial landscape through advisory and capacity-building programs. Our mission is to provide a unique perspective and innovative solutions to the challenges faced by governmental, investor, and entrepreneurial stakeholders across the ecosystem.

At Entlaq, we leverage our extensive network of governmental and ecosystem partners to deliver research-driven insights, strategic guidance, and policy recommendations that create a supportive environment for startups and promote sustainable economic growth. Our advisory arm is committed to fostering a data-driven ecosystem, ensuring that all stakeholders have access to critical information for informed decision-making.

Our capacity-building initiatives are crucial in nurturing early-stage businesses, enhancing entrepreneurial skills, and accelerating startup growth, thereby strengthening the overall ecosystem. Through these efforts, Entlaq plays a pivotal role in advancing Egypt's position as a regional innovation hub.

Our Mission

Curate talent, sustainable practices, and data driven solutions to cement entrepreneurial growth.

Our Vision

Catalyzing Egypt's positioning as the region's innovation hub through fostering an innovative, inclusive, and impactful ecosystem

01

Section 01

Introduction: Context and Rationale

01 Introduction: Context and Rationale

1. Recent Conflicts and Displacement Dynamics in the MENA Region

Sudanese mobility to Egypt long predates the April 2023 war, historically shaped by circular labor, study, and kinship migration, and later deepened by conflict-driven inflows from Darfur and South Kordofan. The outbreak of fighting between the Sudanese Armed Forces and the Rapid Support Forces in April 2023, however, triggered one of the largest refugee movements in decades. By the end of 2024, more than 600,000 Sudanese refugees had been officially registered with UNHCR, though actual arrivals are estimated at well above one million, making Sudanese the largest refugee group in Egypt's modern history and accounting for over 70 percent of the registered refugee population (UNHCR 2025a; UNHCR 2025b; ReliefWeb 2025; ERRRP 2025). Concentrated mainly in Greater Cairo, Aswan, and along border governorates, this influx has reshaped urban demographics and placed intense pressure on already fragile labor markets, housing, and public services (African Arguments 2025). While many Sudanese fled with professional or vocational backgrounds, most are absorbed into low-wage informal employment regardless of skills, constrained by regulatory barriers even after the passage of Egypt's first Asylum Law in 2024 (TIMEP 2025; Refugee Influx Report 2025). Communities have relied on resilience strategies, including mutual aid networks and informal housing, to navigate insecurity and economic precarity (African Arguments 2025; UNICEF 2025). As registered numbers surpassed one million in 2025, Egypt formalized a whole-of-government response through the Egypt Refugee and Resilience Response Plan, maintaining inclusion-oriented policies in education and health despite fiscal strain (UNDP/UNHCR 2025). Yet EU–Egypt migration agreements and tighter border controls have increasingly externalized migration management, shaping reception and documentation while burdening national systems (TIMEP 2025). Overall, Egypt's hosting role now sits at the intersection of humanitarian commitment, urban integration practices, and geopolitical burden-sharing—seeking to uphold its "One Refugee Approach" while grappling with rapid arrivals, institutional limits, and the imperative of turning displacement into both a humanitarian and developmental priority (ERRRP 2025; UNHCR 2025c).

A. Syrian Conflict and Refugee Influx into Egypt

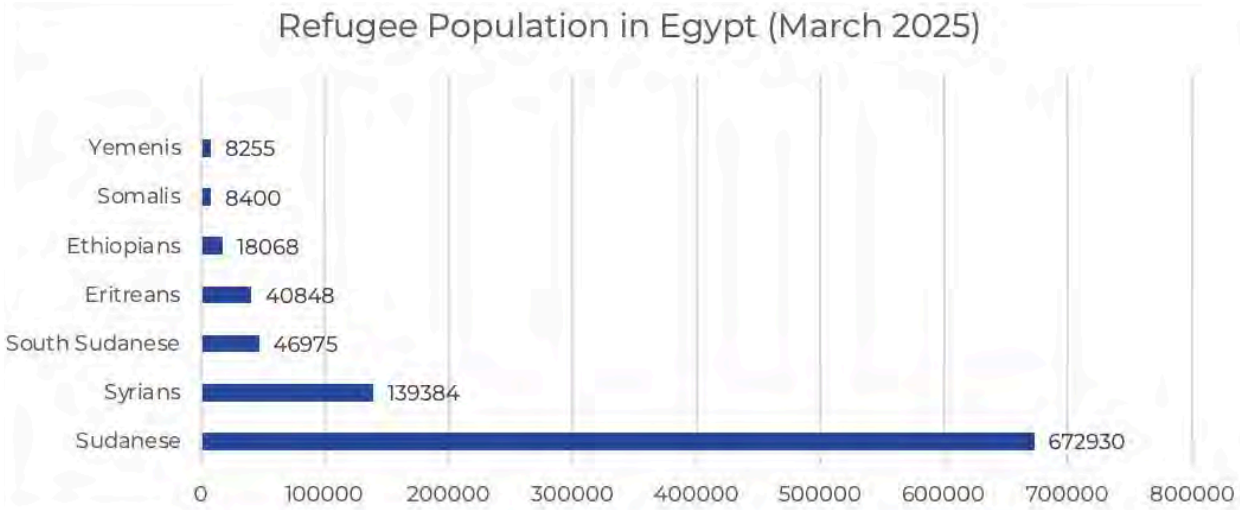
The Syrian conflict, which erupted in 2011, marked one of the most devastating crises in the region, reversing decades of development and triggering mass displacement. By 2024, over half of Syria's population had been forced from their homes, with nearly six million seeking refuge abroad amid widespread destruction, economic collapse, and a humanitarian crisis that left nine in ten Syrians in poverty and dependent on aid (UNDP 2025; UNHCR 2025a). Egypt, though not bordering Syria, quickly became a key destination, hosting Syrians who were drawn by affordable living costs, cultural and linguistic proximity, and urban settings rather than camps. The first arrivals in 2012 numbered around 13,000 but surged tenfold to over 120,000 by 2013 before stabilizing after visa restrictions were introduced (Hassan 2021). Today, Syrians remain the second largest refugee community in Egypt after Sudanese, with most residing in Cairo, Giza, Alexandria, and 6th of October City, often labeled "Little Damascus" for its Syrian businesses and markets (UNHCR 2025b; Refugee Influx Report 2025). Despite Egypt's reservations to the 1951 Refugee Convention, Syrian refugees carved out visible roles in the economy—especially in the food and restaurant sector—using social networks and entrepreneurial skills to secure livelihoods within Egypt's vast informal economy, while facing ongoing barriers in formal employment and legal integration (Hassan 2021; TIMEP 2019).

B. Yemeni Conflict and Refugee Presence in Egypt

The war in Yemen, ongoing since 2015, has generated one of the world's largest humanitarian crises, with widespread displacement driven by protracted conflict between the Houthi movement, the internationally recognized government, and their foreign backers (CRS 2025; UNICEF 2025). The collapse of services, food insecurity, and economic devastation forced millions to leave, many seeking refuge in neighboring Arab states. Egypt, while not directly adjacent, became a significant host country due to linguistic, cultural, and historical ties. Yemeni nationals in Egypt benefit from a form of prima facie recognition under UNHCR, granting them access to protection without individual refugee status determination, similar to Syrians (Hetaba, McNally, and Habersky 2020). By 2022, estimates placed Yemenis among the top four migrant groups in Egypt, numbering close to one million alongside Sudanese, Syrians, and Libyans (IOM 2022). Concentrated in urban areas such as Cairo, Alexandria, and smaller industrial towns, Yemenis often rely on Egypt's expansive informal economy for survival, engaging in commerce, services, and small enterprises (ILO/UNHCR 2023). However, barriers to formal employment, coupled with limited entitlements in education, housing, and healthcare, constrain their integration, leaving many reliant on community solidarity and international aid frameworks (UNHCR Egypt 2025).

Thus, while Sudanese displacement has reshaped Egypt's refugee landscape, accounting for more than 70 percent of the registered population by early 2025, the broader picture of forced migration to Egypt remains multi-layered, as shown in Figure X. Alongside Sudanese arrivals, significant communities of Syrians, Yemenis, South Sudanese, and others continue to form part of Egypt's diverse refugee population, each driven by distinct conflict dynamics and historical trajectories.

Figure 1: Displays the registered Refugee Population in Egypt, according to UNHCR



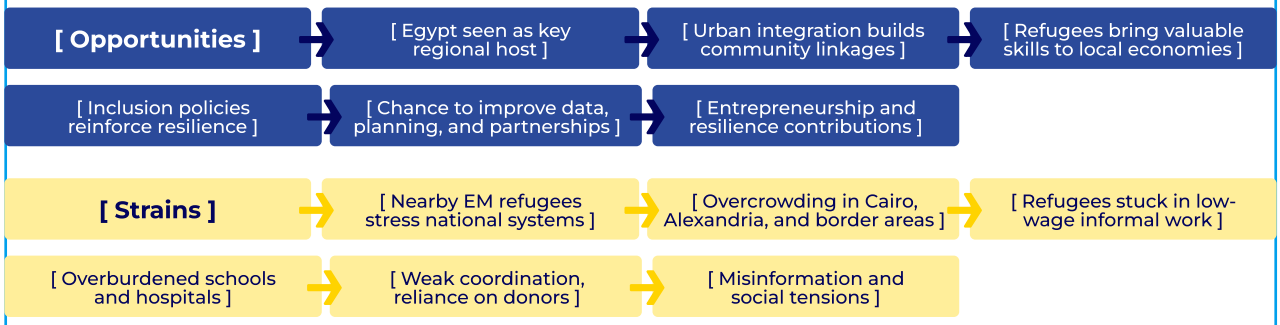
Source: (UNHCR,2025)

Egypt as a Host Country under Strain and Opportunity

Egypt today hosts one of the largest refugee and migrant populations in the region, with estimates placing the total at nearly nine million people, around 80 percent of whom originate from Sudan, Syria, Yemen, Palestine and Libya (IOM 2022). As of early 2025, more than one million individuals are officially registered with UNHCR—the highest figure in Egypt's history—and arrivals continue to rise, particularly from Sudan after the April 2023 conflict (UNHCR 2025a; ERRRP 2025). Unlike camp-based systems elsewhere, Egypt's "out-of-camp" approach has concentrated refugees in urban and peri-urban areas, with Greater Cairo, Alexandria, and governorates along the southern border serving as primary hubs (UNHCR 2025b; African Arguments 2025). While this reflects both policy and necessity, limited housing affordability has pushed many into already strained informal neighborhoods, where Sudanese and Syrians are embedded in local markets and Yemenis and Libyans cluster in commercial and residential enclaves (The Refugee Influx Report 2025; UNICEF 2025).

This scale and settlement pattern have intensified pressures on Egypt's economy and governance systems: labor markets already marked by over 60 percent informality absorb most refugees into low-wage, precarious work, compounding structural unemployment and wage depression while limiting upward mobility (African Arguments 2025; ILO 2023). Public schools and hospitals, though formally open, face overcrowding, shortages, and uneven coverage, leaving many migrants reliant on informal or parallel services (ERRRP 2025; Joint Platform 2022). At the governance level, fragmented data, weak inter-ministerial coordination, and reliance on donor stopgaps undermine comprehensive policy planning (Government of Egypt 2025; Abdel Aziz 2017). Moreover, misinformation and politicized narratives risk heightening social tensions by portraying migrants as competitors for scarce resources (TIMEP 2024; Ethical Journalism Network 2025). Together, these dynamics underscore the dual reality of Egypt's hosting role: a commitment to inclusion through education and health access, but one that simultaneously magnifies economic and institutional vulnerabilities, demanding systemic reforms that link humanitarian protection with national development planning (UNHCR and UNDP 2025).

Figure 2: Compilation of the Strains and Opportunities faced by Refugee/Migrant Communities in Egypt (2025)



Source: (UNHCR & UNDP, 2025)

Why Integration Matters Now

Humanitarian assistance in Egypt has long provided a lifeline for refugees and migrants but remains inadequate against the scale and protracted nature of displacement. By March 2025, more than one million refugees and asylum seekers were officially registered with UNHCR, alongside millions of unregistered migrants from neighboring countries (UNHCR 2025a). Funding shortfalls and resource constraints mean that only a fraction of vulnerable families access cash or food support, while thousands face delays in registration and legal status determination (Refugee Protection and Laws 2024; Refugee Entitlements in Egypt 2020). Even where entitlements exist, overcrowding, quality gaps, and discrimination hinder access to education and healthcare, forcing many into informal housing, underpaid labor, and reliance on kinship networks (Abdel Aziz 2017). This demonstrates the limits of short-term humanitarianism in addressing long-term integration challenges. Against this backdrop, systemic inclusion offers a pathway to transform refugee presence from strain into opportunity. Migrants bring substantial human capital—more than half of Sudanese arrivals had prior vocational experience, and Syrians have built dynamic small businesses in food and retail—yet most remain confined to low-wage informal work due to barriers in work permits and skills recognition (ILO/UNHCR 2023; UNHCR 2025b; ILO 2023; Refugees and the Egyptian Labour Market 2022). The 2025 Egypt Refugee and Resilience Response Plan (ERRRP) stresses embedding refugees into national labor, education, housing, and social protection systems as the key to reducing aid dependency, strengthening urban resilience, and expanding Egypt's tax base (ERRRP 2025). This approach aligns with Vision 2030 and recent legal reforms, positioning Egypt as a regional leader in progressive refugee governance (Government of Egypt 2025; UNHCR and UNDP 2025). Employers' organizations further highlight that formal inclusion can drive productivity, entrepreneurship, and innovation (ILO 2021). Integration is therefore not only a humanitarian obligation but also a strategic investment in Egypt's labor market, social stability, and the skills base needed for future regional recovery.

2. Purpose, Strategic Significance, and Core Themes

This report reframes the presence of refugees and migrants in Egypt—Sudanese, Syrians, Yemenis, Libyans, and others—from a temporary humanitarian challenge into a long-term developmental opportunity. Its central aim is to move beyond fragmented aid and define actionable, evidence-based pathways for their economic and social inclusion. Building on the September 2025 Situational Overview, it provides updated demographic and economic profiling, simulates labor and service scenarios, and offers policy recommendations that embed migrants into Egypt's labor market, institutional frameworks, and social protection systems. In doing so, the report contributes practical tools for government, private sector, and development partners to align refugee inclusion with Egypt's Vision 2030, the National Human Rights Strategy, and recent legal reforms such as the 2024 Asylum Law and 2025 Labor Law.

The strategic significance of this approach lies in recognizing migrants not as burdens but as economic actors whose skills, entrepreneurial energy, and resilience can generate value in key sectors like food services, trade, construction, and small enterprise. Syrians have visibly transformed urban markets, while Sudanese, Yemenis, and Libyans contribute through vocational skills, commerce, and community businesses—activities that sustain livelihoods and expand Egypt's labor supply. Framing integration as a mutually reinforcing process, the report highlights five core themes: entrepreneurship and economic agency; skills portability and recognition; navigating informality; leveraging diaspora networks and social capital; and identity and recognition within national policy narratives. Together, these underscore that systemic inclusion is both a humanitarian imperative and a strategic investment—supporting workforce development, fostering innovation, easing service pressures, and positioning Egypt as a regional leader in progressive migration governance.

Figure 3: Core themes of the Report



A. Scope and Structure of the Report

Building on the September 2025 Situational Overview (Report I)

The first phase, delivered in September 2025, established a diagnostic baseline of migrant and refugee conditions in Egypt, focusing on Sudanese communities in Egypt. It mapped demographic patterns, labor participation, service access, and their possible economic integration of Sudanese migrants into Egypt's formal economy. This baseline highlighted systemic exclusion from formal work, gaps in education and health access, and reliance on informal coping strategies, while also revealing their possible contribution to Egypt's economy in different ways. By consolidating survey data, Report I provided a foundational picture of vulnerabilities and opportunities for Sudanese Migrants in Egypt, which now informs this second phase of our project, that is inclusive of other migrant groups in Egypt as well as various forms of integration.

Advancing to Strategic Design: Migrants in Egypt (Report II)

The second phase moves beyond diagnosis to strategic design, updating demographic and economic profiles of Sudanese, Syrian, Yemeni, and Libyan migrants and projecting their integration potential. It models scenarios for labor market inclusion—ranging from status quo to full regulatory opening—while assessing sector-specific demand in agriculture, construction, logistics, care work, and services. The report also analyzes access to essential services such as education, health, housing, and transport, evaluating the feasibility of systemic inclusion. Legal and policy bottlenecks, particularly around the 2024 Asylum Law and 2025 Labor Law, are examined alongside sectoral entry points where pilot programs can test pathways for skills recognition, entrepreneurship, and employment. Finally, the report maps the wider ecosystem of government, civil society, and private sector actors, setting out a phased roadmap that aligns migrant inclusion with Egypt's Vision 2030 and National Human Rights Strategy.

3. Skills, Demographics, and Integration Pathways

A.Human Capital and Demographic Opportunities

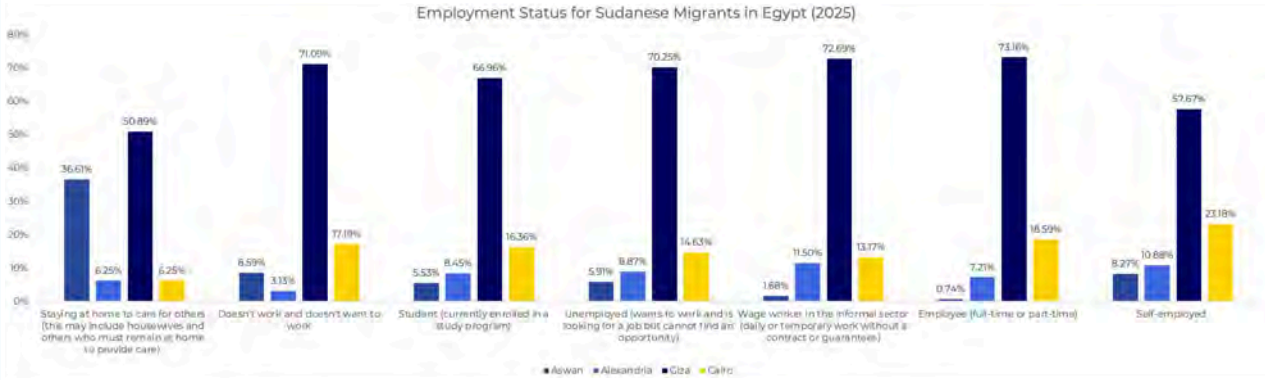
The report examines the demographic composition of migrants and refugees in Egypt, focusing on all age groups while emphasizing the labor-relevant cohort of youth and working-age adults. Among Sudanese, Syrians, Yemenis, and Libyans, this population represents both a risk and an opportunity: marginalized if confined to precarious informal work, yet empowered when their skills are recognized and utilized. Survey data show that a majority of Sudanese arrivals had prior vocational or professional experience, while Syrian refugees are notable for entrepreneurial ventures that have revitalized sectors like food services and retail. Yemeni and Libyan migrants, similarly, contribute through small-scale trade, commerce, and community-based services despite limited access to formal pathways. Mapping these educational and vocational backgrounds highlights the latent human capital across all nationalities, underscoring the importance of policies that prevent exclusion and instead channel this potential into Egypt's labor force and development strategies.

B. Informality, Skills Portability, and Survival Pathways

Migrants from Sudan, Syria, Yemen, and Libya in Egypt face similar integration challenges shaped by informality, under-recognition of qualifications, and restricted labor rights. Informality dominates their employment realities, with the majority working in low-wage sectors such as construction, domestic labor, food services, and small retail. Wage precarity and lack of protections expose them to cycles of poverty, yet hybrid survival models have emerged, blending partial documentation with strong community-based support systems. For example, Sudanese and Yemeni migrants rely heavily on kinship networks and mutual aid, while Syrians and Libyans use social and diaspora ties to sustain entrepreneurial activities. Beyond immediate coping, the portability of skills—such as technical trades, services, and small business management—offers a longer-term opportunity: these capabilities can strengthen Egypt's economy now while also equipping migrants with transferable experience for eventual recovery and reconstruction in their home countries. By addressing informality and enabling skills recognition, the report frames integration not just as a humanitarian need, but as a developmental pathway that benefits both migrants and Egypt.

Focusing on Sudanese Migrants in Egypt, the figure below highlights the four governorates in Egypt with the largest Sudanese migrant populations, showcasing the dominant work category in each location. In Giza, 73.16% of Sudanese migrants are engaged as full-time or part-time employees;the highest share in that category. In Cairo, self-employment represents the largest proportion of Sudanese migrants. In Alexandria, 11.50% of Sudanese migrants are concentrated in informal wage work (daily or temporary jobs without contracts or guarantees), while in Aswan, 36.61% of Sudanese migrants record the highest share as those staying at home to care for others (including housewives and others with caregiving responsibilities).

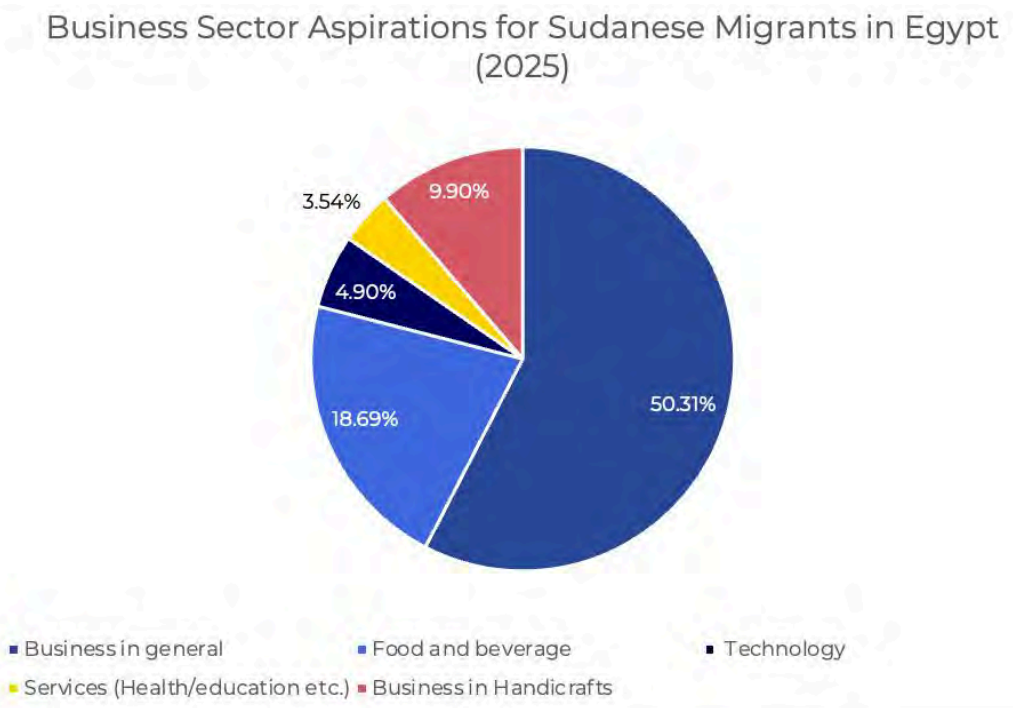
Figure 4 highlights the current employment status of Sudanese Migrants in across 4 prominent areas in Egypt (2025).



Source: Savannah Innovation Labs DataSet (2025).

As opposed to their current employment status, the following figure highlights the Business Aspirations of Sudanese Migrants, currently living in Egypt.

Figure 5: Business Sector Aspirations for Sudanese Migrants in Egypt (2025).



Source: Savannah Innovation Labs DataSet (2025).

This pie chart is significant as it shows that approximately 50.31% of Sudanese migrants in Egypt aspire to work in the business field without a specific sector preference. They are followed by 18.69% who wish to work in the Food and Beverage sector within the business field, while the smallest share, 3.54%, express interest in the services sector (such as health and education).

C. Social and Institutional Dimensions of Integration

For refugees and migrants in Egypt—Sudanese, Syrians, Yemenis, and Libyans—community networks remain a primary form of social integration. These networks provide informal housing, job referrals, financial support, and psychosocial solidarity, often compensating for the gaps in formal structures (Abdel Aziz 2017; ILO 2023). Sudanese women in Cairo, for instance, rely on kinship ties and neighborhood-based refugee-led organizations for both survival and agency in the face of displacement (Mahasneh 2025). Alongside these grassroots systems, the institutional ecosystem involves state ministries, UN agencies, and NGOs, which coordinate through platforms such as the Joint Platform for Migrants and Refugees to improve access to education and health while mobilizing resources for long-term inclusion (UN Egypt 2022). Programs like the Egypt Refugee and Resilience Response Plan also work to embed migrants in employment and training pathways, linking humanitarian aid with development goals (ERRRP 2025). At the same time, refugee-led initiatives complement these efforts by creating self-help mechanisms that respond quickly to local needs. However, the media plays a dual role: while some outlets highlight migrant contributions and resilience, dominant narratives often frame them as competitors for jobs and services, fueling misinformation and discrimination that hinder formal economic integration (Mahmoud & AlAtrash 2025; Lowler &Tolley 2017). Taken together, these social and institutional dimensions reveal both the strengths of community resilience and the importance of coordinated policy frameworks to transform refugee presence from a survival challenge into a development opportunity.

4. Data and Methodological Framing

A) Primary Research as a Foundation

This report's foundation is a robust primary dataset supplied by Savannah, comprising over 8,000 data points drawn from a 500-question survey conducted across Aswan, Giza, and Alexandria. The dataset captures Sudanese refugees and migrants of all ages and genders, offering rare granularity on livelihoods, demographics, and household conditions. While Report I used this dataset to establish a diagnostic baseline, Report II expands its scope by applying the same lens to Yemeni, Syrian, and Libyan migrants, enabling comparative insights across Egypt's four largest displaced populations. The primary approach is complemented by two multi-stakeholder roundtables and key informant interviews with government officials, employers, civil society, and refugee-led initiatives, ensuring that the quantitative evidence is contextualized by lived experiences and institutional perspectives. This design provides both the scale of statistical validity and the depth of qualitative nuance needed to ground recommendations in the realities of Egypt's migration ecosystem.

B) Types of Analysis

The secondary methodology applies structured analytical tools to extend and validate the primary dataset. A SWOT analysis identifies strengths, weaknesses, opportunities, and threats across four dimensions: legal inclusion, labor access, service provision, and community capacity. A gap analysis highlights the disconnect between entitlements on paper and the barriers to enforcement in practice, with particular attention to education, healthcare, housing, and employment. Legal text analysis reviews the 2024 Asylum Law and the 2025 Labor Law to assess operational bottlenecks in work permits, documentation, and formal market access. Benchmarking adds two comparative lenses: external, drawing on Uganda's self-reliance framework (work, land, mobility rights), Jordan's Compact (sectoral permits and private-sector engagement), and Morocco's regularization reforms (residency and pilot inclusion); and internal, comparing refugee experiences in Egypt, where Syrians illustrate business clustering and partial formalization, while Yemenis, Libyans, and Palestinians reflect varied integration and exclusion trajectories. Together, these tools allow the report to move beyond diagnosis toward actionable scenario modeling, highlighting scalable reforms and sectoral entry points that can anchor systemic inclusion.

02

Section 02

Examining the Literature

Examining the Literature

This literature review marks a critical transition from a descriptive diagnostic to a strategic, solution-oriented approach, building upon the foundational analysis of the first report. The initial report provided an evidence-based baseline on the demographic and socioeconomic profile of Sudanese youth in Egypt, mapping their participation in the labor market and identifying key legal and policy bottlenecks. This second report moves beyond this baseline to define clear, actionable pathways for the long-term integration of Sudanese refugees into Egypt's labor market, economic systems, and legal frameworks. Economic integration is a multidimensional process encompassing not only employment access but also the ability to participate in and shape a host country's markets, policies, and institutional frameworks. In Egypt, the influx of Sudanese refugees has intensified the urgency of integration strategies, and the pathways available to newcomers are shaped by legal restrictions, economic informality, and a fluctuating policy environment. Within this context, entrepreneurship, skills transfer, spatial clustering, and social capital have emerged as key domains of inquiry.

This literature review synthesizes existing scholarship, policy reports, and case studies to provide an evidence-based foundation for defining actionable pathways toward the long-term integration of Sudanese refugees into Egypt's economic systems. The review is organized into six thematic areas: (1) entrepreneurial agency and migrant-owned enterprises, (2) transferable skills and post-conflict reintegration potential, (3) strategies for navigating informality and hybrid economic models, (4) spatial dimensions of economic participation, (5) the role of social capital and diaspora networks, and (6) identity, recognition, and policy narratives of migrant contribution. Each theme examines both structural constraints—such as restrictive licensing regimes, limited access to finance, and discrimination—and enabling factors, including community networks, digital tools, and adaptive business models. The purpose is not only to document the current state of economic participation among Sudanese refugees but also to identify leverage points for sustainable integration policies. By grounding the analysis in diverse empirical sources, this review seeks to bridge the gap between micro-level survival strategies and the structural reforms necessary for systemic inclusion.

Theme 1 – Entrepreneurial Agency and Migrant-Owned Enterprises in Egypt

Entrepreneurship is a key pathway for the economic integration of refugees and migrants, particularly in contexts where formal labor market access is limited. This theme investigates the conditions under which refugees and migrants establish businesses in Egypt, exploring both the barriers they face and the enablers that facilitate their success. Refugee and migrant entrepreneurship is not merely a coping mechanism in the face of legal and economic exclusion; it represents a significant form of economic participation that leverages pre-existing skills, community networks, and a nuanced understanding of market gaps (Wamda 2024; Wishart 2022).

A.Pathways to Refugee and Migrant Entrepreneurship

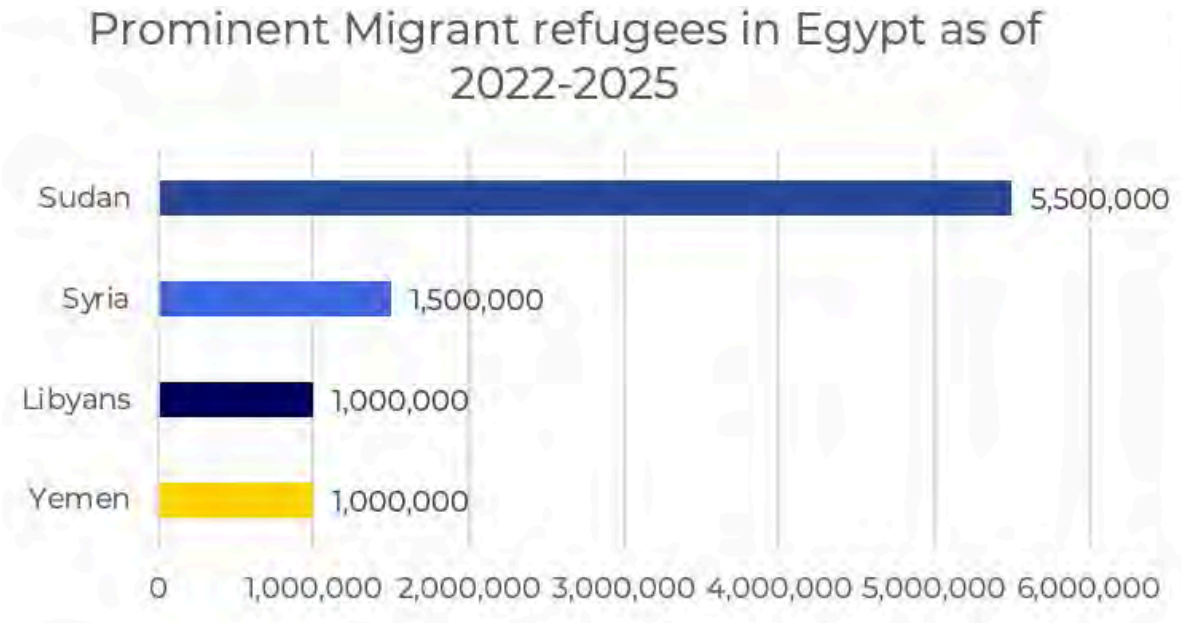
Refugee and migrant entrepreneurship in Egypt unfolds within a layered landscape of opportunity and constraint, where individuals often resort to self-employment in the absence of formal employment opportunities (Betts et al. 2017; Refugees International 2025). The challenges faced by migrant entrepreneurs are systemic and multifaceted, often stemming from the host country's legal and institutional frameworks (ILO 2023). One of the primary barriers is the legal and regulatory environment. Refugee entrepreneurs face significant challenges in obtaining business licenses and legal documents, which are often expensive and difficult to acquire (UNHCR 2024). For many, the process is opaque and complex, leading them to operate in the informal economy (Refugees International 2025). This is compounded by the fact that many refugees are not granted the right to work, which severely limits their ability to formalize their businesses (AIDA 2025). As a result, they are often unable to open bank accounts or register their businesses legally, exposing them to exploitation and instability (World Bank 2022). The lack of a formal legal status also means they cannot access formal financial services such as loans or credit, which are essential for business growth and scaling (IFC 2021). This is a common macro-level barrier faced by refugees and migrants globally (Betts et al. 2017).

Refugee and Migrant Entrepreneurship Regulatory Environment

Refugee and migrant entrepreneurship in Egypt unfolds within a complex legal and regulatory environment where recent policy shifts have far-reaching implications. The enactment of Law No. 164 in December 2024 marked Egypt's first comprehensive asylum legislation, introducing the Standing Committee for Refugees' Affairs (SCRA) to oversee refugee status determination—a responsibility previously held by UNHCR (Asylum Information Database 2025; Hegazy & Partners 2024). While the law formally recognizes refugees' right to work, including self-employment, this right is conditional on meeting stringent requirements such as certification of qualifications and obtaining temporary permits, with penalties for employers who hire without official notification. Human rights organizations and UNHCR have raised significant concerns over the law's broad national security exceptions, lack of explicit non-refoulement provisions, vague cultural compliance criteria, and the imposition of a strict 45-day application deadline, all of which risk further marginalizing new arrivals (Refugees International, 2025).These restrictions, combined with the criminalization of aid to undocumented refugees, limit refugees' ability to transition into stable livelihoods and heighten reliance on informal economic activity. This new law has been introduced as a reaction to the influx of Sudanese migrants into Egypt since the 2023 conflict, in an attempt to have better control of Egypt's resources when it comes to the migrant and refugee integration and protections, and a way to ensure its national security.

Migration to Egypt is a historical phenomenon, driven by a long-standing pursuit of safety and economic opportunities. Egypt distinguishes itself from other host countries by not having refugee camps and arguably offering a comparatively better economic situation despite its economic struggle in the past years. Egypt is home to an estimated one million refugees from 62 different nationalities officially registered, the country ranks among the largest refugee-hosting nations in Africa, offering protection to displaced people from Sudan, Syria, Yemen, Eritrea, and other states (IOM 2022). By late 2024, the total expatriate population in Egypt was estimated at 11.09 million individuals representing more than 113 countries (Central Agency for Public Mobilization and Statistics 2024; IOM 2022). As of June 2025, registered refugees and asylum-seekers exceeded one million, with Sudanese refugees making up more than half of this total (UNHCR 2025). The majority reside in major urban centers, particularly Cairo, Giza, Alexandria, and Damietta (Ahmed et al. 2025; UNHCR 2022).

Figure 6 Prominent Migrant refugees in Egypt as of 2022-2025 – The Sudanese population makes up 73% of the migrant population especially due to the recent 2023 conflict.



Source: (IOM, 2022; UNHCR, 2025).

A review of Egypt's migrant and refugee demographics—prior to the most recent large-scale displacement from Sudan—reveals the dominance of Sudanese nationals in the country's migration landscape. As shown in the accompanying pie chart, Sudanese nationals made up the largest share, numbering around 5.5 million and significantly outpacing other groups. They were followed by approximately 1.5 million Syrians and 1 million each from Libya and Yemen, alongside smaller communities from a wide range of other countries (IOM 2022; UNHCR, 2025). This demographic composition reflects Egypt's long-standing position as a key destination for those fleeing regional conflict and instability. Prior to the 2023 conflict there were approximately 4 million Sudanese migrant in Egypt in 2022 however since April 2023, the Sudanese population has grown dramatically, with an estimated 1.5 million additional arrivals due to the ongoing conflict—bringing the total Sudanese population to roughly 5.5 million as of early 2025 (IOM 2022; UNHCR 2025). The pie chart illustrates the scale of this Sudanese presence relative to other nationalities, highlighting its significant implications for host communities and national resources. As a reaction to this the emergence of the new Asylum law 164 of 2024, was issued.

Furthermore, Egypt's labor market access is further shaped by Egypt's employment laws. Under the current Labor Law No. 12 of 2003—soon to be replaced by Labor Law No. 14 of 2025—basic protections such as fair wages, dispute resolution mechanisms, and workplace rights apply equally to nationals and foreigners (Andersen Egypt 2025). However, refugees are regulated under the same framework as other foreign nationals, requiring work permits, employer sponsorship, and compliance with a 10 percent cap on foreign employees within any enterprise. The new labor law, effective September 2025, introduces modernized protections, including enhanced leave entitlements and specialized labor courts, but does not address the specific documentation challenges and legal vulnerabilities faced by refugees. While theoretically, all refugees and migrants receive the same benefits and protections as Egyptian nationals under Labor Law No. 14 of 2025, with the exception of the foreign cap, this only occurred if the refugees and migrants held a work permit.

Obtaining a formal work permit remains an arduous process, requiring valid residency status, a recognized passport or travel document, a UNHCR registration card, health clearances, and proof that no Egyptian national can fill the position. Many refugees lack such documentation, while high application costs, annual renewal fees, and protracted administrative delays discourage both applicants and potential employers. Furthermore, due to the complicated bureaucracy in place, there are instances where the refugees that hold a UNHCR refugee card are still denied the work permit, complicating the process further for refugees, and in many cases stopping them from being absorbed in the formal labor market in Egypt. These barriers are especially pronounced for refugees in skilled professions, who often face credential recognition challenges or outright exclusion from certain regulated sectors such as tourism, imports/exports, and customs clearance. Consequently, the majority are driven into informal work, where they operate without labor protections or access to social benefits—conditions that often push them toward microenterprise and informal self-employment.

In theory, Egypt's MSME Law No. 152 of 2020 offers a pathway for refugee and migrant entrepreneurs to formalize their businesses through simplified registration, reduced taxation, and access to institutional support via MSMEDA. For those holding valid residency permits, this could enable a transition from informal operations to fully registered enterprises, including eligibility for temporary business licenses and tailored tax schemes (Fahmy and Aboushair 2020). In practice, however, legal and administrative requirements—such as the need for residency permits beyond UNHCR cards, barriers to opening business bank accounts, and complex multi-agency licensing procedures—remain prohibitive. Even refugees who meet these criteria often lack access to credit or investment, further limiting business growth potential.

Summary table of relevant laws

Law /Regulation	Main Provisions	Effect on Refugee & Migrant Work and Entrepreneurship
Law No. 164 of 2024 (Asylum Law)	Egypt's first comprehensive asylum legislation. Transfers refugee status determination from UNHCR to the Standing Committee for Refugees' Affairs (SCRA). Recognizes refugees' right to work (including self-employment) under conditions such as qualification certification and temporary permits. Criminalizes hiring refugees without notifying authorities. Imposes a 45-day limit for asylum applications and criminalizes aid to undocumented refugees.	Introduces formal recognition of refugees' work rights but adds restrictive conditions. Creates risk of exclusion due to bureaucratic requirements. May deter employers from hiring refugees. Short application deadlines and broad national security exceptions can lead to loss of legal status and work rights.
Law No. 12 of 2003 (Labor Law)	Governs employment contracts, working conditions, wages, dispute resolution. Applies equally to Egyptians and foreigners in principle, but requires foreigners to have work permits and enforces a 10% quota for foreign workers in enterprises.	Provides a baseline of labor protections but effectively excludes many refugees due to work permit requirements, quotas, and employer reluctance.
Labor Law No. 14 of 2025 (New Labor Law, effective September 2025)	Updates labor regulations with expanded paid leave, annual salary increases, protections for female workers, and specialized labor courts. Retains work permit system and 10% foreign workforce quota.	Modernizes worker protections but does not address refugee-specific barriers. Refugees still face the same work permit restrictions as other foreigners.
Work Permit Regulations (Ministry of Manpower)	Foreigners must have valid residency, employer sponsorship, health clearance, and proof that the job cannot be filled by an Egyptian. Requires fees and annual renewal. Restricts foreign nationals from certain professions (tourism, exports, imports, customs clearance).	Creates high administrative and financial barriers to formal employment. Restricts occupational opportunities. Most refugees pushed into informal work.
MSME Law No. 152 of 2020	Streamlines registration for micro, small, and medium enterprises; reduces taxes; provides access to industrial land and MSMEDA support. Offers temporary business licenses and one-stop-shop services.	Potentially enables refugee entrepreneurs with valid residency permits to formalize businesses. In practice, most are excluded due to residency, work permit, and financial service access restrictions.
Commercial Registration & Licensing Rules (GAFI, Tax Authority, Municipal Authorities)	Requirements for business registration include commercial registry, tax ID, and municipal licenses.	Refugees face additional bureaucratic hurdles and documentation requirements. UNHCR cards are often not accepted, limiting the ability to formalize businesses.

These intersecting legal provisions feed directly into the blocked mobility hypothesis: refugees' inability to access formal employment channels, whether as workers or business owners, is not simply the result of personal skills or market conditions but of systemic and institutional constraints embedded in Egypt's legal and regulatory framework. The combined effect is a narrowing of viable economic pathways, which pushes many displaced individuals toward necessity-based self-employment in the informal sector. This necessity-driven entrepreneurship often manifests in low-capital, consumer-facing businesses—small retail shops, food services, tailoring—where barriers to entry are minimal but competition and precarity are high. In this sense, the regulatory environment does not merely shape refugee entrepreneurship; it actively structures the "choice" to become an entrepreneur as a survival strategy rather than a pursuit of opportunity.This intersection of restrictive labor laws, complex permit procedures, and partial access to business formalization channels creates a paradox: while Egypt's legal framework nominally recognizes refugees' right to work and operate businesses, systemic constraints ensure that most refugee and migrant entrepreneurship remains informal. Such informality may provide short-term survival strategies but leaves entrepreneurs vulnerable to exploitation, without the protections, scalability, or stability that formalization could offer.

B.Refugee and Migrant Entrepreneurship Bottlenecks and incentives

Financial exclusion remains one of the most persistent structural barriers facing refugee and migrant entrepreneurs in Egypt, fundamentally shaping their economic strategies and reinforcing dependence on the informal market. Most banks are reluctant to extend credit or loans to refugees, citing insufficient collateral, precarious legal status, and perceived repayment risks (Fahmy and Aboushair 2020). Without access to affordable, formal financing, many turn to alternative mechanisms such as community-based lending circles, personal savings, or microfinance institutions—although the latter often impose high interest rates that undermine business sustainability (The New Humanitarian 2023). The inability to secure capital on favorable terms keeps many refugee-run enterprises small in scale, oriented toward survival rather than expansion. Remaining outside formal banking channels also forces most refugee-owned businesses to operate primarily in cash, excluding them from Egypt's growing digital payments ecosystem and limiting opportunities for partnerships with formal suppliers and distributors (Wilson Center 2023).

This financial marginalization is compounded by reliance on external remittances as a critical source of business start-up capital and household income. For many Sudanese refugees and migrants, remittances from family members abroad supplement the low and unstable earnings from informal work, enabling them to meet essential needs such as rent, food, healthcare, and school fees. In some cases, these funds are pooled to finance small-scale business ventures, allowing refugees to circumvent the credit barriers of the formal financial sector. Yet, due to documentation requirements and limited banking access, most remittance transfers occur through informal value transfer systems, particularly hawala networks. Hawala operates outside conventional banking infrastructure and is valued for its speed, relative security, and ability to reach remote or conflict-affected areas. Among Sudanese communities in Cairo, hawala services —often operated through trusted brokers—are preferred over Sudanese bank channels for their efficiency and reliability (Jacobsen, Ayoub, and Johnson 2012).

At the same time, humanitarian aid in Egypt has increasingly shifted from direct cash or in-kind assistance toward microenterprise support, especially within the country's expansive informal sector. The "Baladi market," composed of small-scale, lower-income informal businesses, is a frequent target of such interventions, although it remains constrained by limited credit availability and tight regulatory controls (Abuswar and Bassi 2025). Some community-based organizations, often working in partnership with UNHCR, provide small grants and basic business training to refugees. However, these programs tend to have limited reach, particularly among recent arrivals who may lack awareness of available resources or the capacity to navigate bureaucratic requirements (Abuswar and Bassi 2025). In this context, kinship networks and community-based practices such as nafeer—a traditional model of collective emergency support—remain vital mechanisms for mobilizing financial resources, sustaining livelihoods, and mitigating economic shocks.

The combined effect of these dynamics is that refugee and migrant entrepreneurs in Egypt remain heavily reliant on informal financial ecosystems, whether through community pooling, remittance flows, or traditional support structures. While these systems provide essential safety nets, they also reinforce structural exclusion from the formal economy, perpetuating a cycle in which most refugee businesses remain small, precarious, and vulnerable to exploitation.

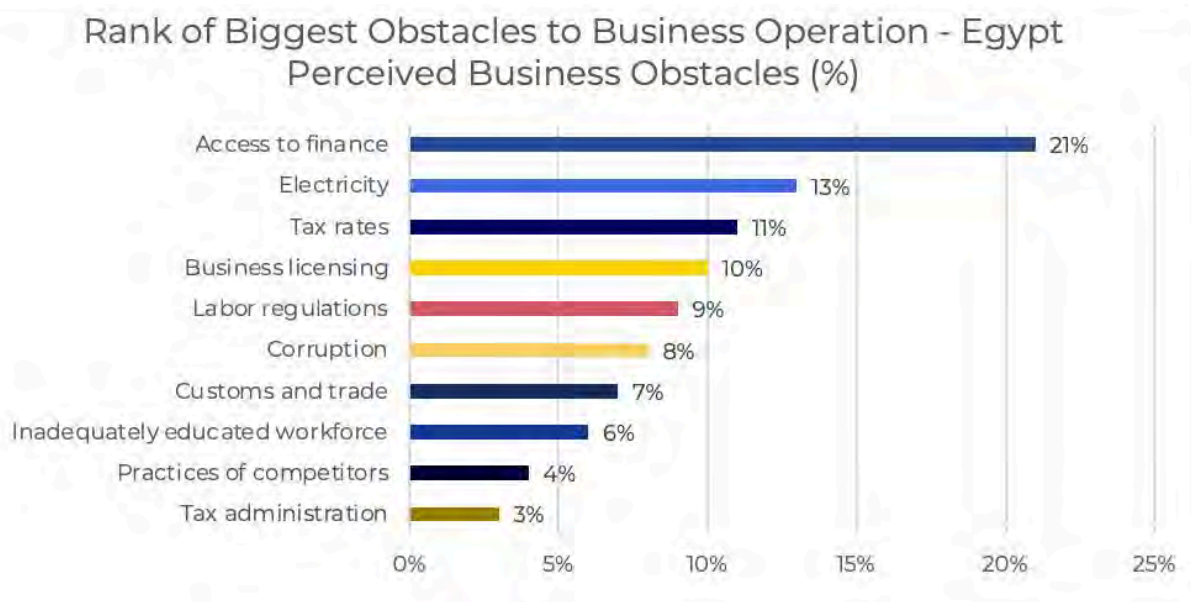
Individual-level barriers to refugee entrepreneurship stem from mismatches in human capital, limited local knowledge, and psychological trauma, all of which can hinder business start-up. After relocation, refugees' human capital—comprising their knowledge, skills, and capabilities—may not be recognized in the host country due to institutional and systemic differences between their home and host contexts (Harima et al. 2021). Even those with formal qualifications often face challenges because their diplomas are not accepted in Egypt, limiting their ability to gain work experience relevant to their entrepreneurial aspirations. This challenge is compounded by the fact that many refugees lose their certificates and other proof of credentials during flight (Ram et al. 2022). As a result, refugees are often relegated to low-paying, informal, or unstable jobs, which undermines their ability to accumulate savings for business start-up.

Language barriers further exacerbate these difficulties. Limited proficiency in Arabic—particularly Egyptian Arabic—restricts refugees' ability to secure business licences, understand regulatory processes, build professional networks, navigate local markets, and identify viable business opportunities (Abebe 2023). These challenges are not only technical but also psychological. The trauma of violent conflict, forced displacement, and dangerous migration journeys often diminishes refugees' confidence, motivation, and entrepreneurial aspirations (Abebe 2023). Among Sudanese refugees in Egypt, for instance, those arriving since the 2023–2025 conflict often rely on earlier Sudanese communities who migrated in the early 2000s for guidance and support in navigating these challenges. This generational continuity has eased their transition compared to refugees in countries where such established networks are absent.

At the meso level, barriers include limited social networks, restricted market opportunities, and discrimination. Ethnocultural networks—tight-knit communities based on shared ethnic identity—are essential for mobilizing informal financial resources, customer bases, and labour (Abebe 2023). In Egypt, such networks have been vital for Syrian migrants, who have successfully clustered in Cairo's 6th of October City, enabling them to pool resources and launch businesses, especially in the food and beverage sector (Hassan, 2021). Similarly, Sudanese communities in neighbourhoods like Faisal have leveraged co-ethnic networks to access affordable labour and shared business intelligence. These concentrations of migrants create "ethnic enclaves" that can foster entrepreneurship by providing protected markets and mutual support, although they can also limit broader market access (Abebe 2023).

Starting and sustaining a business in Egypt is shaped by systemic inefficiencies that affect all entrepreneurs, but they weigh most heavily on refugees and migrants who lack the institutional protections, social networks, and financial buffers available to nationals. Evidence from the World Bank's 2016 Enterprise Survey and subsequent studies shows that structural constraints vary across regions, sectors, and firm sizes, but they consistently hinder private sector development and discourage formalization (Giovanis and Ozdamar 2018; Martinez-Zarzoso et al. 2018). Firms in Upper Egypt, for example, are disproportionately affected by unreliable infrastructure, especially electricity and transport, while those in Greater Cairo highlight regulatory burdens, labor laws, and licensing barriers (ERF 2020). Smaller enterprises cite limited access to credit as a primary obstacle to growth, while larger firms point to complex taxation and bureaucracy. These barriers are compounded by widespread corruption, overlapping jurisdictions, and inefficient state services — a context that fuels Egypt's high rates of informality and limits upward mobility for most businesses.

Figure 7 Perceived Business Obstacles (%) in Egypt



Source: (The Economic Research Forum, 2020)

Based on the data presented in the graph, the biggest obstacles to business operation in Egypt in 2016 were overwhelmingly financial and infrastructural. Access to finance stood out as the most significant hurdle by a large margin, with 21% of firms identifying it as their biggest obstacle. This indicates that challenges related to capital, credit, and investment were the primary concern for businesses. The next two most cited obstacles, electricity (13%) and tax rates (11%), highlight the dual burden of high operational costs and a challenging fiscal environment. While other issues like business licensing, labor regulations, and corruption were also noted, they were perceived as much less severe, with all of them falling below a 10% response rate. In summary, the data reveals a clear hierarchy of business concerns, with financial and utility access being the dominant barriers.

For refugees and migrants, these systemic inefficiencies intersect with displacement-specific vulnerabilities to produce an even more challenging business environment. Syrian-owned restaurants provide a telling example. Syrians, among the most visible and economically active refugee groups in Egypt, have carved out a niche in the foodservice sector, yet their entrepreneurial journeys are fraught with hurdles. Securing reliable suppliers often involves a lengthy process of trial and error because of the absence of transparent information on dependable vendors, legal frameworks, or sources of technical support (ILO 2024). This inefficiency raises costs and delays growth. Similarly, the lack of communication between value chain actors — from supporting organizations to regulatory authorities — leaves business owners to navigate a fragmented ecosystem largely without institutional guidance.

The regulatory landscape is equally complex. Syrian restaurateurs must contend with as many as 15 different government agencies involved in inspections, a level of bureaucratic overlap that creates contradictory requirements, inconsistent enforcement, and high compliance costs (ILO 2024). This fragmented oversight discourages formalization, trapping most businesses — over 80% by some estimates — in the informal economy. While informality allows for flexibility and rapid entry into the market, it simultaneously denies entrepreneurs access to financial services, legal protections, and opportunities for scaling. Labor conditions further constrain the sector: high turnover, poor human resource practices, and lack of skilled workers plague foodservice businesses. For Syrians, these challenges are intensified by insecure legal status, as many workers lack valid permits or residency documents. This legal precarity not only fosters vulnerability to exploitation but also limits participation in formal employment, leaving entrepreneurship as one of the few viable livelihood strategies. Gender inequality further restricts participation, with women facing disproportionate barriers to entering and sustaining businesses.

While Syrians provide a clear case study, these challenges are not unique to them. Sudanese refugees, the largest displaced population in Egypt, face many of the same structural inefficiencies but often with fewer resources. Unlike many Syrians who arrived with moderate financial capital or transferable business experience, Sudanese arrivals — particularly those displaced by the most recent conflict — tend to settle in poorer urban districts where infrastructure is weak and markets are saturated with informal labor. Their businesses, often micro-scale retail stalls, food vendors, or service activities, are similarly constrained by lack of access to credit, insecure work permits, and fragmented regulatory oversight. Like Syrians, Sudanese entrepreneurs also rely heavily on community clustering — for example in Arba'een in Cairo or low-income neighborhoods in Giza — to pool resources, share information, and create localized consumer bases. However, because Sudanese households are often more financially marginalized, they face greater difficulty in scaling up from survival-oriented informal activities to more sustainable enterprises.

Taken together, these patterns illustrate how systemic inefficiencies in Egypt's business environment combine with refugee-specific legal and social vulnerabilities to produce overlapping barriers across refugee communities. For Syrians, this has meant creating vibrant but fragile restaurant clusters that enrich local economies but remain excluded from formal protections. For Sudanese and other African refugees, it has meant being locked into precarious informal livelihoods that provide survival but little upward mobility. Yet across groups, entrepreneurship remains one of the most significant pathways for refugees to achieve economic self-reliance and integration. By opening businesses, refugees are not only able to generate income for their families but also contribute to local economies, create jobs, and diversify Egypt's urban marketplaces. Syrian restaurants in 6th of October City and Sudanese street vendors in Giza both demonstrate how refugee enterprises serve Egyptian consumers, generate demand for local suppliers, and shape distinctive urban cultural landscapes.

The broader lesson is that while systemic inefficiencies hinder all firms in Egypt, they disproportionately affect displaced populations who cannot rely on state protections or established networks to offset these burdens. Addressing these inefficiencies — by streamlining regulations, expanding access to credit, strengthening communication between value chain actors, and improving legal protections for refugee labor — would not only improve the business climate for all entrepreneurs but would also unlock the economic potential of refugee-led enterprises. This, in turn, would transform refugee entrepreneurship from a fragile coping mechanism into a driver of durable economic integration, benefiting both refugee communities and Egypt's broader economy (ERF 2020; ILO 2024).

Unlike countries where refugees are first placed in isolated camps and later dispersed, Egypt allows refugees freedom of movement from the outset. Many settle directly in urban centres such as Cairo, where they can access UNHCR services—now processed through the SCRA—and join established migrant neighbourhoods. This settlement pattern encourages the formation of ethnocultural institutions —self-help structures grounded in co-ethnic solidarity, kinship, religion, and cultural ties—that facilitate access to business resources (Abebe 2023). However, while these institutions support entrepreneurship, internal diversity within groups can also create friction. Among Sudanese migrants, cultural differences between sub-groups have sometimes led to confusion, mistrust, and social isolation (Mahmoud 2011). This stands in contrast to the relatively homogenous Syrian community, whose shared cultural and linguistic background with Egyptians has smoothed integration and eased the process of launching businesses.

Despite these barriers, many refugees continue to show strong entrepreneurial drive (Abebe 2023). Even in resource-poor settings, such as Jordan's Zaatari camp—where refugees established over 3,000 informal businesses generating $13 million per month—entrepreneurship has thrived (The Economist 2018). This resilience is often referred to as the "paradox of refugee entrepreneurship" (Abebe 2023), where business activity emerges in spite of severe structural disadvantages. In Egypt, Syrian and Sudanese entrepreneurs exemplify this paradox: Syrians have leveraged food-sector opportunities by blending traditional recipes with Egyptian tastes, while Sudanese entrepreneurs have introduced niche services catering to both Sudanese and Egyptian customers.

In addition to ethnic solidarity, many refugee entrepreneurs in Egypt benefit from cross-border supply chains that allow them to import traditional foods, textiles, and artisanal goods from their home countries, creating distinctive offerings that appeal both to co-ethnic consumers and to a growing urban market interested in authentic products. Syrian entrepreneurs such as Abdullah Bashir, who opened Sweets of Damascus in Giza, have built thriving businesses around Syrian dessert-making—selling kunafa, maamoul, and semolina pastries prized for their authenticity by Egyptian customers (UNHCR 2023a). Similarly, Syrian women-led ventures such as El Set El Shalabeyya offer traditional dishes through catering operations that maintain high quality and cultural distinctiveness (ESCWA 2022).

Sudanese restaurateurs like Julie Samir, founder of Kush Children's Village, bring national dishes such as agashe (spicy peanut-rubbed skewers) and zigni served with injera to Cairo's food scene, while confectioners such as Qussay Biram of Jeeb Maak have adapted treats like luqaimat with cardamom-spiced milk tea, drawing strong interest from Egyptian customers (Zawya 2023; The New Arab 2023). Yemeni refugees, often operating from home, also market culturally unique goods including pastries, handmade jewelry, woven baskets, perfumes, and incense, frequently selling through informal or digital channels (Sana'a Center for Strategic Studies 2020). This growing niche is supported by urban consumer demand, particularly in areas such as "Little Damascus" in 6th of October City, where Syrian cafés and grocers attract both refugees and Egyptians seeking regional authenticity (Reddit 2020). Although formal institutional support remains limited, targeted interventions—such as UNHCR's entrepreneurship training and micro-grants, and social enterprises like Dawar Kitchen that provide facilities, training, and dignified work for refugee and Egyptian women—play an important role in enabling small-scale refugee-led businesses to emerge and survive in an otherwise restrictive environment (UNHCR 2023b; Top 50 Women 2024).

The entrepreneurial trajectories of migrant communities vary considerably depending on the dynamics within their ethnic clusters, which shape both the nature and type of business start-ups. Certain groups demonstrate stronger integration into host societies and higher levels of entrepreneurial activity than others, a difference often explained by factors such as cultural distance from the host community, the degree of co-ethnic solidarity, and varying levels of self-sufficiency. Educational attainment and labor market outcomes further condition their pathways to integration. Historical ties, cultural proximity, and linguistic competence play critical roles in enabling some groups to expand beyond insular ethnic markets and access mainstream consumer bases, rather than remaining confined within their own ethnic enclaves (Kabbani 2017). Within this framework, self-employment often emerges as a significant channel for social mobility, enabling individuals to move away from traditional ethnic sectors characterized by low margins and limited skill requirements. Over time, the disadvantages associated with particular ethnic identities can, under favorable circumstances, transform into competitive advantages, as subsequent generations acquire new skills, strengthen cultural fluency, and adapt more effectively to institutional environments. The core issue, therefore, is not merely the availability of resources, but rather how resources are coupled, allocated, and transformed into opportunities for value creation (Kabbani 2017). This process is particularly facilitated when language skills and competencies improve in tandem with supportive regulatory and institutional frameworks.

From a structural perspective, the "blocked mobility" hypothesis helps explain these patterns (Abebe 2023). Refugees often resort to self-employment as a way to circumvent unemployment or underemployment caused by systemic barriers such as non-recognition of credentials, discrimination, limited social networks, and lack of local market knowledge (Abebe 2023). Many Sudanese professionals, for example, have turned to small-scale trade or service provision after finding their formal qualifications undervalued in Egypt's labour market. Similarly, Syrian engineers and teachers have entered the restaurant or retail sector when unable to secure jobs in their trained professions. In both cases, entrepreneurship becomes a way to reclaim lost status, adapt to local economic realities, and rebuild livelihoods.

Ultimately, refugee and migrant entrepreneurship in Egypt is shaped by the interplay of individual skills and resilience, community-level support systems, and the structural conditions of the host country. While human capital mismatches, language barriers, and trauma present significant challenges, strong ethnocultural networks, freedom of movement, and urban settlement patterns have created openings for entrepreneurial activity among both Syrian and Sudanese communities. These dynamics underscore the need for policies that not only address structural barriers but also leverage the social capital and adaptive capacities that refugees already possess.

C. Sectoral and Geographic Patterns of Migrant Enterprises

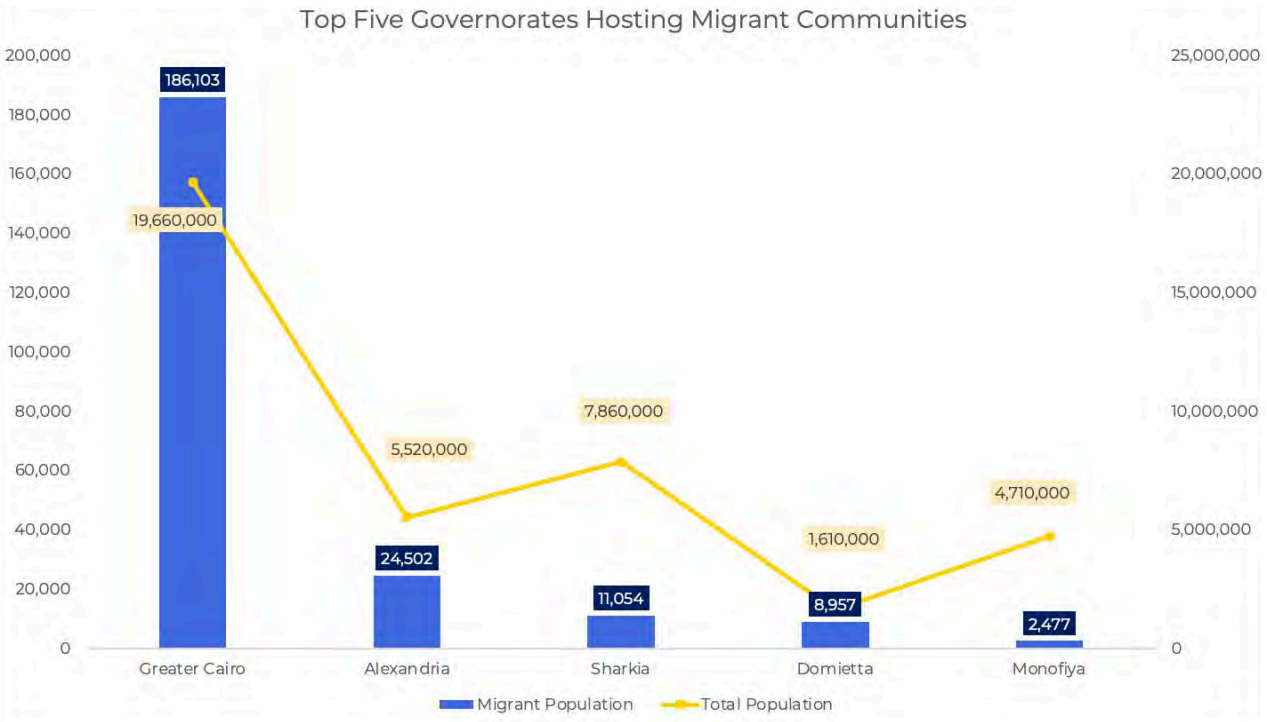
The geographic and sectoral distribution of refugee and migrant enterprises in Egypt reflects a combination of forced mobility, economic necessity, and the broader structural constraints of the Egyptian labor market. While Egypt has long been a country of origin for migrant labor, it has in recent decades also become a destination and transit country, particularly for migrants entering through the Sudanese border. This shift has resulted in dense concentrations of refugee communities across urban centers, shaping not only residential patterns but also the spatial distribution of refugee-led economic activity (European Commission 2022).

Geographic Patterns of Residence and Business Clustering

Refugees and asylum seekers in Egypt display a clear geographic concentration, with settlement patterns heavily skewed toward major urban centers. Greater Cairo alone accommodates more than half of the total refugee population, reflecting its status as the country's primary economic and administrative hub. According to IOM (2022), nearly 38 percent of all migrants reside in urban governorates, 28 percent are located in Lower Egypt, and 32 percent are spread across Upper Egypt, while frontier areas such as the Sinai Peninsula and the Red Sea host only a negligible share. This uneven distribution highlights the pull of metropolitan areas, where access to informal labor markets, educational institutions, and humanitarian services is most concentrated.

Such clustering is not only residential but also economic. Refugees frequently establish businesses and small enterprises in the same neighborhoods where they live, reinforcing community-based economic ecosystems. These localized hubs often overlap with existing low-income districts, intensifying competition for limited resources but also fostering vibrant micro-economies characterized by refugee-owned shops, food services, and informal trade. The graph below illustrates these dynamics, showing the extent to which refugee populations gravitate toward Cairo, Alexandria, and a handful of other governorates, while remaining sparse in peripheral regions. Together, these patterns demonstrate that Egypt's refugee presence is fundamentally urban in character, shaping both the spatial and economic fabric of its host communities.

Figure 8 Top Five Governorates Hosting Migrant Communities



Source: (IOM, 2022; statista, 2023).

The distribution of migrants across Egypt's main governorates highlights both concentration and proportional variation. Greater Cairo hosts the largest absolute number of migrants, exceeding 186,000 individuals, which reflects its role as the country's dominant urban hub and primary entry point for displaced populations. Yet, when considered relative to the total population, migrants make up less than 1 percent of Cairo's nearly 20 million residents, underscoring the scale of the host society compared to the displaced community. By contrast, Damietta shows a much higher proportional concentration—migrants account for over 0.5 percent of its 1.6 million residents—even though the absolute number of migrants is far smaller. Similarly, Sharkia and Monofiya display modest migrant numbers but proportionally significant shares when benchmarked against their total populations. Alexandria combines both dimensions: it registers the second-largest absolute migrant population while also having a relatively higher proportional share than Greater Cairo. This dual perspective demonstrates that while Cairo and Giza remain the gravitational centers of migrant settlement, smaller governorates like Damietta and Sharkia host migrants at densities that are comparatively more visible within their local populations.

The spatial distribution of migrants in Egypt, which broadly mirrors the geographic concentration of the country's total population, carries significant implications for both economic and social integration. By settling in the most populous and economically dynamic governorates, such as Greater Cairo and Alexandria, migrants gain proximity to employment opportunities, diverse consumer markets, and more developed infrastructure, all of which are critical for sustaining livelihoods. This alignment also reduces the risk of economic marginalization, as refugee and migrant entrepreneurs are able to establish businesses in areas where they can draw on two interconnected sources of demand: co-national communities who seek familiar goods and services, and Egyptian customers attracted to the diversity of products on offer. Socially, being embedded in large urban centers facilitates daily interactions with Egyptian society, enabling cross-cultural exchange, access to educational institutions, and the building of hybrid social networks that strengthen long-term integration. At the same time, settlement in smaller governorates such as Damietta or Sharkia creates a different set of opportunities: while these areas may lack the scale of markets and infrastructure found in Cairo, they often provide less saturated commercial environments and closer community ties, which can translate into niche business opportunities and stronger solidarity among co-nationals. In this way, the correspondence between migrant settlement and Egypt's wider demographic geography not only enhances the viability of migrant entrepreneurship but also fosters more sustainable pathways to economic and social inclusion.

Yet, opening and sustaining businesses outside of Greater Cairo presents an additional layer of difficulties for both nationals and refugees. While the capital and its peripheries provide larger consumer markets, denser migrant communities, and stronger access to suppliers, governorates beyond Cairo are often marked by infrastructural deficits and weaker institutional support. The World Bank's Enterprise Survey and regional analyses reveal that firms in Upper Egypt, for instance, struggle disproportionately with electricity outages, unreliable transport networks, and limited access to banking services. These conditions make day-to-day operations more costly and unpredictable, discouraging both investment and business formalization (ERF 2020). Refugees and migrants—already constrained by limited capital, insecure legal status, and reliance on informal networks—are particularly disadvantaged in these contexts, where personal connections often become the only channels for accessing supplies, customers, and labor. The spatial concentration of support services in Cairo further compounds these challenges: business development services, legal aid, and NGO programs tailored to refugees are overwhelmingly located in Greater Cairo or Alexandria, leaving entrepreneurs in secondary cities and rural governorates without meaningful institutional support. For Syrians in governorates such as Damietta or for Sudanese migrants in Upper Egypt, the absence of coordinated government support, weak communication with suppliers, and overlapping inspection requirements replicate the difficulties seen in Cairo but with fewer coping mechanisms and opportunities for resilience. These regions also have smaller, less diverse consumer bases, which limits growth potential and heightens competition among small-scale enterprises. As a result, refugee and migrant businesses outside of Greater Cairo often remain locked in survival-oriented activities, unable to scale or move toward formalization. This uneven geography of opportunity reinforces Cairo's dominance as the main hub for refugee and migrant entrepreneurship while leaving peripheral regions economically less inclusive and under-integrated.

The remaining refugee and migrant populations are distributed across a wide range of governorates, including Qalyubiya, Ismailia, Port Said, Suez, Sharqiya, Gharbiya, Matruh, Minya, Qena, Sohag, and Assiut. Coastal and touristic areas such as the Red Sea Governorate (Hurghada and Sharm El-Sheikh), as well as the Sinai Peninsula—particularly Dahab—also host small but visible communities (IOM, 2022). Additionally, southern governorates like Luxor and Aswan accommodate limited numbers, reflecting the geographic dispersal of migrants outside major metropolitan zones. Although recently since April 2023, there are a growing number of Sudanese migrants that are residing in Aswan. Aswan is considered one of the most frequented entry points to Egypt from Sudan, and several Sudanese nationals opt to remain in Aswan. Although the majority continue to Cairo in order to finalize the residence and refugee status. While most migrants move to approximately the same governorates, they still establish their own distinct communities.

Palestinian communities in Egypt are primarily concentrated in the capital and in the northern governorates, with notable populations in Ismailia, Al-Sharqiya, Al-Arish, Port Said, and Rafah. Their presence in these areas reflects both geographic proximity to Palestine and historical waves of displacement tied to successive conflicts in the region (IOM, 2022). These communities often integrate into existing urban neighborhoods while maintaining strong transnational ties, making them one of the more established refugee groups in Egypt. Eritrean, Yemeni, and Ethiopian groups, though smaller in scale, are similarly drawn to urban governorates where humanitarian services and job opportunities are most accessible.

Somali migrants, by contrast, are largely concentrated in Cairo, particularly in low-income districts such as Ard al-Liwa and Nasr City. Many live in overcrowded apartments shared with other Somalis, forming dense social enclaves that function as both support networks and survival strategies in the absence of strong institutional protection (IOM, 2022). The Somali presence in Egypt grew significantly after the collapse of the Somali state and the eruption of civil war in 1991, which triggered successive waves of forced migration (IOM, 2022). While the majority of early arrivals came directly from Somalia, others relocated from Gulf countries to reunite with family members who had either fled Somalia or were already settled in Cairo.

Syrian communities in Egypt have developed strong concentrations in Greater Cairo, Alexandria, and Damietta, with 6th of October City emerging as the most prominent hub (UNHCR, 2018). Syrians are among the largest and oldest refugee groups in Egypt, arriving in successive waves since the onset of the Syrian conflict in 2011, and their longer settlement period has allowed them to establish durable social and economic enclaves. In 6th of October City, the clustering is both demographic and economic, giving rise to what is often referred to informally as “Little Damascus.” This enclave is characterized by a dense presence of Syrian-owned restaurants, cafés, grocery stores, and small enterprises that provide a wide range of goods and services—from food and confectionery to household items and spices—catering not only to the Syrian community but also to Egyptian customers (Hassan 2017). The prevalence of the Syrian dialect, along with the widespread availability of Syrian products, has shaped the area into a recognizable urban enclave where cultural practices are preserved while integration into Egypt’s wider urban economy also takes place.

Sudanese migrants, now the largest foreign community in Egypt, are dispersed nationwide but remain most heavily concentrated in Cairo and Giza, where established social networks, livelihood opportunities, and access to humanitarian support have facilitated their integration. Similar to Syrians, Sudanese populations are increasingly forming distinct community pockets within Egyptian cities, with Cairo hosting the most visible concentration. Data indicates that Giza has absorbed the highest number of recent arrivals, followed by Cairo, Alexandria, Sharkia, and Aswan—reflecting broader patterns documented by humanitarian agencies, which show that the vast majority of refugees and asylum seekers in Egypt reside in urban centers, particularly Greater Cairo, Alexandria, and Sharkia (UNHCR, 2025). The prominence of Giza and Cairo is linked not only to their role as long-standing settlement hubs but also to their relative accessibility to informal housing, livelihood opportunities, and humanitarian services.

In neighborhoods such as Faysal, clusters of Sudanese-owned enterprises cater primarily to co-nationals, with many businesses operating as small, family-run shops that supply culturally specific goods including spices, oils, cosmetics, food items, household products, and incense (bakhour) (Abuswar and Bassi 2025). Beyond these metropolitan cores, Alexandria continues to attract displaced populations due to its economic significance and infrastructure, Sharkia has become a lower-cost peri-urban option for new arrivals, and Aswan, though less prominent in national accounts, is noted by UNICEF as a critical entry and settlement point for refugees arriving through Egypt's southern borders at Arqeen and Qustul (UNICEF 2024). These dynamics underscore how Sudanese refugees, like other nationalities, are most densely clustered in metropolitan regions where informal work, community networks, and humanitarian assistance converge, while the more scattered distribution in secondary governorates highlights both the diffusion of displacement and the uneven access to essential services outside major hubs. Within Cairo and Giza, Sudanese households and businesses often form semi-recognized "Sudanese quarters" that function as economic and cultural enclaves. These enclaves provide proximity to co-nationals, generate a reliable customer base for Sudanese-run enterprises, and enable mutual support systems that help mitigate poverty and exclusion, including for "closed-file" and rejected asylum seekers who rely heavily on the informal economy for survival (ILO 2024). At the same time, this reliance on spatial clustering carries long-term risks, as the saturation of similar businesses can intensify competition and limit profitability, while reinforcing segregation from wider Egyptian society and constraining opportunities for broader cross-community interaction.

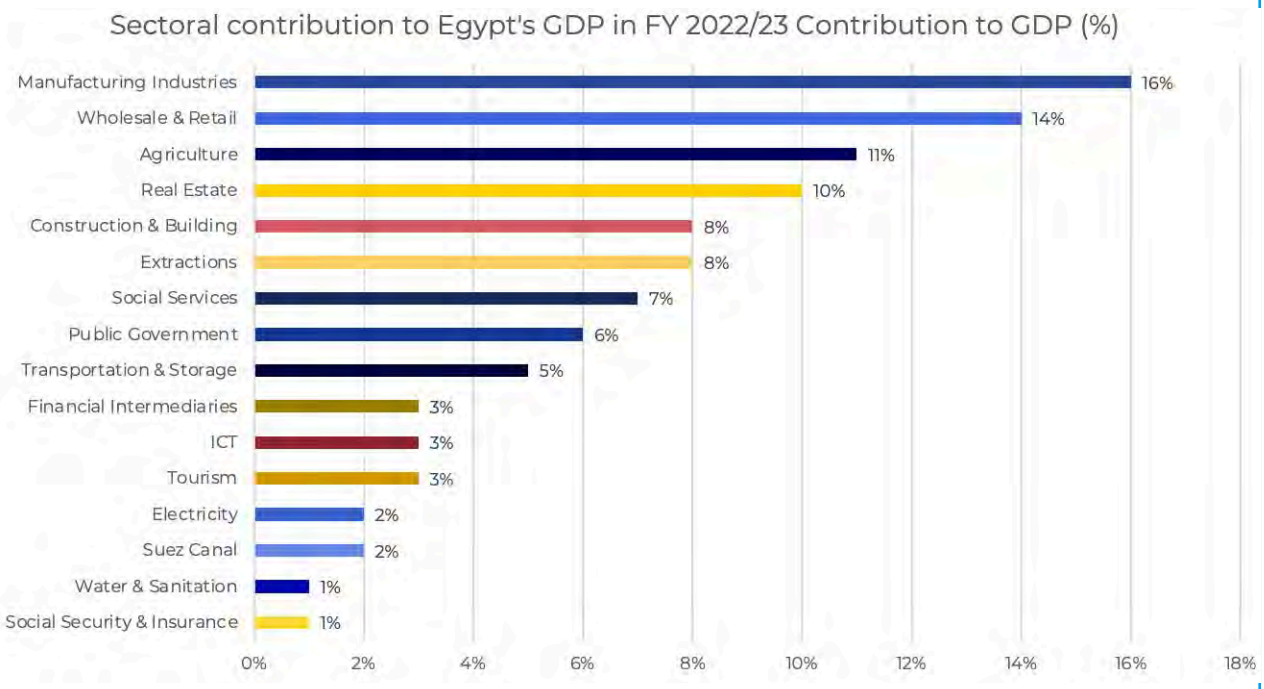
Unlike Sudanese clustering, which is more concentrated in low-income neighborhoods, Syrians often have slightly higher levels of financial capital and prior business experience, enabling them to establish enterprises in more diverse districts and to attract a broader Egyptian customer base, including segments of the middle class (ILO 2024). This relative economic positioning allows Syrians to build communities that are both socially cohesive and commercially vibrant, reinforcing their visibility in metropolitan spaces such as Cairo and Alexandria while simultaneously contributing to local economies. These settlement and business patterns highlight the ways in which nationality, socioeconomic status, and migration histories shape distinct trajectories of urban integration among refugees in Egypt

Refugees in Egypt demonstrate a strong tendency to remain in their initial governorate of settlement, with mobility between governorates proving limited. This relative immobility underscores the extent to which residence decisions are anchored in immediate livelihood opportunities and community networks rather than long-term strategic relocation. Employment emerges as the most decisive factor, with the majority of refugees either settling where they had already secured a job or where they perceived reasonable prospects of finding one. At the same time, social considerations play a significant role: a substantial share reported choosing their place of residence due to proximity to family members or co-nationals, while others noted the need to remain in specific locations to fulfill obligations toward relatives. Taken together, these patterns suggest that refugee settlement in Egypt is shaped by a dual logic of economic necessity and communal solidarity, producing a geography of residence that reinforces clustering in areas where both labor demand and support networks converge.

Sectoral Patterns of Refugee and Migrant-Led Enterprises

Understanding the sectoral composition of Egypt's GDP provides critical insight into the opportunities and constraints that shape refugee and migrant integration into the national economy. Refugee enterprises and labor activity are not distributed randomly but instead cluster in specific industries that offer relatively low entry barriers, require limited start-up capital, and provide immediate avenues for subsistence income. These include food services, retail trade, construction, and informal micro-enterprises, all of which allow displaced populations to quickly mobilize skills and networks while minimizing regulatory hurdles. At the same time, these sectors often overlap with consumer demand from both Egyptian host communities and migrant or refugee diaspora markets, creating niches that sustain livelihoods even in conditions of informality and precarity.

Figure 9: Sectoral contribution to Egypt's GDP in FY 2022/23 Contribution to GDP (%)



Source; (GAFI 2022).

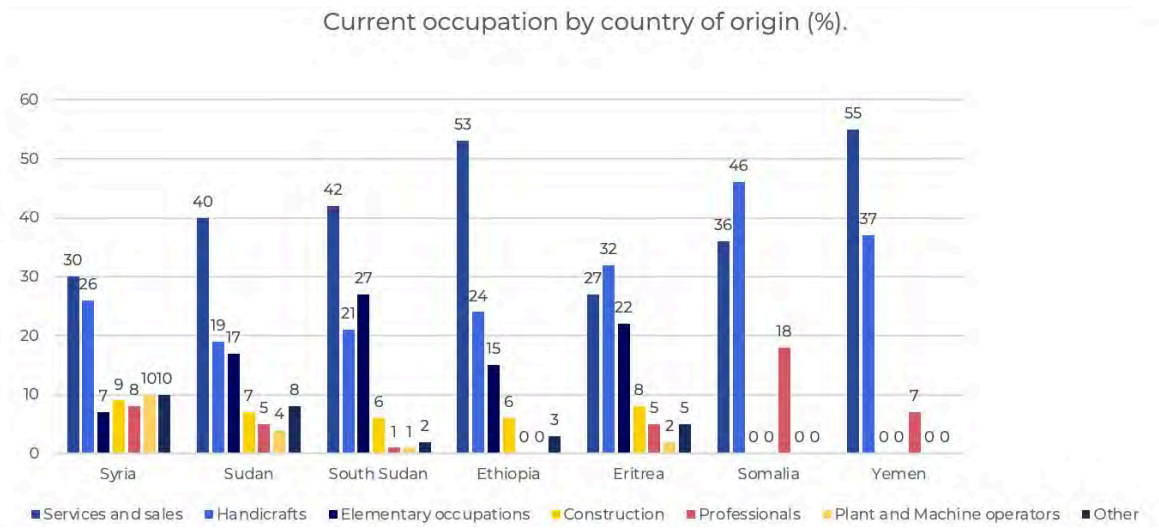
The sectoral breakdown of Egypt's GDP in FY 2022/23 underscores the structural opportunities and constraints shaping the economic integration of refugees and migrants. Manufacturing and wholesale and retail trade—together contributing 30 percent of GDP—represent the most significant entry points for refugee and migrant entrepreneurs, particularly given their dominance in small-scale food processing, restaurants, and retail businesses. Agriculture, which accounts for 11 percent of GDP, is also relevant for migrant labor participation, especially in rural areas where Sudanese and other African migrants often contribute as seasonal or informal workers. By contrast, high-capital sectors such as real estate (10 percent) or extractives (8 percent) remain largely inaccessible to refugees due to financial and regulatory barriers.

According to Egypt's sustainable development plan, priority sectors of interest are those with a strong social dimension, high productivity, and rapid growth potential. This focus creates a natural alignment with areas where refugees and migrants are already active, such as food services, trade, and small-scale manufacturing. At the same time, growth in emerging sectors such as tourism (3 percent), ICT (3 percent), and transportation and storage (5 percent) highlights additional pathways for refugee economic participation if supported through skills training, digital inclusion, and access to finance.

A comparative look shows that refugee and migrant businesses are already concentrated in many of the same sectors driving Egypt's GDP, particularly wholesale and retail, food services, and light manufacturing. This overlap demonstrates both the economic relevance of refugee entrepreneurship and its potential contribution to national development priorities. However, realizing this potential requires policies that reduce informality, strengthen access to capital, and expand support services beyond Cairo and Alexandria. By strategically channeling refugee and migrant business activity into Egypt's priority growth sectors, integration can become both more inclusive and more closely tied to the country's long-term development trajectory.

Beyond these primary sectors, the economic integration of refugees and migrants offers a significant, multi-pathway contribution to Egypt's economy. Their entrepreneurial activities are a notable force within sectors such as Wholesale & Retail (14%) and Social Services (7%), where they often establish small businesses that serve both their communities and the wider population. Furthermore, migrants and refugees find valuable pathways for economic integration through their labor and skills in other key sectors. For example, they contribute significantly to Construction & Building (8%), Agriculture (11%), and even Tourism (3%), where their diverse skill sets support growth and employment. This multi-sectoral engagement showcases how the economic contributions of migrants and refugees extend beyond traditional small business models, actively supporting and diversifying a wide array of sectors across the national economy.

Figure 10: Current occupation by country of origin (%).



Source: (ILO, 2023).

The occupational distribution of refugees and migrants in Egypt varies significantly by country of origin, reflecting both structural barriers to entry and community-specific economic strategies. Syrians are the most diversified group, with notable representation across services and sales (30%), handicrafts (26%), and smaller shares in construction, professional work, and machine operations. This diversity aligns with Egypt's growing wholesale, retail, and services sectors, which together contribute nearly one-fifth of GDP, and highlights Syrians' stronger entrepreneurial footprint in consumer-facing markets such as food services and retail. Sudanese and South Sudanese refugees, by contrast, are more concentrated in elementary occupations (17% and 27%, respectively) and construction (7% and 6%), positioning them within sectors that contribute substantially to GDP—such as construction (8%)—but which remain low-wage, insecure, and largely informal. Ethiopians and Eritreans demonstrate a similar profile, with heavy reliance on services and handicrafts but very limited access to professional or skilled employment, underscoring persistent barriers related to documentation, recognition of qualifications, and discrimination. Somalis and Yemenis appear even more concentrated, with Somalis heavily involved in handicrafts (46%) and services (36%), and Yemenis clustered almost entirely in services (55%) and handicrafts (37%).

These patterns reveal a dual reality. On one hand, refugee and migrant contributions are clearly embedded in Egypt's economic structure, especially in wholesale and retail, construction, and services—sectors that are both fast-growing and identified in the Sustainable Development Plan as socially significant and high-priority. On the other hand, the exclusion of refugees from agriculture (11% of GDP), manufacturing (16%), and formal professional services limits their ability to participate in Egypt's most productive and scalable economic sectors. The overrepresentation of refugees in informal, low-barrier occupations such as services, handicrafts, and elementary labor highlights both resilience and vulnerability: while these activities provide immediate income and some integration into urban markets, they also lack the scalability, security, and productivity that would allow refugees to fully align with Egypt's long-term development trajectory. Strengthening pathways into priority growth sectors—through skills training, legal reforms, and access to finance—could therefore transform refugee economic activity from subsistence-focused survival strategies into engines of inclusive development that reinforce Egypt's broader economic goals.

The occupational distribution across refugee groups not only reflects immediate survival strategies in Egypt's labor market but also lays the groundwork for patterns of business formation and entrepreneurship. Employment in services, retail, and handicrafts often provides both the skills base and the consumer networks from which small enterprises emerge, while concentration in construction and elementary occupations limits opportunities for entrepreneurship and reinforces dependency on wage labor. Syrians, for example, leverage their strong presence in services and sales to establish food and hospitality businesses that attract both Egyptian and diaspora clientele, whereas Sudanese and South Sudanese, more concentrated in construction and elementary work, tend to rely on micro-retail outlets and solidarity-based community markets. These dynamics show how occupational niches influence entrepreneurial pathways, shaping both the scale and nature of refugee and migrant contributions to Egypt's urban economies.

Refugee and migrant enterprises in Egypt largely concentrate in low-barrier, informal sectors that require minimal start-up capital, can operate with little to no licensing, and draw upon basic skills transferable across borders. The most common activities include food services, retail trade, handicrafts, domestic work, and small-scale personal services such as tailoring, hairdressing, or barbershops (ILO 2024; 3RP 2023). These sectors provide displaced populations with immediate opportunities for income generation, making them particularly attractive for communities facing uncertain legal status and restricted mobility. At the same time, these activities are marked by informality, insecurity, and low wages, with limited potential for scalability or long-term sustainability. In this sense, refugee economic integration in Egypt is shaped less by strategic participation in high-growth industries and more by necessity-driven survival entrepreneurship.

The experience of Syrian refugees provides a clear illustration of this dynamic. Following the outbreak of the Syrian conflict, thousands of Syrian entrepreneurs settled in Egypt and began establishing small and medium-sized businesses, particularly in the food and hospitality sector. Syrian restaurants, bakeries, and catering services have become a visible feature of urban life in Cairo, Alexandria, and Damietta, where they cater both to Syrian diaspora communities and to Egyptian consumers. The popularity of Syrian cuisine has been underpinned by its competitive advantages in taste, quality, and variety, allowing Syrian-owned enterprises to carve out a distinct market niche (IOM 2022). Beyond economic survival, these businesses have also played an integrative role, fostering social interaction between Syrian and Egyptian communities and contributing to Egypt's culinary diversity. Yet, despite their visibility and success in carving consumer demand, the majority of these enterprises remain informal—over 80 percent of food service businesses in Egypt as a whole operate outside the formal sector (ILO 2024). For Syrians, this means that vulnerabilities persist, including exposure to exploitation, limited access to credit and business development services, and lack of legal protections. Moreover, barriers such as difficulties in obtaining work permits, insecure residency status, and gender inequality in workforce participation restrict the extent to which Syrian entrepreneurship can translate into stable, long-term economic integration.

By contrast, Sudanese participation in Egypt's economy has followed a different trajectory, shaped by both historical migration patterns and socioeconomic constraints. While Sudanese entrepreneurs are also present in food services—through tea stalls, small eateries, or street vending—their economic activity is much more heavily concentrated in construction, domestic labor, and micro-retail outlets (3RP 2023). Construction, in particular, has become a dominant source of income for Sudanese and South Sudanese men due to the sector's demand for low-skilled, physically intensive labor and its minimal entry barriers. Sudanese-owned retail outlets and markets further sustain diaspora communities by providing culturally specific products such as spices, oils, cosmetics, food items, household goods, and incense (bakhour), as well as services such as hairdressing and beauty care (Abuswar and Bassi 2025). These enterprises are typically family-run, employing only a few individuals, and almost universally operate outside the formal tax system. As such, they remain embedded within Egypt's wider informal economy, sustaining livelihoods but offering little scope for upward mobility. Unlike Syrians, whose businesses have increasingly managed to tap into wider Egyptian consumer markets, Sudanese enterprises remain more inward-facing, serving co-national clientele and diaspora networks. This inward-facing orientation reflects both systemic exclusion from wider consumer markets and a resilience strategy of cultural preservation, which paradoxically fosters both survival and segregation. This reflects both structural inequalities—such as lower access to capital and credit—and social barriers, including persistent racial discrimination, which limit broader market integration (Migrants and Refugees Section 2022).

Cross-national differences in sectoral participation further underscore how refugee and migrant integration is conditioned by both opportunity structures in Egypt and the resources migrants bring with them. Syrians and Eritreans are more likely to enter manufacturing and handicrafts, leveraging artisanal skills and modest investment to sustain micro-enterprises. Ethiopians and Sudanese, by contrast, are overrepresented in construction and other low-wage manual labor sectors (3RP 2023). This mismatch highlights the structural barriers preventing refugee entry into rural economies, such as restrictive labor laws, the land tenure system, and limited settlement opportunities outside major urban centers. Consequently, refugee economic activity remains overwhelmingly urban and informal, with little penetration into high-growth or formalized industries.

Taken together, these patterns illustrate both the resilience and the vulnerabilities of refugee and migrant entrepreneurship in Egypt. Syrians demonstrate how refugee businesses can contribute visibly to local economies, create new consumer demand, and build cultural bridges, while Sudanese participation underscores the ways in which socioeconomic and racial hierarchies constrain integration, locking many into survival-oriented activities within the informal economy. Across nationalities, the concentration of refugee work in low-barrier, insecure sectors reflects broader structural exclusions, pointing to the need for policies that expand access to formal employment, finance, and business development services if refugee economic contributions are to be fully harnessed for Egypt's long-term development.

When compared with Egypt's broader sectoral GDP composition, these trends reveal both areas of alignment and areas of exclusion. Refugees are most concentrated in retail, food services, construction, and domestic work—sectors that collectively account for a sizable share of Egypt's economy but are predominantly informal and low value-added. In contrast, refugees remain largely absent from high-productivity and priority sectors identified in Egypt's sustainable development plan, such as manufacturing industries, ICT, financial services, and agriculture. This creates a structural disconnect: while refugees support consumer demand and employment generation in everyday service sectors, they are underrepresented in the very industries that drive long-term national growth. Bridging this gap requires deliberate policies to reduce entry barriers, extend vocational training, and create legal pathways into high-growth sectors, ensuring that refugee contributions are not confined to the margins of Egypt's economy but aligned with its development trajectory.

The sectoral and spatial clustering of refugee enterprises in Egypt is a double-edged sword. On one hand, it fosters resilience by enabling mutual support, reducing risks, and creating cultural continuity. Syrian restaurants, Sudanese quarters, and migrant-run retail outlets all demonstrate how refugees carve out niches in hostile environments. On the other hand, these patterns also create structural vulnerabilities. Intense competition in oversaturated markets limits profitability, geographic clustering reinforces segregation from the host community, and dependence on the informal economy perpetuates insecurity and exploitation. Moreover, vulnerability assessments consistently show that the majority of refugees—eight out of ten according to UNHCR—are unable to meet their basic needs, a situation worsened by COVID-19-related economic disruptions (Migrants and Refugees Section 2022).

Addressing these challenges requires targeted interventions that both leverage the strengths of clustering and mitigate its limitations. Initiatives supported by international organizations, such as EU-funded programs aimed at strengthening protection and resilience, emphasize the importance of providing refugees with access to broader markets, promoting diversification into new sectors, and supporting entrepreneurship through training, credit, and legal facilitation (European Commission 2022). Policies that enhance cross-community linkages, reduce barriers to formalization, and protect labor rights are crucial to transforming refugee economic activity from a survival strategy into a pathway for sustainable integration.

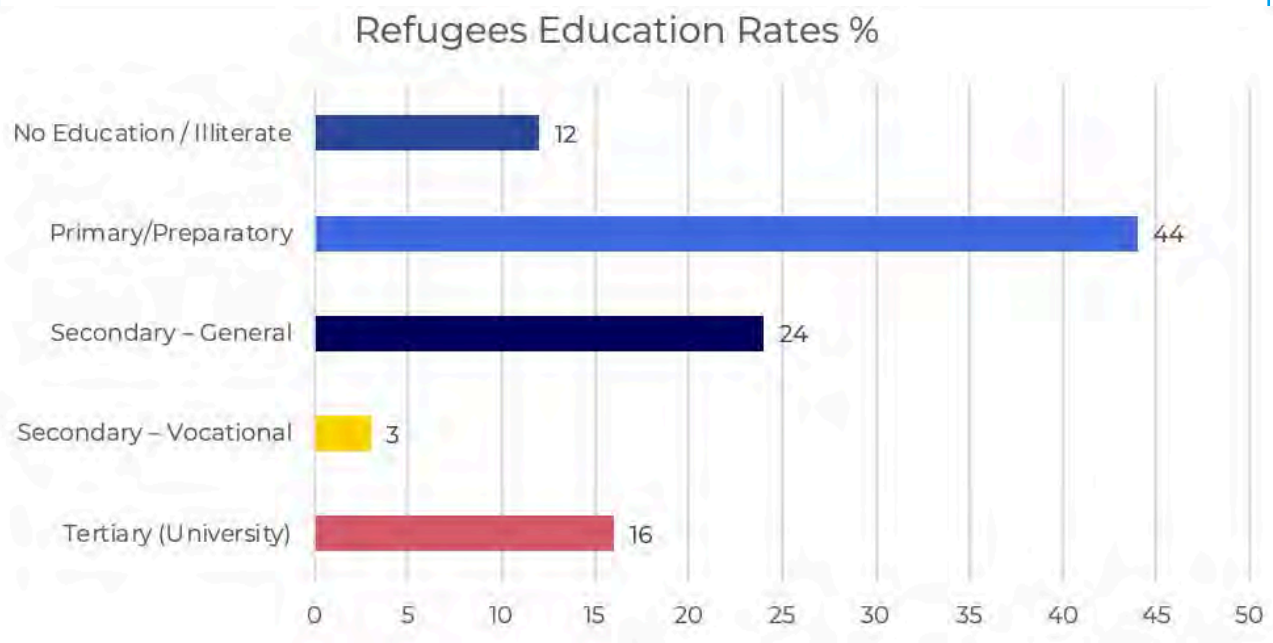
Theme 2 – Transferable Skills, Circular Mobility, and Post-Conflict Economic Reintegration

The intersection of education, skills, and mobility sits at the core of refugee integration in Egypt, yet it also reveals one of the deepest structural fractures in the country's displacement landscape. Refugees and migrants arrive with a broad spectrum of human capital—ranging from illiterate rural workers to highly trained professionals—but their ability to translate these assets into meaningful opportunities is systematically constrained. Educational attainment, while uneven across nationalities, rarely translates into formal labor market access; qualifications remain unrecognized, higher learning is difficult to pursue, and occupational downgrading is the norm. These dynamics not only trap many in cycles of informality and marginalization, but also erode the very resources—skills, credentials, and professional experience—that could serve both Egypt's economic development and refugees' eventual return and reintegration into post-conflict societies. Seen in this light, the question of education and skill recognition is not simply one of service provision, but a structural determinant of social cohesion, economic value creation, and the capacity of displacement to evolve into circular mobility rather than long-term precarity.

A. Skill recognition in Egypt and Further Education

Egypt has long been both a host and a transit country for migrants and refugees, with Sudanese and Syrians representing the largest groups. Their experiences in education, skills recognition, and skills acquisition significantly shape their economic integration, entrepreneurial potential, and their ability to transfer competencies back to their home countries during post-conflict reconstruction. Yet, their trajectories in Egypt reveal profound structural constraints. Refugees enter Egypt with diverse educational backgrounds and skill sets, but face systemic barriers to recognition, limited opportunities for further learning, and an overwhelming reliance on informal employment. These factors produce cycles of occupational downgrading and precarious livelihoods, with long-term consequences for both Egypt's economy and the future recovery of refugees' home states.

Figure 11 Refugees Education Rates (%)



Source: (ILO and UNHCR, 2023).

Educational attainment among refugees and migrants in Egypt reveals deep disparities that strongly shape their pathways of integration. A comprehensive socio-economic survey of more than 2,600 refugees and asylum seekers shows that 12 percent of this population have never attended school, 44 percent completed only primary or preparatory education, 24 percent reached secondary education, 3 percent hold vocational qualifications, and just 16 percent possess tertiary degrees (ILO and UNHCR 2023). These figures highlight both structural inequalities and lost opportunities, as large proportions of the refugee population remain clustered at the lower end of the educational spectrum. Gender-based differences are present but not overwhelming, with 15 percent of men and 13 percent of women reporting university degrees, suggesting that the displacement context has produced a relatively even distribution of access, though both sexes remain disadvantaged compared to host communities (ILO and UNHCR, 2023).

Nationality, however, is a far stronger determinant of educational background. Yemeni refugees stand out with the highest levels of attainment, as 69 percent of them hold university degrees, while Somalis and Ethiopians are at the opposite extreme, with nearly two-thirds reporting no formal schooling (ILO and UNHCR, 2023). Syrians and Sudanese fall between these extremes but exhibit very different patterns. Syrian refugees, who make up almost half of Egypt's refugee population, generally have higher secondary and tertiary completion rates, reflecting both the comparatively stronger pre-war Syrian education system and the middle-class profile of many who fled after 2011 (UNHCR 2023). Sudanese refugees, by contrast, are far more polarized. Some are highly educated professionals, often urban elites who were displaced by political instability, while others come from rural or conflict-affected backgrounds where education was disrupted or inaccessible, leaving them with very low or no formal schooling (Tufts University 2012).

These statistics illustrate that while refugees bring a broad spectrum of human capital to Egypt, systemic barriers prevent this diversity from being translated into social and economic integration. High levels of illiteracy among certain groups limit the ability to enter even low-skilled employment, while higher education among Syrians or Sudanese professionals often goes unrecognized, producing downward mobility. Education is thus not only a matter of individual attainment but also of institutional recognition, and its absence or lack of validation shapes refugees' ability to participate in Egyptian society.

The failure to recognize pre-existing qualifications and professional expertise is one of the most damaging obstacles to refugees' economic integration in Egypt. Many Sudanese and Syrian refugees arrive with substantial professional experience: doctors, teachers, engineers, and business owners who once occupied stable and respected positions in their home countries. However, the reality of exile in Egypt is defined by occupational downgrading, where these skilled individuals are forced into precarious and low-wage labor. Quantitative data captures this decline starkly: 26 percent of refugees reported having high-skilled jobs in their countries of origin, compared with only 12 percent in Egypt, while the share working in professional roles dropped from 17 percent before displacement to just 6 percent after resettlement (ILO and UNHCR, 2023).

This systematic erosion of professional opportunity arises from multiple factors. First, there is the absence of mechanisms for credential recognition. Foreign degrees and certifications are rarely validated by Egyptian institutions, leaving refugee professionals unable to legally practice in their fields. Second, labor policies and work permit regulations pose formidable hurdles. Permits are costly, tied to employer sponsorship, and require proof that an Egyptian cannot perform the job—a nearly impossible condition to satisfy (Tufts University 2012). While the Four Freedoms Agreement between Sudan and Egypt theoretically facilitates greater labor mobility, in practice bureaucratic inefficiencies and discrimination prevent Sudanese professionals from accessing meaningful employment. Syrians face even tighter restrictions, often finding themselves locked out of formal labor altogether.

The impact of this occupational downgrading is not limited to economic deprivation. At a social level, refugees experience a loss of identity, status, and dignity when their professional roles are stripped away. Doctors working as taxi drivers or engineers working as manual laborers embody not only wasted skills but also a missed opportunity for Egyptian society to benefit from their expertise. On a macroeconomic scale, this represents a net loss of human capital, as trained professionals who could contribute to sectors under strain in Egypt—such as healthcare or education—are excluded from contributing productively. Moreover, the frustration and disillusionment stemming from this exclusion can erode trust between refugees and host institutions, undermining social cohesion. The crisis of skill recognition is therefore not merely a technical problem but one that cuts to the heart of integration, opportunity, and belonging.

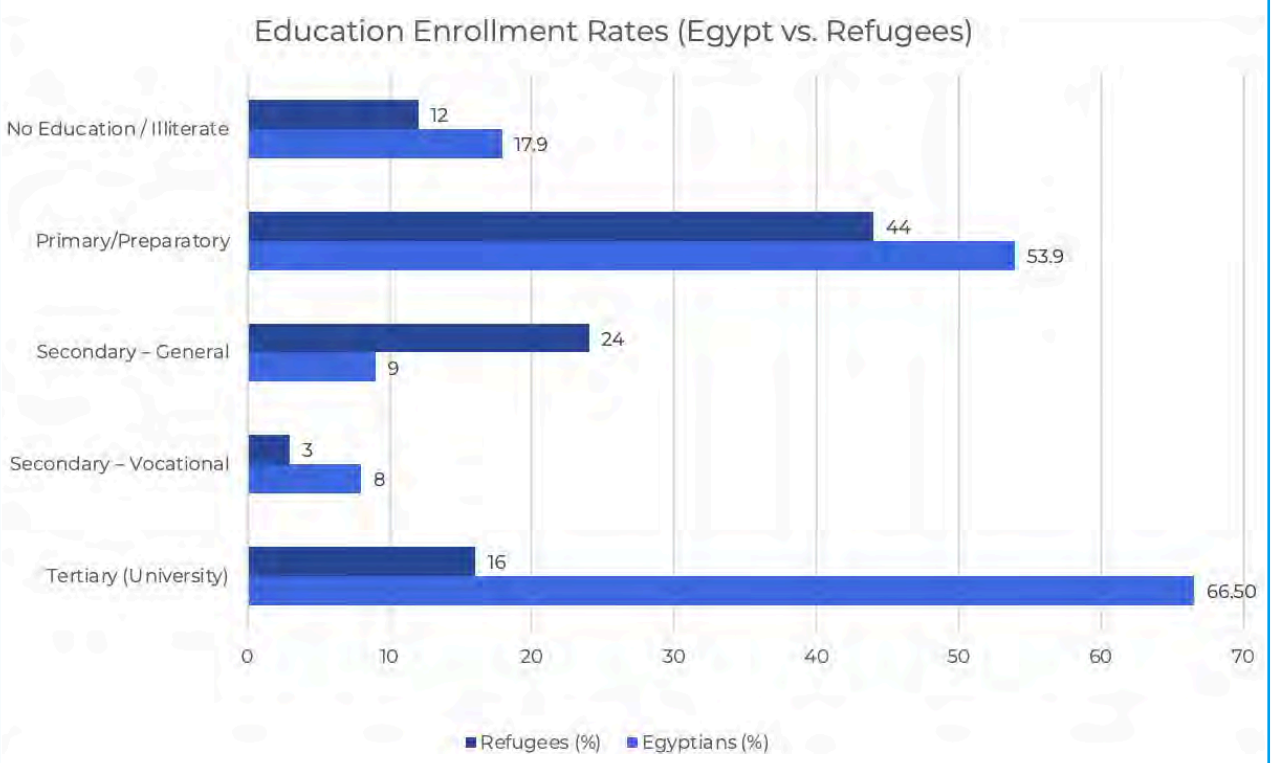
As a result of blocked access to formal employment and the downgrading of their qualifications, the overwhelming majority of refugees are pushed into the informal labor market. Only 1.3 percent of refugees in Egypt report having a formal contract or social security coverage, leaving nearly the entire refugee workforce dependent on unregulated, unstable jobs (ILO and UNHCR, 2023). Informal employment exposes refugees to multiple vulnerabilities, including wage exploitation, sudden dismissal, hazardous working conditions, and the absence of legal recourse. These precarious circumstances prevent refugees from achieving economic stability, further excluding them from broader social integration, since steady work is closely linked to housing security, healthcare access, and educational opportunities for children.

Gender adds another layer of complexity to this precarious labor dynamic. Refugee women face steeper barriers to employment due to cultural expectations, care responsibilities, and gendered discrimination in the labor market. Employment rates stand at just 26 percent for refugee women, compared to 55 percent for men, underscoring the systemic nature of gender inequality (ILO and UNHCR, 2023). Nevertheless, nationality again shapes outcomes. Sudanese women demonstrate relatively higher participation at 38 percent, a figure significantly higher than their Syrian peers, possibly reflecting both greater economic necessity and cultural familiarity with Egyptian society. Yet this employment remains overwhelmingly informal, concentrated in domestic work, cleaning, caregiving, or low-paid service jobs. For both men and women, the structural exclusion from formal employment fosters cycles of economic marginalization and reproduces poverty. Beyond economic consequences, this exclusion produces a sense of social alienation: without recognized employment, refugees often feel invisible in host society, marginalized from mainstream economic life and dependent on community networks for survival. This dependency, while fostering solidarity within refugee communities, also reinforces separation from Egyptian society at large, limiting social integration. Ultimately, the lack of education opportunities for some and the lack of qualification recognition for others produce the same outcome: systematic exclusion from the formal economy, relegation to informality, and heightened vulnerability to exploitation.

In the face of persistent barriers to education, employment, and recognition, many refugees and migrants turn to informal entrepreneurship as a survival strategy. Although only 2 percent of refugees report operating or benefiting from family businesses, this small proportion reflects the tip of a much larger iceberg of micro-enterprises and informal ventures that often go unrecorded (ILO and UNHCR, 2023). Sudanese and Syrian refugees, in particular, engage in small-scale commerce, food services, tailoring, and handicrafts, leveraging skills from their home countries and adapting them to the Egyptian context. For Syrians, whose pre-displacement economy was marked by robust small business activity, informal entrepreneurship becomes a culturally familiar way to navigate exclusion. Sudanese refugees, too, often draw upon networks within Cairo's existing Sudanese community to set up small stalls, provide food services, or engage in domestic trade. However, these enterprises remain deeply precarious.

The absence of legal registration exposes them to harassment, closure, and fines, while lack of access to microfinance, banking services, and formal supply chains prevents scale and sustainability. Furthermore, because these businesses operate informally, they contribute little to long-term integration; while they may provide income, they reinforce refugees' separation from formal economic structures and leave them vulnerable to exploitation by landlords, suppliers, and local authorities. Yet these ventures also demonstrate resilience and agency. By creating businesses in the margins of informality, refugees assert control over their livelihoods, maintain cultural identity, and meet community needs. For women especially, home-based enterprises like catering or tailoring can provide income while navigating cultural and safety constraints. In this sense, informal entrepreneurship represents both a coping mechanism and a form of silent resistance to structural exclusion. However, its fragility underscores the cost of systemic barriers: if refugees had access to training, capital, and legal recognition, these entrepreneurial energies could be harnessed to create jobs, stimulate markets, and contribute to Egypt's economic development. Instead, they remain circumscribed within informal economies, symptomatic of the broader failure to integrate refugees socially and economically.

Figure 12 Education Enrollment Rates (Egypt vs. Refugees)



Source (UNHCR. 2023; CAPMAS 2023; Egyptian Gazette 2024; Draya 2023; World Bank. 2021).

The comparative chart above underscores the structural asymmetries between the educational attainment of refugees and Egyptians. Refugees and migrants in Egypt display a bimodal distribution: a considerable share has only primary education (44 percent) or less, while a smaller but significant minority holds tertiary qualifications (16 percent) (UNHCR 2023). By contrast, Egyptians demonstrate near-universal primary completion and a substantial share entering secondary and tertiary education, with about 66.5% percent reaching university (World Bank 2020; UNESCO 2021).

When examining the integration of refugees and migrants into Egypt's labor market, it is crucial to contextualize their educational attainment in comparison to that of the Egyptian population. Egypt has made considerable progress in expanding access to education over the past decades, with adult literacy rising from just 55 percent in 1996 to nearly 76 percent in 2020, and enrollment in basic education approaching universality (UNESCO 2021). Nonetheless, systemic challenges persist: overcrowded classrooms, uneven quality between urban and rural schools, and a mismatch between education outcomes and labor market demands. For instance, while nearly 90 percent of Egyptian youth complete primary education, dropout rates remain significant at the preparatory and secondary levels, particularly among disadvantaged groups, and vocational education continues to be stigmatized despite accounting for almost half of secondary school enrollment (World Bank 2020). At the tertiary level, Egypt produces a large number of university graduates each year, especially in fields like commerce, arts, and law, yet employers frequently note that graduates lack the technical and soft skills needed in a competitive job market (Assaad and Krafft 2022).

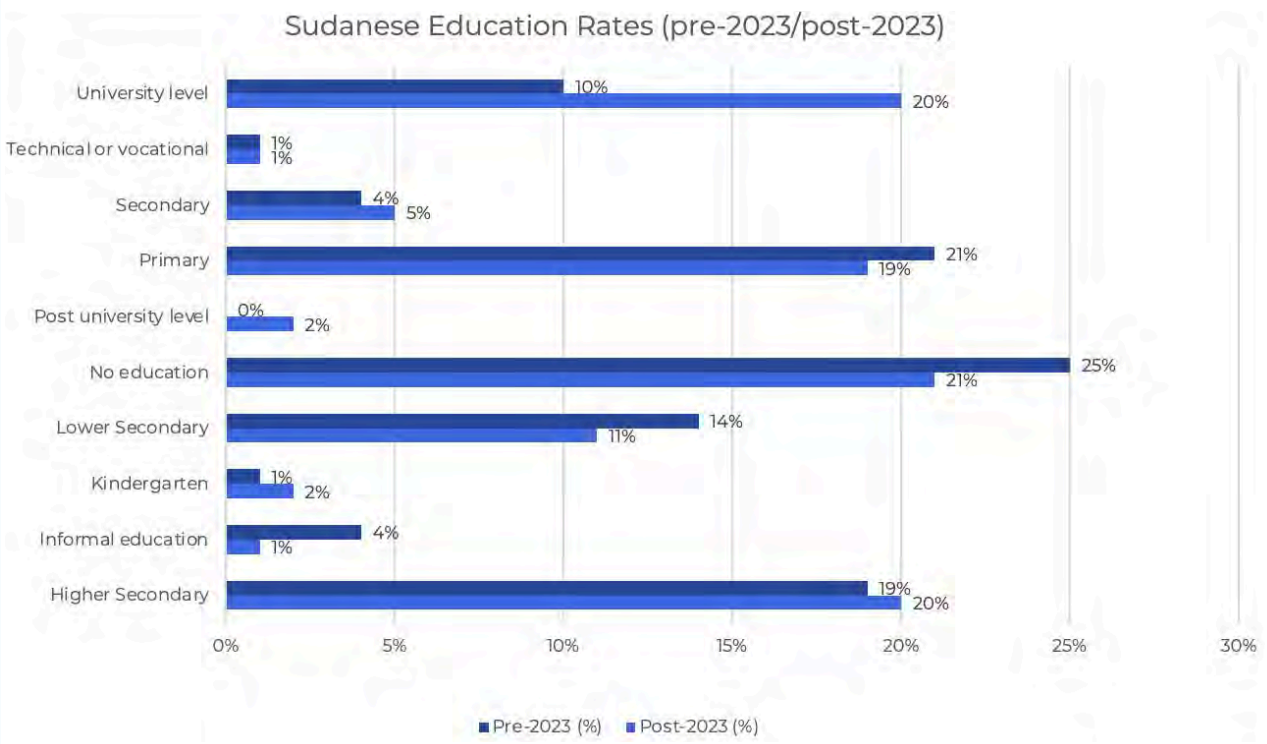
This dynamic places refugees and migrants at a dual disadvantage. On the one hand, many arrive with disrupted educational trajectories, unrecognized qualifications, or lower overall attainment levels compared to Egyptian peers. On the other, even those with higher education credentials often find themselves competing against Egyptian graduates who already struggle with underemployment and credential inflation. Thus, while refugees may possess valuable expertise, such as engineering, medicine, or teaching, their ability to translate these qualifications into economic opportunities is constrained both by restrictive policies and by the structural oversupply of educated Egyptians seeking limited formal jobs. In effect, the educational landscape of Egypt creates a highly competitive environment where refugees must not only overcome barriers to recognition and access but also contend with systemic inefficiencies that hinder Egyptians themselves from translating education into secure livelihoods.

B. Host-Country Value Creation and Skill Portability

Access to education represents one of the most critical pathways for refugees and migrants in Egypt to integrate into the host country's labor market and, at the same time, to accumulate skills and qualifications that can later be reinvested in their countries of origin. When refugees and migrants are able to continue their education in Egypt—whether in formal schools, vocational programs, or higher education institutions—they are better positioned to compete in the Egyptian labor market. Skills acquired and certified in Egypt tend to be more readily recognized by employers, which enables refugees not only to improve their livelihood prospects during displacement but also to carry these competencies back to their home countries as transferable assets for future economic recovery and post-conflict reintegration (UNESCO 2018).

Education has long been one of the primary drivers of Sudanese migration to Egypt, even before the escalation of the 2023 conflict. Many Sudanese families viewed Egypt's comparatively stronger education system as a means of upward mobility for their children. With a literacy rate of approximately 76 percent, near-universal primary school completion, and a substantial portion of youth entering tertiary education, Egypt represented a more structured and accessible educational environment than what was available in Sudan, particularly in rural and conflict-affected areas (World Bank 2020; UNESCO 2021). The Four Freedoms Agreement of 2004 between Egypt and Sudan further facilitated this educational migration by granting Sudanese citizens rights to residency, employment, and education without the usual restrictions imposed on other foreign nationals (Tufts University 2012). As a result, before the outbreak of the 2023 war, significant numbers of Sudanese students and their families were already present in Egypt, often enrolling in public schools and universities to pursue degrees that were either inaccessible or of lower quality in Sudan. For many Sudanese, investing in education in Egypt was also a form of long-term human capital development, with the expectation that these skills could later be transferred back to Sudan once conditions stabilized.

Figure 13: Education Rates (pre-2023/post-2023)



Source (UNHCR, 2025).

The educational data presented suggests that for a significant portion of Sudanese refugees, the decision to come to Egypt is motivated not solely by a need for safety, but also by a desire to continue their academic and professional development. The high percentages of individuals with University level and Higher Secondary education in the pre-2023 cohort indicate that a large number of refugees arrived with a solid educational foundation already in place. The increase in University level and Post university level education in the post-2023 period further reinforces this, showing that refugees are actively pursuing advanced studies upon arrival in Egypt. For these individuals, Egypt represents a critical safe haven that provides an opportunity to prevent a complete disruption of their educational and career trajectories. The country's academic infrastructure, coupled with its geographical proximity, acts as a significant "pull" factor, allowing refugees to maintain their long-term goals and invest in their future, rather than simply seeking temporary shelter.

This educational pull factor extended beyond Sudanese nationals. Following the Syrian conflict in 2011, Egypt also became a key destination for Syrian refugees who sought both safety and opportunities for their children to continue schooling. Egypt's policy of integrating Syrian students into public schools free of charge—albeit with bureaucratic hurdles—reinforced the country's attractiveness (ILO 2023). For Syrian youth, the relatively affordable and regionally respected higher education sector in Egypt provided a crucial alternative to interrupted or destroyed institutions back home. Similarly, Yemeni and South Sudanese students were drawn to Egypt's universities, often supported by scholarships or community networks (IIED 2013). The presence of these diverse student populations illustrates how Egypt's educational infrastructure functions as both a magnet for displaced families and a pathway to longer-term economic participation. However, the influx also creates competition with Egyptian students in already stretched institutions, underscoring how education acts simultaneously as a pull factor for refugees and a site of tension within Egypt's broader socio-economic fabric.

The legal and policy framework regulating refugee and migrant access to education in Egypt is characterized by both formal guarantees and restrictive practices. Egypt's 1981 Education Law enshrines the right to free education, but explicitly limits this right to citizens, thereby excluding refugees and other non-nationals from its scope. Subsequent ministerial decrees have attempted to define the terms of access for non-Egyptians, yet these measures remain selective and uneven. For instance, Ministerial Decree 284 of 2014 allows non-Egyptian children to enroll in private schools but restricts access to public schools (HRW, 2024). Only nationals of Sudan, Libya, Saudi Arabia, and Jordan with valid residency permits were granted public school enrollment, alongside refugee students benefiting from scholarships provided through the United Nations High Commissioner for Refugees (UNHCR). This decree institutionalized a differentiated system in which some groups of non-nationals could gain public education access, while the majority of refugee populations faced exclusion.

A ministerial directive issued in November 2023 introduced a significant amendment by permitting refugees to "exceptionally" enroll in public schools (HRW, 2024). Nonetheless, access to public education "on equal footing with Egyptians" continues to apply exclusively to nationals of Sudan, South Sudan, Yemen, and Syria, according to UNHCR reports, with no publicly available legal justification for this selectivity. This creates a layered hierarchy of access, privileging certain nationalities while leaving large refugee communities—including an estimated 40,000 Eritrean and 18,700 Ethiopian registered asylum-seekers—effectively marginalized due to both legal restrictions and linguistic barriers (HRW, 2024). Reports from Human Rights Watch further document discriminatory practices in school admissions, particularly against non-Arabic-speaking refugee children, who face additional challenges in enrollment and retention within the education system.

Moreover, while public schools in Egypt are officially categorized as "free," they continue to charge various fees and expenses for both Egyptian and non-Egyptian students. Exemptions are granted to some categories of learners, but these do not extend to refugee or asylum-seeking children, thereby reinforcing financial obstacles to access. This stands in tension with Egypt's obligations under international law, including its commitments as a signatory to the International Covenant on Economic, Social and Cultural Rights and the Convention on the Rights of the Child, which guarantee the right to free and compulsory primary education and progressively free secondary education for all children, irrespective of nationality or legal status. Additionally, under the Convention Against Discrimination in Education, Egypt is obligated to provide foreign nationals equal access to education as afforded to its own citizens. Similarly, the ratification of the Convention on the Rights of Persons with Disabilities commits Egypt to ensuring inclusive and equitable education for children with disabilities, including refugee children.

Summary table of laws and policies relevant refugees and migrants access to education:

Policy /Legal Framework	Main Provisions	Groups Covered	Effects on Refugees and Migrants
Education Law of 1981	Guarantees free education for "citizens."	Egyptian citizens only.	Excludes refugees and other non-nationals from the constitutional guarantee of free education.
Ministerial Decree No. 24 (1992)	Permits refugee children to attend Egyptian schools.	Refugee children (theoretically).	Implementation limited due to documentation requirements, residency permits, and school capacity constraints; high rates of non-enrollment persist.
Ministerial Decree 284 (2014)	Allows non-Egyptians to enroll in private schools; restricts public school access to certain nationalities (Sudan, Libya, Saudi Arabia, Jordan with residency permits; UNHCR scholarship recipients).	Select nationalities + scholarship holders.	Creates a selective system privileging some groups; most refugees (e.g., from Eritrea, Ethiopia, Somalia) excluded from public schools.
Ministerial Directive (Nov. 2023 amendment)	Permits refugees to "exceptionally" enroll in public schools; equal access formally extended to Sudanese, South Sudanese, Yemeni, and Syrian nationals.	Sudan, South Sudan, Yemen, Syria.	Expands access for certain groups; leaves out large non-Arabic-speaking refugee communities (e.g., 40,000 Eritreans, 18,700 Ethiopians).
School Fee Policies	Public schools are officially "free" but charge fees; exemptions for some Egyptian students, not for refugees.	Egyptians (some exempted categories).	Refugees face financial barriers, limiting access even when legally eligible to enroll.
International Legal Commitments (ICESCR, CRC, Convention Against Discrimination in Education, CRPD)	Obliges Egypt to guarantee nondiscriminatory, free primary education and progressively free secondary education for *all* children.	All children, regardless of status.	National policies fall short of international obligations; discriminatory access persists.

Taken together, these legal and policy frameworks reveal a tension between Egypt's international obligations to uphold universal, nondiscriminatory access to education and its domestic regulatory frameworks that continue to limit or condition the enrollment of refugee and migrant children. The selective privileging of certain nationalities reflects broader geopolitical and historical ties, while the persistence of fees and administrative barriers undermines the formal guarantees of inclusivity.

There are an average of 9,000 school aged students arriving to Egypt every month, it is estimated that 54% of them are currently not receiving any education (UNHCR, 2024). Among them, roughly 45,000 were enrolled in Egyptian public schools, with Syrian children forming the largest share of this population (UNICEF 2022). Alongside this, around 22,000 refugee and migrant children attended refugee community schools, institutions established to facilitate continuity of accredited education and, where possible, to support a gradual transition into the national education system. Complementing these efforts, UNICEF provided material assistance to 12,058 refugee students across both public and community schools, including the distribution of 5,866 textbooks and 6,192 tablets (UNICEF 2022). Recognizing the financial vulnerabilities that constrain refugee families' ability to access early childhood education, UNICEF also introduced direct financial support mechanisms. During the 2020/21 academic year, 9,561 refugee children received education cash grants, while a further 10,445 benefitted in 2021/22. These grants targeted children aged three to six enrolled in refugee community schools and nurseries, ensuring that the youngest members of the refugee population were not excluded from foundational learning opportunities.

Despite these initiatives, opportunities for educational integration in Egypt remain highly uneven. Legally, the Egyptian Ministry of Education permits refugee children to enroll in public schools under Ministerial Decree No. 24 of 1992. However, actual enrollment figures reveal the gap between policy and practice: nearly 53 percent of refugee children remain out of school (Kabbani 2017). This exclusion is shaped by multiple structural and institutional barriers, including complex documentation requirements, the need to renew residence permits, and limited capacity within schools already burdened by overcrowding. Moreover, discriminatory practices—such as the stigmatization of foreign students, bullying, and social exclusion—further deter refugee families from pursuing education through public channels (Kabbani 2017).

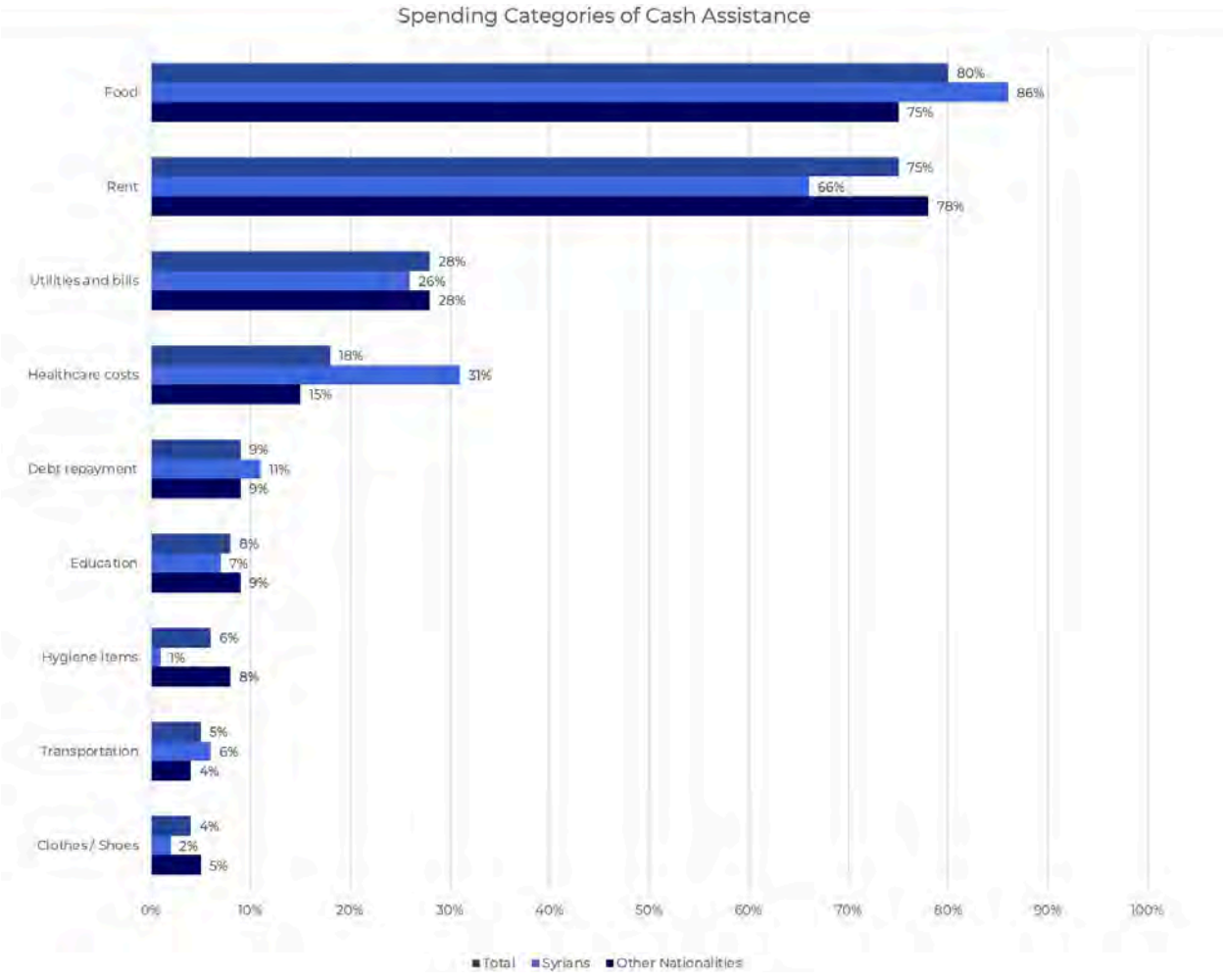
Despite the existence of policies formally permitting refugee and asylum-seeking children to attend Egyptian public schools, bureaucratic barriers continue to act as major deterrents to enrollment. Refugees are often required to present valid residency permits and previously recognized school certificates, conditions that many families are unable to meet (UNHCR, 2024). In cases where documents are missing, children must undergo placement testing or families must pursue lengthy and complex procedures to seek ministerial exceptions. Although the Egyptian authorities temporarily waived residency requirements during the COVID-19 pandemic—allowing an estimated 45,000 refugee children to enroll—these measures were short-lived and did not resolve the structural exclusion built into the enrollment system (UNHCR, 2024).

The difficulty of securing legal residency in Egypt further compounds the problem. The process is bureaucratically demanding, often stretching over a year and requiring multiple steps: obtaining a UNHCR registration card, waiting for ministerial appointments, securing documentation, and paying associated fees. As a result, many families find themselves unable to complete the requirements necessary for school enrollment. Numerous testimonies highlight cases where refugee parents, particularly from Sudan and Yemen, attempted to enroll their children but were rejected by school administrators for lacking residency papers. These rejections demonstrate not only a rigid adherence to documentation requirements but also, at times, discriminatory practices by school officials who actively discouraged refugee enrollment.

The weight of these administrative hurdles has created a climate of disincentive among refugee families. Many parents refrain from attempting registration altogether, fully aware that the process demands proof of residency they cannot obtain. Even when refugees do manage to secure legal residency, access is not guaranteed. Human Rights Watch documented instances where children with valid residency were denied entry due to school overcrowding or discriminatory refusal by administrators. Collectively, these findings underscore how bureaucratic obstacles—when coupled with structural constraints such as limited school capacity and social prejudice—function to systematically marginalize refugee children from Egypt's education system, despite formal legal provisions granting them access.

Within this challenging landscape, international organizations such as UNHCR, UNICEF, and their partner NGOs have played an indispensable role in bridging critical gaps. They work to offset systemic and financial barriers through scholarships, distribution of supplies, and cash assistance to families, enabling children to access both public and community schools. These organizations also provide structural support to refugee community schools, offering teacher training, curriculum guidance, and in some cases, pathways to accreditation that allow students to eventually transition into national institutions. In this sense, international actors function as intermediaries between refugee communities and the Egyptian state, helping mitigate the exclusionary effects of limited absorption capacity and rigid bureaucratic procedures. While these efforts are essential in expanding access, they cannot fully compensate for entrenched systemic inequalities. Instead, they highlight the ongoing dependence of refugee education in Egypt on external aid and the urgent need for more sustainable, state-led reforms to guarantee equitable access for all refugee children.

Figure 14 Spending Categories of Cash Assistance



Source: (UNHCR, 2025).

The figure above illustrates the spending categories of cash assistance, provides a clear and compelling look into the financial priorities of refugee households in Egypt. The data reveals that the vast majority of cash grants are directed toward essential, life-sustaining needs. The top three spending categories—Food (84% of total), Rent (75%), and Utilities and bills (26%)—account for the bulk of household expenditures. This pattern underscores a fundamental reality: for many refugee families, securing basic survival needs is a more immediate and pressing priority than investing in long-term goals.

While spending on essential needs dominates the data, the graph also sheds light on the allocation of funds for education. Only 12% of the total cash grant spending is directed toward education, including school fees, uniforms, and books. A closer look at the breakdown by nationality reveals a nuanced picture: while Syrians allocate 9% of their funds to education, other nationalities spend a slightly higher but still modest 12%. This relatively low percentage for education spending, in comparison to other critical needs, highlights the complex financial trade-offs that refugee families are forced to make. The data suggests that even when financial assistance is provided, it is often not sufficient to cover both basic needs and the costs associated with schooling. This finding reinforces the broader narrative of the provided text, which notes that financial vulnerabilities are a major constraint on refugee families' ability to access education. It underscores why direct financial support mechanisms, such as cash grants, are a necessary but insufficient condition for ensuring educational access, as they must compete with the urgent demands of food, housing, and healthcare.

Table: Education Minimum Expenditure Basket 2020-2021

	Public	Community	Private
	EGP	EGP	EGP
Tuition	500	2,500	10,000
Clothes	900	900	1,800
Transportation	2,200	2,200	4,500
Supplies	800	800	1,200
Books	450	1,000	1,800
Estimated Cost	**4,850**	**7,400**	**19,300**
USD	**310**	**473**	**1,233**

Source: (UNHCR, 2021).

According to estimates by UNHCR and its education partner, Catholic Relief Services (CRS), the cost of educating a refugee or migrant student in Egypt varies considerably depending on the type of school attended. On average, the annual expense amounts to approximately EGP 4,850 for students enrolled in public schools, EGP 7,400 for those attending community schools, and as much as EGP 19,300 for private school students. Enrollment patterns, however, are not evenly distributed across these types of institutions. A majority of students—around 62 percent—are enrolled in public schools, which remain the most affordable option (UNHCR, 2021). Community schools, often established to provide flexible and accessible learning opportunities for displaced children, accommodate roughly 36 percent of the student population, while only a very small minority, about 2 percent, attend private schools, largely due to the prohibitively high tuition costs. To capture the overall cost of education more accurately, these proportions were used to calculate a weighted average, resulting in an annual Minimum Expenditure Basket (MEB) for education of EGP 5,543, equivalent to approximately USD 349.6 per student. This figure reflects not only the significant financial burden that education places on refugee households but also the reliance of most families on lower-cost public and community school systems, as private education remains far beyond the reach of the majority.

The state has attempted to manage overcrowding and limited resources through mechanisms such as double-shift schools, where refugee and Egyptian students attend classes in community centers or NGO-run schools. These arrangements enable students to remain officially registered in the formal education system, allowing them to sit for national examinations and obtain recognized certificates (UNESCO 2018). Nevertheless, a significant proportion of refugee students struggle to have prior qualifications recognized, particularly when credentials from their home countries are excluded from formal recognition systems (UNESCO 2018). In practice, this often forces refugees into ad hoc negotiations with institutions to validate their academic records, a process fraught with uncertainty and inequality.

Non-formal education has emerged as an important complement to the overstretched public system. Literacy and catch-up programs exist for children, adolescents, and adults who missed schooling due to conflict or displacement. These include second-chance education initiatives, accelerated learning schemes, and vocational training designed to enable re-entry into formal education or to facilitate basic skills development. Non-formal programs are largely delivered by NGOs, donor organizations, and community-based groups, with curricula adapted to the learning needs of marginalized refugee youth (UNESCO, 2018). Such interventions not only expand learning opportunities but also contribute to broader goals of social justice and individual empowerment by addressing what Amartya Sen terms “capabilities poverty,” whereby the absence of skills and recognition limits both economic participation and personal agency (Sen, 2002).

Despite these efforts, multiple barriers continue to undermine access. Refugee families frequently report poor communication regarding enrollment procedures, limited awareness of available services, and prohibitive economic costs that discourage school attendance. For adolescents in particular, financial hardship compels many to abandon schooling in favor of informal work to support their families (UNESCO 2018; Kabbani 2017). For those able to remain in education, transitions into secondary, vocational, or higher education are particularly limited, given the absence of recognition mechanisms for non-formal certificates and the restricted number of institutions willing to admit refugee students. Many participants in field studies noted concerns over the validity of certificates issued by refugee schools, which are often not recognized by Egyptian public or private institutions (Tufts University 2010).

Patterns of access also vary across refugee groups. For instance, Eritrean and Ethiopian children frequently attend church-based schools, while Sudanese and South Sudanese children often enroll in community schools such as Saint Bakhita or Al-Azhary in Sheikh Zayed. Somali families, by contrast, sometimes prioritize Islamic-oriented private education, even migrating to Egypt from the diaspora for this purpose (Tufts University 2010). While private schools and NGO-supported initiatives provide some access, they remain financially burdensome for many families. Refugee households often rely on external assistance from organizations such as Catholic Relief Services (CRS) or AMERA to cover tuition and related expenses (Tufts University 2010). Yet, even when support is available, misinformation, rumors, and lack of clarity about entitlements exacerbate confusion and exclusion from educational opportunities.

The consequences of inadequate access to quality education for refugees in Egypt are both immediate and long-term, shaping not only individual life chances but also the broader dynamics of social and economic integration. Children who experience interrupted learning trajectories, whether due to displacement, frequent school transfers, or long gaps in enrollment, often struggle to catch up academically and socially, leaving them more vulnerable to marginalization. The lack of proper certification or equivalency recognition means that even when they complete certain levels of education, their qualifications are frequently not accepted by Egyptian institutions or employers, significantly narrowing pathways to higher education or formal sector employment. In many refugee-run community schools, the shortage of resources forces reliance on underqualified or volunteer teachers who lack the pedagogical training to deliver curricula effectively. This structural weakness is compounded by unmet nutritional, psychological, and health needs, as refugee children often come to school hungry, traumatized, or without access to basic healthcare—factors that directly impair concentration, attendance, and academic performance (Tufts University 2010).

Moreover, systemic exclusion and discrimination within Egyptian public schools exacerbate these challenges. Refugee students, especially those from Sudan and South Sudan, often report bullying, stigmatization, or outright administrative barriers that discourage sustained attendance. These experiences reinforce a sense of alienation and push many families to withdraw their children from the formal system altogether, opting instead for informal community-based schools or, in some cases, no schooling at all. Without targeted support, such as remedial classes, language assistance, psychosocial services, or recognition of prior learning, refugee children risk being tracked into low-skilled and insecure livelihoods from an early age. This creates a vicious cycle: educational deficiencies limit employment prospects, which in turn force households to rely on child labor or early entry into the informal economy, further entrenching poverty.

At the societal level, these educational barriers prevent Egypt from harnessing the full potential of refugee human capital. Instead of developing into skilled professionals who could contribute to the labor market in areas of acute shortage—such as healthcare, engineering, or education—many refugee youth are left underprepared for tertiary studies or skilled work. This represents a dual loss: refugees are denied the opportunity to rebuild their lives with dignity and stability, while the host economy forfeits the chance to integrate individuals who could help meet its developmental needs. For example, the persistence of high dropout rates among refugee adolescents, coupled with the lack of vocational training pathways, funnels many into precarious informal labor sectors such as construction, domestic work, or street vending—spaces where exploitation is rife and upward mobility nearly impossible.

The generational implications are equally troubling. Children who grow up without access to stable, high-quality education are less likely to break intergenerational cycles of poverty and displacement. They may also develop limited trust in public institutions, which hinders broader social cohesion and integration. On the other hand, evidence from contexts where refugee children are effectively included in national education systems demonstrates the transformative power of education in building resilience, fostering social cohesion, and supporting eventual post-conflict reconstruction when voluntary return becomes possible. If refugee children in Egypt are denied these opportunities, however, they risk becoming a "lost generation," caught between protracted displacement and the absence of meaningful pathways to self-reliance.

Education is not only about immediate integration but also about preparing refugees for eventual return and reintegration into post-conflict economies. Skills gained in Egypt—whether formal credentials, language acquisition, vocational training, or digital literacy—have long-term value for reconstruction. Comparative evidence from Syrian and Afghan refugee experiences illustrates that displaced communities often become crucial investors and technical actors in national recovery processes once political conditions allow repatriation (Primo 2018). Sudanese refugees in Egypt, for example, bring diverse skill portfolios ranging from agriculture and artisanal trades to teaching, health, and civil service experience (Wamda 2024). These capabilities, if supported through structured vocational assessments and certification mechanisms, could be leveraged both in Egypt's informal labor market and in Sudan's eventual reconstruction

In this sense, refugee education in Egypt serves a dual purpose. On one level, it supports self-sufficiency and resilience during displacement by enabling access to livelihoods and reducing dependency on aid. On another level, it lays the foundation for transferable human capital that can facilitate post-conflict economic reintegration upon return. Yet, without mechanisms for recognizing and certifying both prior qualifications and newly acquired skills, refugees remain vulnerable to what scholars call "human capital wastage"—the downgrading of skilled individuals into precarious, low-paid informal work (Kabbani 2017; France24 2024). Addressing these gaps would not only enhance refugee integration in Egypt but also transform displacement into a long-term investment in human capital for future national recovery.

For refugees and migrants in Egypt, education and skill development are not solely mechanisms for immediate integration into the host economy; they also serve as vehicles for circular mobility and cross-border knowledge transfer. Circular mobility refers to the movement of people, skills, and resources across borders in recurring cycles, allowing displaced populations to maintain connections with both host and origin countries. In the Egyptian context, refugees who acquire vocational training, language proficiency, or digital skills often use these competencies not only to access employment opportunities locally but also to contribute to transnational networks linking Egypt to their countries of origin (Wamda 2024).

Refugee-led enterprises in Egypt highlight this process. Many Sudanese, Syrian, and Somali entrepreneurs draw upon cultural knowledge, artisanal skills, and business practices acquired at home, while simultaneously adapting to Egyptian market conditions. This hybridization produces a unique portfolio of transferable competencies. However, research indicates that refugees' use of digital platforms remains limited, with most relying on WhatsApp or community-based sales rather than broader e-commerce tools (Benantar 2022). Addressing this technological gap through capacity-building would not only improve their livelihoods in Egypt but also ensure that these digital competencies can be deployed in future markets upon return.

Circular mobility also extends to education. Refugees who pursue higher education in Egypt, particularly at universities or technical institutions, often envision future mobility—either returning to their home countries, moving onward to a third country, or engaging in cross-border work arrangements. Sudanese students attending Cairo's universities, for example, may one day play central roles in rebuilding governance and service systems in Sudan (Tufts University 2010). Similarly, vocational skills acquired in Egypt—such as carpentry, tailoring, culinary services, or construction—can be redeployed in home-country economies once stability returns, creating immediate livelihood opportunities and reducing reliance on humanitarian aid (France24 2024).

In this sense, Egypt functions as both a host and a training ground. Refugees' experiences in formal and informal learning environments—whether through double-shift schools, NGO-led vocational centers, or informal apprenticeships—contribute to the accumulation of skills that transcend borders. Yet, the absence of mechanisms for credential portability, such as equivalency systems or standardized certification, limits the full realization of circular mobility (Kabbani 2017).. By implementing recognition frameworks similar to those used in Canada or Germany, Egypt could better facilitate the transfer of human capital between countries, maximizing benefits for both host and origin contexts

The long-term significance of refugee education and skill accumulation becomes most visible in post-conflict reintegration. Experiences from Afghanistan, Syria, and other conflict-affected states demonstrate that returnees often play critical roles in economic reconstruction, leveraging the skills, savings, and networks developed in exile (Primo 2018). Displacement, in this sense, can serve as an "incubation period" for building human capital that is later reinvested in fragile post-conflict economies.

For Sudanese refugees in Egypt, the transferability of skills is particularly significant. A large proportion arrive with prior expertise in sectors such as agriculture, teaching, public administration, and artisanal crafts, reflecting both rural and urban labor patterns in Sudan. Once in Egypt, these refugees face the dual challenge of preserving their competencies while adapting them to new contexts. Many manage to expand their skills through formal retraining in Egyptian institutions, engagement in informal labor markets, or by pursuing entrepreneurial ventures that target both refugee and Egyptian consumers. This process is not merely about survival but also about maintaining professional identity and employability for eventual return. If and when conditions in Sudan stabilize, these accumulated competencies become directly relevant to reconstruction priorities in critical areas such as education, healthcare delivery, housing and infrastructure development, and the revitalization of small and medium enterprises. Importantly, women professionals—including nurses, teachers, and social workers—carry the potential to play transformative roles in re-establishing social services and rebuilding trust within fractured communities (Wamda 2024; Savannah). However, the long-term relegation of these women to low-status informal domestic labor in exile risks eroding their technical expertise, underscoring the importance of policies that safeguard and sustain skills throughout displacement.

Yet the reintegration of returnees into Sudan's economy and society is far from automatic. Without deliberate mechanisms to identify, validate, and channel refugee-acquired skills back into national systems, post-conflict societies risk squandering valuable human capital. Simply receiving returnees does not guarantee developmental outcomes; what matters is the existence of structured pathways that align displaced professionals with local institutions and emerging economic opportunities. For instance, programs that connect returnees to universities, vocational training hubs, and small enterprise development initiatives can convert individual resilience into collective reconstruction. International organizations and development partners can play a catalytic role here by supporting credential equivalency schemes, offering bridging courses that address gaps between Egyptian and Sudanese labor market requirements. They also play a role in creating reintegration grants that help professionals restart careers or launch businesses upon return (UNESCO 2018). Such interventions are crucial to reframing return migration from a humanitarian challenge into a developmental opportunity, where displaced individuals are viewed as assets rather than burdens.

Equally important, reintegration is not confined to economic recovery but extends into the social and psychological domains. Skill recognition and portability directly shape returnees' sense of dignity, self-worth, and belonging. Many Sudanese refugees in Egypt describe themselves as "invisible professionals" when their qualifications and experiences are overlooked, leading to feelings of identity loss and marginalization. This invisibility not only undermines individual well-being but also diminishes the broader community's capacity to organize and contribute productively. By contrast, reintegration processes that acknowledge and validate these competencies can serve as powerful mechanisms of social repair. When returnees are positioned as respected teachers, health workers, or entrepreneurs, they help restore community cohesion, rebuild trust in public institutions, and re-establish a sense of continuity in disrupted societies. In post-conflict contexts, the symbolic value of skill recognition often matters as much as the economic contribution, as it signals inclusion and fosters civic engagement.

From a macroeconomic perspective, investment in refugee education and skill development during displacement yields what can be described as a "double dividend." In the short term, such investments reduce dependency on host state welfare systems, decrease the likelihood of exploitation in informal labor markets, and improve prospects for self-reliance among refugee populations in Egypt. Over the longer term, they create a pool of skilled professionals who can be mobilized for state-building once peace and stability are restored in Sudan. This dual impact reframes host states like Egypt not only as humanitarian actors but also as developmental partners in regional reconstruction. By hosting refugees and enabling their educational and professional growth, Egypt indirectly contributes to the stabilization of neighboring states, thereby enhancing regional security and fostering economic interdependence. In this sense, refugee education and labor market integration transcend the bounds of humanitarian relief and become strategic investments in the long-term resilience and capacity of post-conflict societies.

Theme 3 – Informality as Survival: Hybrid Pathways of Migrant Integration in Egypt

Refugee and migrant integration in Egypt cannot be understood through the lens of either formal inclusion or total exclusion; instead, it is defined by a precarious middle ground shaped by informality. While legal frameworks and formal entitlements exist on paper, they are inconsistently applied and rarely sufficient to guarantee meaningful participation in the economy or access to services. As a result, both Syrian and Sudanese refugees are compelled to rely on a "hybrid" model of integration, in which limited recognition through documents like asylum cards is combined with dense informal practices—ranging from unregistered employment and micro-enterprises to community-run schools and health initiatives. This hybridity sustains livelihoods, demonstrates resilience, and embeds refugees into Egypt's urban fabric. Yet it also entrenches precarity, leaving refugees visible but structurally marginalized, tolerated but never fully included. Examining how this hybrid model functions—across employment, entrepreneurship, access to services, and community networks—reveals not only the adaptability of displaced populations but also the enduring limitations of Egypt's migration governance.

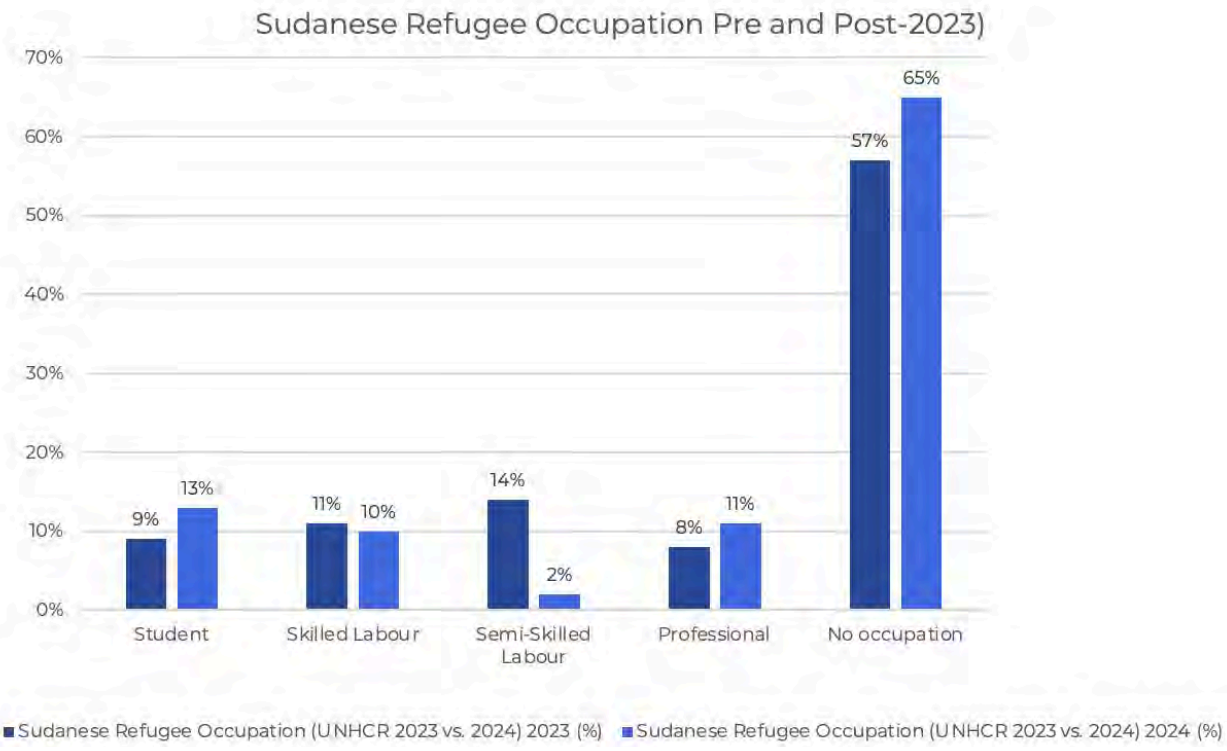
A. Employment Realities for Refugees and Migrants

The economic reality for most refugees in Egypt is defined by their participation in the informal labor market, a direct consequence of restrictive work permit regimes and the structural barriers that prevent formal employment (Kabbani 2017). This informality, while a source of vulnerability, is also a lifeline that provides immediate income and a degree of flexibility. Beyond the economic sphere, a "hybrid" model of integration emerges, where refugees strategically combine limited formal documentation with robust informal networks to secure housing, healthcare, and education. This adaptive approach underscores a fundamental tension: the Egyptian state neither fully integrates nor fully eliminates these populations, instead fostering an ambivalent environment where refugees exist in a semi-legal state of non-integration (Hassan 2021). The resulting precarity makes a comprehensive understanding of these survival strategies essential for designing effective humanitarian and development interventions.

Informality serves as the primary mode of economic participation for both Sudanese and Syrian refugees in Egypt, though their engagement and experiences differ significantly due to varying levels of social and economic capital. The informal economy, defined by its lack of formal registration and regulation, provides a crucial entry point into the labor market, especially for those who lack formal legal status or work permits (Webb et al. 2009). However, the community leverages these systems, their roles within the informal economy, and the vulnerabilities that accompany this reliance.

For Sudanese refugees, informality is less a choice and more a necessity dictated by restrictive legal frameworks, inconsistent enforcement of labor laws, and persistent discrimination in formal hiring. Sudanese engagement in the informal economy is often concentrated in labor-intensive and low-wage sectors that offer flexible entry but little security or upward mobility. Common forms of informal work include street vending, domestic labor, and casual construction work. These roles, while providing a means of economic survival, are highly precarious. Domestic workers, for instance, are often susceptible to exploitation, income volatility, and a complete lack of social protections, with reports of abuse and unsafe working conditions being common. Similarly, Sudanese individuals engaged in street vending face constant risk of harassment and confiscation of their goods by authorities (France24 2024).

Figure 15 Sudanese Refugee Occupation (UNHCR 2023 vs. 2024)



Source (UNHCR,2025).

The provided data reveals a significant and positive shift in the economic status of Sudanese refugees in Egypt, moving them from a state of inactivity toward greater engagement in the workforce. The most striking finding is the substantial decrease in the "No occupation" category, which plummeted from 71% to 57% between 2023 and 2024 (UNHCR,2025). This change indicates a remarkable increase in employment rates and, by extension, a reduction in unemployment and economic dependency within the Sudanese refugee community. This rapid shift suggests that a combination of factors—including enhanced access to job opportunities, the maturation of refugee support networks, or changes in the local economic climate—have facilitated a more successful economic integration for this population.

The data further supports a move toward more skilled employment. The percentage of refugees in "Professional" roles nearly doubled, from 8% to 15%, while those in "Skilled Labour" roles also saw an increase, from 9% to 11% (UNHCR,2025). This upward mobility is a critical indicator of integration, suggesting that refugees are not just finding any work, but are leveraging their skills and education to secure more stable and potentially higher-paying jobs. The concurrent rise in refugees pursuing education, as shown by the increase in the "Student" category from 11% to 16%, also points to a strategic long-term approach to economic security and self-reliance This trend suggests that a greater portion of the refugee population is actively investing in their future, whether through direct employment or by acquiring new skills and credentials.

The significant drop in the "No occupation" category challenges the common narrative that large refugee populations are a perpetual economic burden on host countries. Instead, this data demonstrates the resilience and self-starting capacity of the Sudanese community to adapt and contribute to the Egyptian economy. The increase in employment, particularly in professional and skilled sectors, underscores a positive trajectory of integration, reducing reliance on humanitarian aid and fostering greater autonomy.

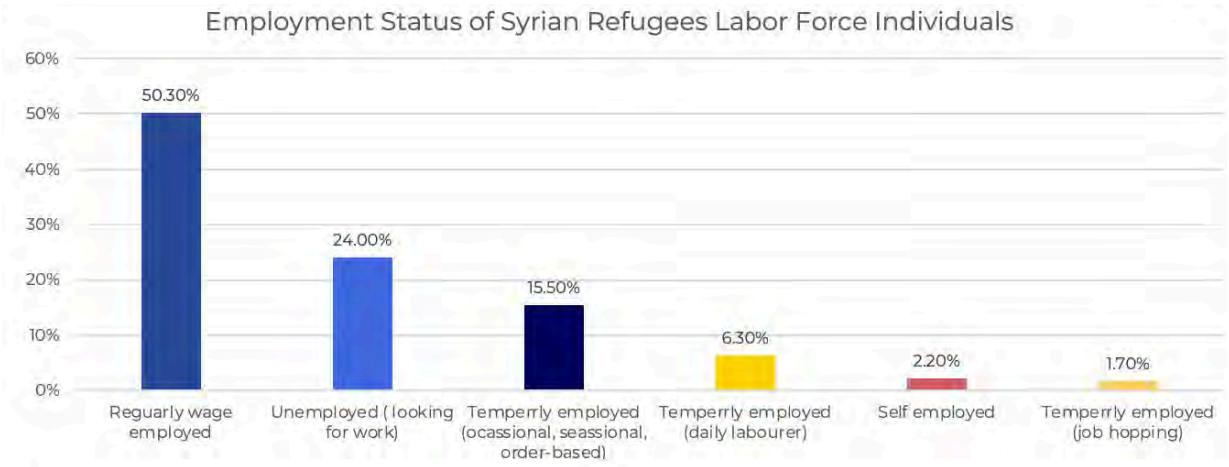
The marked decrease in the "No occupation" category among Sudanese refugees from 71% to 57% is, on its surface, a positive indicator of economic integration. However, a deeper analysis reveals that this shift is not necessarily a move toward secure, formal employment, but rather a greater absorption into the informal labor market. While the data shows a promising rise in individuals categorized as "Professional" and "Skilled Labour," it's critical to understand that these labels do not equate to formal employment status. The reality for many refugees is that legal and administrative barriers, such as difficulties in obtaining work permits, often force them to monetize their skills and experience outside the formal economy.

This pervasive informality has significant implications. For the refugees, it means a lack of basic labor protections, including minimum wage guarantees, social security benefits, and health insurance. It also exposes them to heightened risks of exploitation by employers who can leverage their undocumented status. From a broader economic perspective, this trend reflects a segmented labor market where a large segment of the workforce operates without contributing to the tax base or being subject to labor regulations. Consequently, while the data indicates a reduction in idleness and a rise in self-reliance, it simultaneously underscores a precarious form of economic integration. This vulnerability perpetuates a cycle of insecurity, even for those who are highly skilled, and suggests that sustainable integration requires not just access to jobs, but a pathway to formality.

The reliance on these informal systems entrenches a cycle of precarious livelihoods. Refugee realities in Egypt, specifically Sudanese refugee and migrant lack formal legal status—allowing for their concentration in peripheral, historically poor and deprived areas of Cairo. This geographic segregation further limits their access to formal job opportunities and social services. The challenges are particularly acute for Sudanese women, who often face gender-based violence and a forced redefinition of their gender roles as they become the primary breadwinners in a patriarchal society (Mahasneh 2025). The informal work they undertake, such as domestic labor or informal caregiving, is often invisible and undervalued, making them especially vulnerable to exploitation (Mahasneh 2025). The structural barriers they face are immense, and without formal institutional support, informal activities become a means of mere survival rather than a pathway to economic autonomy.

In contrast, the Syrian refugee community has demonstrated a notable capacity for self-employment and entrepreneurship within the informal economy, particularly in the food and restaurant sector (Hassan 2021). This is often driven by strong social and ethnic networks that facilitate access to suppliers, customers, and even informal investment (Webb et al. 2009). The insertion of Syrian refugees into the Egyptian labor market has been characterized by a high degree of adaptability and a focus on capitalizing on cultural capital, such as cuisine and specialized goods (Hassan 2021). These businesses, while informal and often unregistered, are legitimized through collective identities and social cohesion among community members, creating a rationalized, decentralized order that bypasses formal institutional hurdles (Webb et al. 2009).

Figure 16-Employment Status of Syrian Refugees Labor Force



Source: (Hassan, 2021).

The employment distribution drawn from the AUC study (Hassan 2021) reflects a labor market characterized by both structural precarity and limited opportunities for upward mobility. According to the findings, just over half of respondents (50.3 percent) reported being in regular wage employment, while a substantial share was either unemployed and actively seeking work (24 percent) or engaged in temporary and unstable forms of labor, including occasional or seasonal jobs (15.5 percent), daily wage labor (6.3 percent), and job-hopping (1.7 percent). Only a small minority identified as self-employed (2.2 percent). These patterns strongly align with the results of the UNHCR Egypt Socioeconomic Assessment (2017), which documented that approximately half of the surveyed Syrian refugee labor force were in full-time wage employment, 23 percent were engaged in temporary wage labor, and 3 percent were self-employed. Although the proportion of self-employment remains relatively small in both datasets, scholarship has highlighted its social and economic significance, particularly in urban areas where Syrian entrepreneurship has revitalized local markets through small grocery shops, home-based catering, and specialty food businesses (Hassan 2021). The convergence of these findings across independent assessments underscores a consistent picture of refugee labor integration in Egypt, where wage employment dominates but is often precarious, unemployment remains high, and self-employment—while numerically limited—serves as an important livelihood strategy supported by strong community networks (Webb et al. 2009).

The provided data on Syrian workers in Egypt paints a clear picture of their integration into the local economy, heavily concentrated in sectors defined by informality. The large numbers in general labor, tailoring, and the restaurant industry are not coincidental; these fields often operate with less regulation, making them more accessible to individuals who face legal barriers to formal employment. For many Syrian refugees, the challenge of obtaining formal work permits and navigating bureaucratic hurdles makes the informal economy a necessary and immediate option. This high degree of informality, while providing a crucial source of income and promoting self-reliance, also leaves workers vulnerable.

Operating outside the formal system means these workers often have no legal protection, are subject to low wages, and endure precarious working conditions. However, it also highlights the resilience of the refugee community, which leverages existing vocational skills and strong social networks to create a parallel economic system. These networks, built on trust and shared experience, facilitate job hunting and the creation of small businesses, effectively bypassing the formal institutions that might otherwise exclude them. Thus, the prevalence of Syrian workers in these particular sectors is a direct consequence of both the challenges they face and their adaptive strategies for survival.

Figure 17: Number of Syrian workers in Egypt by occupation



Source: (Hassan, 2021).

The provided graph, a UNHCR 2018 assessment, highlights the occupational concentration of Syrian workers in Egypt, revealing a distinct pattern of employment. The data demonstrates that the largest number of Syrian refugees are engaged in General worker roles (2,959), indicating a reliance on roles that require a broad range of manual labor skills and may not necessitate specialized training or formal certification. This is followed closely by jobs in Tailoring (2,200) and the Restaurant workers sector (2,041). The prevalence of employment in these areas suggests that Syrian refugees are actively contributing to sectors like light manufacturing and services, where they can often leverage existing vocational skills.

The graph also shows significant numbers in other skilled trades, such as Manufacturing labourers, and Carpenters, but these numbers are considerably lower than the top three categories. The distribution reflects the challenges faced by many refugees, who often find themselves working in the informal economy due to difficulties obtaining legal work permits. This reliance on the informal sector can lead to lower wages, long working hours, and a lack of job security and benefits. The concentration in specific sectors also points to the importance of social networks within the Syrian community, which often serve as a crucial resource for finding employment and establishing new businesses. This data underscores a reality where Syrian refugees, despite facing legal and administrative hurdles, have demonstrated significant resilience and self-reliance by creating their own economic opportunities and contributing to the Egyptian economy.

Despite the visible entrepreneurial successes of Syrian refugees in Egypt, these ventures coexist with profound structural challenges that limit their sustainability. The UNHCR study (2017) observed that 24 percent of the surveyed Syrian labor force remained unemployed but actively seeking work, highlighting the insufficiency of available opportunities relative to the community's labor supply. Even for those who are economically active, the policy environment presents a critical constraint. As Hassan (2021) notes, Syrian enterprises function within an ambivalent regulatory framework that neither facilitates their formal integration into the Egyptian economy nor fully prohibits their operation. This ambiguous legal status forces many entrepreneurs into the informal sector, where businesses remain vulnerable to sudden closure should authorities choose to enforce licensing or zoning regulations.

The reliance on informality provides short-term flexibility and enables rapid labor market entry; however, it entrenches precariousness by denying refugees access to social protections, legal recourse, and institutional support. Over time, this undermines pathways to upward mobility, as refugee-owned businesses are unable to scale, invest in long-term assets, or build credit histories that could facilitate formal economic participation (Kabbani 2017). Moreover, informality perpetuates broader inequalities by reinforcing dependence on community-based networks and limiting engagement with mainstream markets, leaving many Syrian refugees in a cycle of economic vulnerability despite their demonstrated entrepreneurial capacity.

B. Hybrid Models of Integration

For refugees and migrants in Egypt, daily life is a constant navigation between two parallel worlds: a formal system that provides limited legal status and an informal one built on community networks and resourcefulness. This section will explore the mechanics of this "hybrid" integration, a strategic blend that, while enabling survival, also entrenches precarity. While holding documents like a UNHCR asylum seeker card or a residence permit grants a degree of protection from deportation, these documents are not a key to full inclusion. The most significant gap is the nearly non-existent pathway to a legal work permit. Egyptian labor laws are highly restrictive, requiring skills not available in the local workforce, employer sponsorship, and the payment of exorbitant fees, effectively making formal employment an unachievable goal for the majority.

This creates a paradox: refugees are officially recognized but not fully included. They are legally present in Egypt but are denied the fundamental right to work, which is central to building a stable, self-reliant life. Consequently, refugees are forced into the shadows of the informal economy, where they must rely on their ingenuity and social networks to find work. This reliance on a precarious, unregulated system is not a choice but a necessity, underscoring the severe gap between official policy and the practical realities of displacement. We will examine how this dual reality impacts different communities, particularly Sudanese and Syrians, revealing that while hybridity is a shared strategy, its outcomes are far from uniform.

Acquiring a work permit is often an arduous and restrictive process. Egyptian labor law requires refugees to demonstrate specialized skills not available in the local workforce, secure employer sponsorship, and pay high fees, all while competing with Egyptian nationals in a job market already marked by high unemployment. The bureaucracy is not only lengthy and expensive but also structurally exclusionary, making legal work permits nearly inaccessible to most asylum seekers. As a result, many refugees are forced into informal employment or self-employment, relying on personal networks to establish small, often unlicensed businesses. Syrian entrepreneurs in Egypt, for instance, have navigated this gap by operating food shops, tailoring services, or micro-trade ventures, all while depending on community solidarity for supply chains and customer bases (Cabañes 2024).

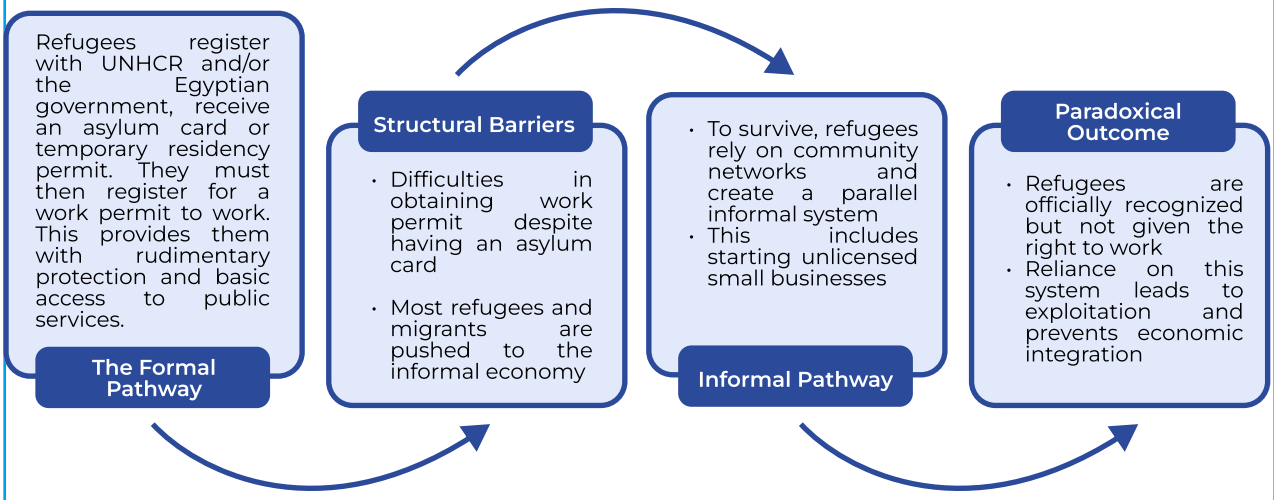
This informal route is adaptive but precarious. On the one hand, it enables migrants to sustain their families, contribute to local economies, and preserve a sense of independence in contexts where formal opportunities are blocked. Many establish small-scale businesses such as food stalls, tailoring workshops, or micro-trade ventures, which not only provide essential household income but also generate employment for fellow migrants and, in some cases, Egyptians, thereby weaving refugee economic activity into the urban fabric. However, because these enterprises and jobs exist outside the formal economy, they are marked by instability and constant vulnerability. Refugees and migrants face the ever-present risk of sudden closure, fines, or confiscation of goods should authorities choose to enforce licensing and labor regulations, while their lack of legal protections makes them more susceptible to exploitation, wage theft, harassment, or inflated operating costs imposed by landlords and middlemen.

Women in particular often encounter heightened risks in informal work environments, limiting their ability to participate safely and equitably. Beyond immediate livelihood insecurity, the absence of legal work authorization undermines long-term integration by preventing refugees from pursuing stable careers, saving and investing in their futures, or accessing financial services such as credit, banking, and insurance that are necessary for business expansion and social mobility. This exclusion also wastes valuable human capital, as migrants are often unable to apply their prior professional skills in teaching, healthcare, construction, or artisanal trades, instead being confined to low-income and precarious roles. For many households, this instability not only limits their present options but also constrains the aspirations and prospects of the next generation, who grow up witnessing cycles of economic marginalization. Thus, while informality demonstrates the resourcefulness and resilience of migrant communities, it ultimately functions as a structural trap: a system that makes their contributions visible yet undervalued, enabling survival but closing off the pathways to secure, dignified, and long-term integration into Egypt's social and economic life.

The implications extend beyond migrant communities themselves. By denying migrants a viable pathway into the formal labor market, Egypt is also missing out on significant economic potential. Many migrants bring with them skills in agriculture, craftsmanship, education, healthcare, and entrepreneurship—fields where Egypt faces labor gaps and opportunities for growth. If work permits were more accessible, migrants could pay taxes, formalize their businesses, and contribute more directly to national development. Instead, the current hybrid model traps them in a cycle of semi-legality: visible and active, yet structurally marginalized.

Ultimately, this situation represents a double loss: for migrants, who remain unable to achieve full integration and self-reliance; and for the Egyptian economy, which loses the chance to harness refugee talent, entrepreneurial energy, and cross-border linkages as drivers of inclusive growth. Without reform of licensing frameworks, labor regulations, and financial access, hybrid integration risks becoming not a stepping stone, but a ceiling—one that prevents refugees from realizing their potential and limits Egypt from fully capitalizing on the human capital within its borders.

The Refugees and Migrants Hybrid Integration Model:



Access to public services in Egypt remains a critical yet uneven dimension of refugee integration, often characterized by a reliance on hybrid strategies that blend formal entitlements with informal coping mechanisms. Officially, refugees from countries such as Syria, Sudan, Libya, and Yemen are entitled to public education and primary healthcare on the same basis as Egyptian citizens. The shared Arabic language facilitates this inclusion, at least in principle. In practice, however, administrative hurdles and systemic limitations constrain refugees' ability to fully benefit from these services. In education, for example, overcrowded classrooms, shortages of learning materials, and a reliance on costly private tutoring undermine the accessibility and quality of public schooling. Many low-income refugee families therefore turn to non-formal alternatives, such as community schools, which often lack accreditation (Tong and al-Sadi 2021). This creates a dual system in which the legal right to education is only partially realized, leaving children at risk of dropout and long-term vulnerability.

Healthcare access mirrors this hybrid pattern. While refugees are granted primary healthcare on par with Egyptians, secondary and tertiary care remains costly and difficult to access. Structural barriers such as referral requirements, language obstacles for non-Arabic speakers, and high out-of-pocket expenses exacerbate these difficulties. UNHCR data highlights that many households struggle to meet medical costs, compelling them to rely on informal networks or delay treatment altogether (Tong and al-Sadi 2021). These gaps in service provision contribute to the adoption of negative coping mechanisms, including reducing food consumption, borrowing money, or foregoing essential healthcare, which further exposes refugee families to protection risks and deepens their financial precarity.

These challenges are closely tied to poverty, which is both a cause and consequence of limited service access. According to UNHCR estimates, nearly 39.6 percent of registered refugees in Egypt are considered poor (UNHCR, 2019). Poverty perpetuates intergenerational cycles of deprivation: households headed by individuals with low education or no productive assets often pass on disadvantage to their children. Malnutrition and poor health reduce children's ability to thrive academically, while constrained household finances increase the likelihood of school dropout in favor of early entry into the labor market. Without adequate vocational training or skill development, these children grow into adults with limited earning potential, thereby reproducing poverty across generations. Education, though already covered in depth elsewhere, remains one of the most effective tools to interrupt this cycle, but its impact depends on whether families can afford to keep children enrolled and supported in school.

Table: Survival Minimum Expenditure Basket

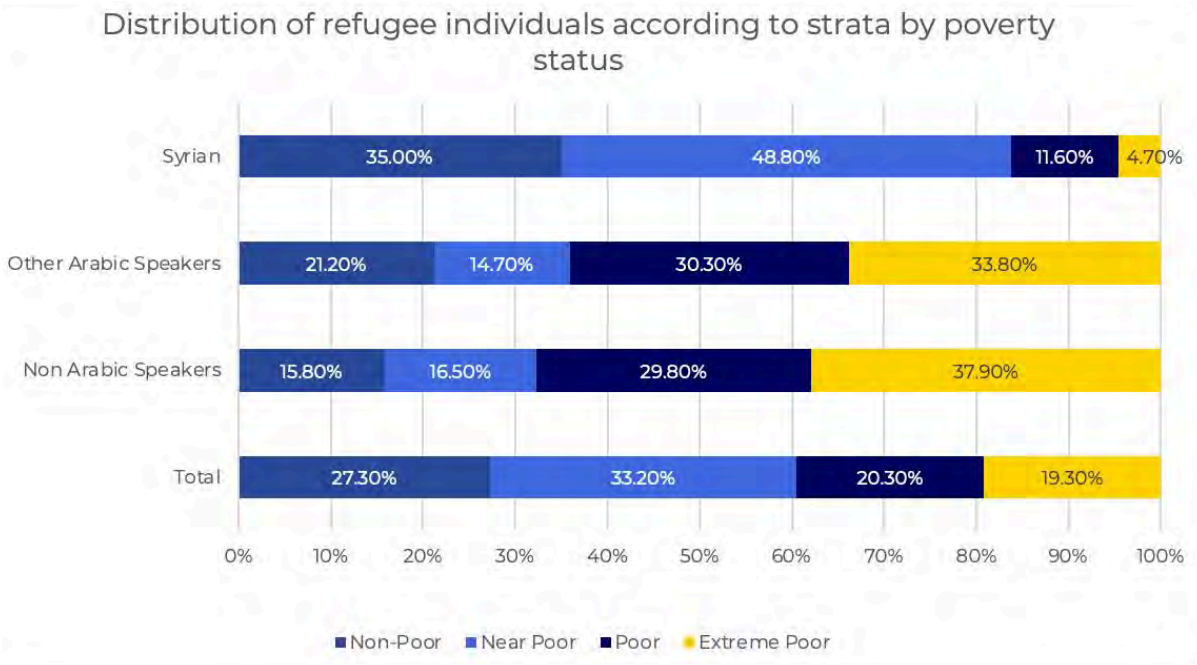
	Shelter	Food	Protection	WASH	SMEB per month	SMEB per year
	EGP	EGP	EGP	EGP	EGP	USD
Individual	9,761.40	4,894.30	798.80	2,095.20	1,462.48	93
Couple	14,675.40	9,788.60	1,598.80	4,437.60	2,541.70	162
Family of 3	18,014.60	14,683.00	2,396.40	7,080.00	3,514.50	225
Family of 4	19,913.50	19,577.30	3,195.20	9,883.20	4,380.77	280
Extended Family	23,067.00	24,471.60	3,996.40	12,504.00	5,336.58	341

Source: (UNHCR, 2021).

The concept of a Survival Minimum Expenditure Basket (SMEB) refers to the most basic set of goods and services required to meet immediate survival needs. Unlike a full Minimum Expenditure Basket (MEB), which may include a wider range of essential services such as education or healthcare, the SMEB is deliberately reduced to cover only the absolute necessities for sustaining life (UNHCR, 2021). These typically consist of food, water, and shelter, which represent the core physical requirements of daily survival. In the Egyptian context, however, additional costs are factored into the SMEB due to the specific vulnerabilities faced by refugees and displaced populations. These include the expenses associated with maintaining legal residency, as well as communication and transportation—grouped together under the category of "Protection." Such items are considered indispensable because the ability to legally remain in the country, stay connected, and move safely are all fundamental to ensuring physical security and access to basic services. Based on current estimations, the monthly cost of this survival basket is calculated at approximately USD 93 for an individual. When applied to a household of five, which is often used as a reference family size in humanitarian programming, the total rises to around USD 341 per month. This figure highlights both the minimal threshold required for survival in Egypt and the precarious situation of many refugee households, who must continuously allocate scarce resources just to cover these most basic needs.

Labor market participation further illustrates the intersection of poverty and access to services. Data from EVAR 2018 shows that about half of refugees aged 15 years and older were part of the labor force, with notable variations across different groups (UNHCR, 2019). Poverty itself is a determinant of participation: poorer households were less able to engage in the labor market, reinforcing cycles of dependency and exclusion (UNHCR, 2021). Moreover, many refugee families entered Egypt with pre-existing vulnerabilities—such as chronic illnesses, disabilities, or elderly dependents—that compound financial strain and restrict the ability to pursue stable employment or cover healthcare expenses.

Figure 18 Distribution of refugee individuals according to strata by poverty status



Source: (UNHCR, 2019).

Building on the preceding analysis, the visual data from the graph underscores the stark disparity in poverty levels between Syrian refugees and other refugee groups in Egypt. As the graph clearly illustrates, poverty is significantly less prevalent among Syrians, with a notable majority classified as either "Near Poor" or "Non-Poor." This contrasts sharply with the "Other Arabic Speakers" and "Non-Arabic Speakers" categories, where a much larger percentage of individuals fall into the "Poor" and "Extreme Poor" brackets. The data strongly supports the qualitative observations about Syrian communities' economic resilience and integration, largely attributed to their established social capital, entrepreneurial ventures, and longer-term presence in Egypt. It is crucial to note that this data was collected prior to the 2023 conflict in Sudan. The ensuing influx of Sudanese refugees, who may lack the established social networks and community infrastructure of their predecessors, faces a unique set of challenges in economic integration, further exacerbating the pre-existing vulnerabilities seen in the "Other Arabic Speakers" and "Non-Arabic Speakers" categories.

Taken together, these dynamics underscore that while Egypt formally extends public services to refugees, real access is often constrained by structural, financial, and institutional barriers. The resulting gaps force refugees into hybrid strategies that combine public entitlements with informal coping, while poverty both shapes and is shaped by these access limitations. Breaking this cycle requires not only expanding service provision but also creating pathways for refugees to engage in the labor market more productively and sustainably.

The informal networks that underpin these hybrid strategies are crucial for survival. As Webb et al. (2009) noted, informal business practices are revived by networks of investors, suppliers, and customers through collective identity formation and social cohesion. The common bond linking individuals in these communities—particularly among Syrians—creates cooperative groups that share cognitive, moral, and ethical attachments, values, and salient norms (Webb et al. 2009). These groups substitute for formal institutions, providing benefits such as lower transaction costs and a flexible framework for social innovation (Beehner 2015). For Sudanese migrants, who often lack the same level of organized ethnic enclaves as their Syrian counterparts, these networks may be less formalized but are no less vital for navigating the perils of displacement and securing a semblance of stability in Cairo's urban landscape.

The most significant distinction lies in their economic engagement. Syrian migrants, largely due to their social capital and previous entrepreneurial experience, have been able to establish themselves in specialized informal sectors, particularly in food-related ventures. The presence of "well-known Syrian restaurants" and small grocery shops specializing in imported goods highlights a degree of economic agency and a capacity for value creation that is not as prevalent in the Sudanese community (Hassan 2021). This is supported by the UNHCR data showing a higher rate of full-time wage employment and self-employment among Syrians than among many other refugee groups in Egypt.

In contrast, Sudanese migrants are more frequently concentrated in low-wage, precarious, and labor-intensive informal work, such as street vending, construction, and domestic labor (Kabbani 2017). These jobs are typically characterized by insecurity, the absence of social protection, and limited opportunities for upward mobility. The difference in employment patterns between Syrian and Sudanese refugees is important to recognize but must be understood in context. Syrian communities, many of whom arrived during the earlier phases of the Syrian conflict in the 2010s, have had more time to establish businesses, build networks, and carve out relatively stable economic niches in Egypt. Their presence over a longer period has enabled them to cultivate community-based support systems, secure customer trust, and adapt their enterprises to the Egyptian market.

The more recent and large-scale displacement of Sudanese since the escalation of conflict in 2023 has left many still navigating the uncertainties of arrival, often without the same accumulated networks or capital that Syrians have been able to develop over time. These differences are further compounded by varying sociopolitical contexts of displacement and degrees of social acceptance within host communities. While the Egyptian government has at times taken a relatively permissive stance toward Syrian businesses—often overlooking their informal status—this flexibility is not always extended equally to other refugee groups, creating a perceived “double standard” that reinforces disparities. However, the contrast is not solely the product of preferential treatment; it also reflects the different historical trajectories and durations of exile, which have given Syrians a head start in building the kinds of economic footholds that Sudanese communities, still in the early stages of displacement, have not yet had the chance to secure (Abdel Aziz 2017)

The strength and structure of community networks also differ. The Syrian community, with its established ethnic enclaves and strong collective identity, has been instrumental in facilitating economic integration and providing a support system that substitutes for formal institutions (Webb et al. 2009). This cohesive network allows for the creation of informal supply chains, credit systems, and customer bases, which are vital for sustaining informal businesses (Hassan 2021). For Sudanese migrants, while community networks are present and essential for survival, they are often more focused on providing basic protection and navigating bureaucratic hurdles rather than on large-scale economic organization (Mahasneh 2025). The challenges of displacement and the legal precarity they face make collective economic mobilization more difficult, leaving many to rely on individual, atomized survival strategies.

While both Syrian and Sudanese refugees and migrants encounter similar legal and administrative hurdles, the impact varies significantly across these groups. "Closed-file" refugees—predominantly Sudanese—bear the brunt of the harshest burdens. Denied asylum or facing suspended cases, they live in a legal limbo that restricts their movement and prevents access to even the most basic services available to registered refugees. This pushes them deeper into the informal economy and relegates them to the peripheries of Cairo and other cities—where risks of arrest, eviction, or harassment by security authorities are ever-present (Reuters 2025; Le Monde 2024; TIMEP 2024; AIDA 2025). Meanwhile, Syrians—benefiting historically from somewhat more permissive treatment—have been able to navigate developments with comparatively greater ease. Yet even for them, the situation is increasingly fraught.

In late 2024, Egypt passed new legislation transferring refugee status decisions from the UNHCR to governmental authorities and indefinitely suspended the renewal of Syrian residency permits, triggering widespread uncertainty (Reuters 2024; Syria Direct 2024). More recent directives have gone further—Egyptian airlines were instructed in early 2025 not to accept Syrian travelers unless they hold valid non-tourist residence permits issued in Egypt, effectively barring those who leave from returning unless they secure prior security approval (Asharq Al-Awsat 2025). Although the Syrian Embassy in Cairo has introduced certain measures—such as free document certification, temporary passport extensions, and one-time return tickets—to facilitate departures, these efforts underscore rather than soften the growing sense of exodus and insecurity among Syrian residents (Ahram Online 2025). Overall, the Egyptian government's stance on migrants and refugees has hardened: residency has become more difficult to obtain or renew; asylum processing has slowed and shifted under stricter state control; and enforcement actions—particularly against Sudanese and other African refugees—have intensified, resulting in widespread detentions and deportations even among UNHCR-registered individuals (Reuters 2025; Le Monde 2024; TIMEP 2024; New Arab 2024; AIDA 2025).

The integration of Sudanese and Syrian migrants in Egypt is a multifaceted process defined by their strategic use of informality and hybrid integration models. For both communities, these strategies are not a preferred choice but a necessary response to structural exclusion and a restrictive legal environment. The report has highlighted that while informality provides an essential economic lifeline, it also perpetuates a cycle of precarity, vulnerability, and lack of social protection.

The "hybrid" model of integration, where formal documents are blended with informal networks, is a testament to the adaptability and resilience of both communities. However, it also reflects a fundamental failure of the host state to provide a clear and comprehensive pathway to full integration. Without significant reforms to labor laws, licensing procedures, and access to formal financial systems, this hybridity will remain a ceiling, limiting upward mobility and entrenching a permanent state of semi-integration. The findings underscore the need for targeted interventions that not only provide humanitarian aid but also address the structural barriers that compel refugees to operate in the informal economy. Only by recognizing and supporting these informal and hybrid strategies can international and local actors hope to foster more dignified and sustainable livelihoods for displaced populations in Egypt.

Theme 4 – Social Capital, Diaspora Networks, and Entrepreneurial Embeddedness

The financial and social infrastructures that sustain refugee and migrant life in Egypt cannot be understood through formal institutions alone. Exclusion from banking, credit, and mainstream employment systems compels displaced populations to construct alternative economies rooted in social capital, trust, and diaspora linkages. These informal systems—ranging from rotating savings groups and kinship-based lending to apprenticeship models and community-based organizations—do more than substitute for inaccessible services. They constitute the foundation of both survival and entrepreneurial embeddedness, shaping distinct yet overlapping pathways for groups such as Syrians and Sudanese. By examining informal financial mechanisms alongside community networks and transnational ties, this section demonstrates how displaced populations mobilize resilience in the face of systemic exclusion, while also highlighting the structural limits that constrain their capacity to transform these practices into stable, growth-oriented opportunities.

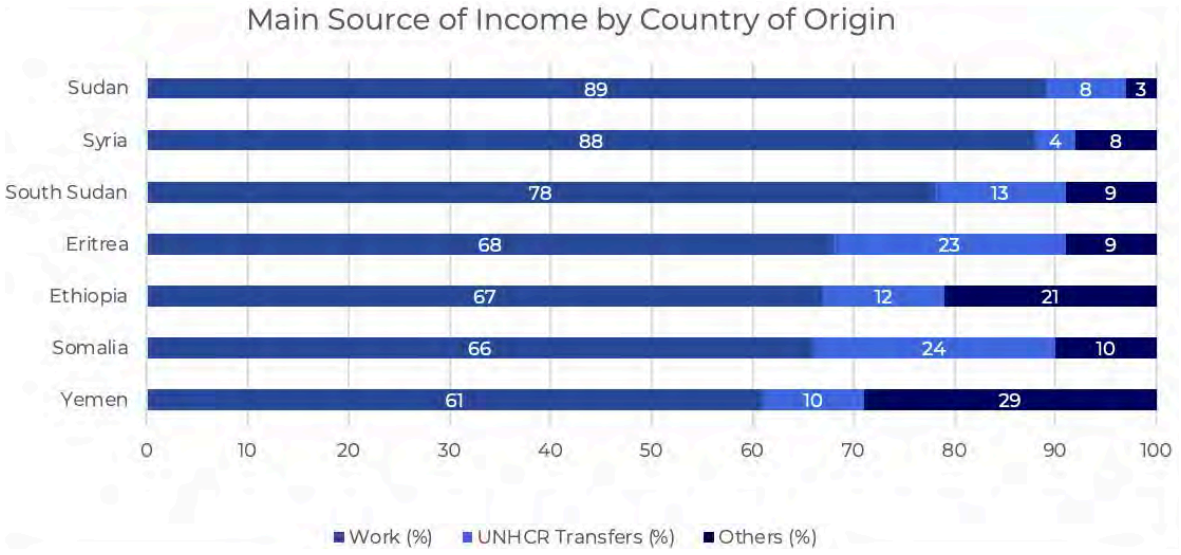
A. Informal Financial and Support Systems

The economic lives of refugees and migrants in Egypt are shaped by exclusion from formal financial systems and banking institutions. Although financial inclusion has expanded nationally over the past decade, displaced populations remain overwhelmingly excluded from these gains. Barriers such as restrictive documentation requirements, ambiguous legal status, and the high levels of perceived risk associated with refugees have left the vast majority without access to bank accounts, savings instruments, or credit services. In this context, refugees and migrants have developed a reliance on non-formal financial mechanisms that operate outside official institutions but are deeply embedded within community and kinship networks. These mechanisms constitute not only an adaptive response to systemic exclusion but also the cornerstone of survival and entrepreneurial activity in the absence of formal support.

In Cairo, formal refugee assistance is primarily limited to those who hold a valid UNHCR registration card. Without this card, refugees are excluded from many official services and organizations, including those operated by Caritas, CRS, and UNHCR itself (Jacobsen, Ayoub, and Johnson, 2012). Among a survey sample of ninety participants, seventy-three reported having a UNHCR card, while those without such documentation had restricted access to financial aid and social programs (Jacobsen, Ayoub, and Johnson, 2012). Caritas, as the UNHCR's main implementing partner, distributes cash assistance on the basis of family size or medical needs, but only a small fraction of refugees actually receive this support. Out of seventy-three cardholders in the survey, sixteen were currently receiving financial assistance from Caritas, while another five were still waiting for aid. In many cases, the financial support was irregular, arriving with long gaps between payments, which left families struggling to cover rent and other basic needs during the intervening months.

These difficulties in accessing formal assistance mirror the broader barriers refugees face when attempting to engage with Egypt's banking sector. Formal banking systems typically require valid national identification, passports, and residency permits to open accounts or apply for loans. For most refugees, particularly those registered with the UNHCR, the primary form of documentation is the refugee card, either blue or yellow, which is not recognized by banks as sufficient identification (Kabbani 2018). The absence of nationally recognized documentation immediately excludes refugees from opening bank accounts, receiving international remittances through formal channels, or accessing credit products (Calabria & Omata, 2016). Furthermore, refugees are often perceived by financial institutions as high-risk clients due to the uncertainty of their legal status and the possibility of onward migration or repatriation. This perception, coupled with the lack of verifiable credit histories or collateral, renders them unattractive to formal lenders. As a result, only around one percent of the refugee population in Egypt has access to accounts with financial institutions (Kabbani 2018).

Figure 19: Main Source of Income by Country of Origin



Source (ILO and UNHCR, 2023).

The graph provides a powerful illustration of the reliance on informal financial systems and the subsequent exclusion from formal methods of support among different refugee groups. It is evident that for all communities, "Work" is the predominant source of income, with Sudanese and Syrian refugees showing the highest reliance on this, at 89% and 88% respectively. This reliance on work, which is often informal, highlights their limited access to formal financial services and a broader dependence on the informal economy. The low percentage of income from "UNHCR Transfers" for these groups (8% for Sudanese and 4% for Syrians) further underscores their minimal reliance on formal cash assistance programs. This contrasts with refugees from other countries, such as Somalia and Yemen, who, while still working, show a much greater dependence on humanitarian support and formal transfers, suggesting varying degrees of economic vulnerability and exclusion from mainstream economic channels. The data thus not only demonstrates the critical role of informal labor in refugee livelihoods but also highlights the systemic barriers that compel many to operate outside of formal financial and aid structures.

Faced with these structural exclusions, refugees have developed reliance on a variety of non-formal financing mechanisms that are grounded in trust, social proximity, and collective responsibility. One of the most widespread forms is the rotating savings and credit association, locally referred to as sanduq. These community-based arrangements involve small groups of individuals who contribute fixed amounts of money on a regular basis, with the pooled fund distributed cyclically among members. Sanduq systems enable participants to access lump sums of cash without needing collateral or formal contracts, making them especially valuable for financing small-scale entrepreneurial ventures or covering unexpected household expenses. Although their scale is limited and insufficient for larger investments, they serve as a vital financial tool for refugees who are systematically excluded from banks and microfinance institutions (Jacobsen, Ayoub, and Johnson 2012).

The limitations of formal assistance and financial systems mean that even registered refugees often depend on supplementary and alternative sources of income. Access to international aid remains uneven and fraught with challenges. For example, earlier surveys found that only 13 percent of Sudanese refugees who were in contact with Caritas reported actually receiving cash assistance, while many others described ongoing frustration with bureaucratic procedures, delays in disbursement, and opaque eligibility criteria. These shortcomings not only limit the effectiveness of aid but also foster disillusionment with humanitarian agencies. Perceptions of discrimination further complicate engagement: Ethiopians, for instance, believe Caritas provides assistance to them only under special circumstances, while South Sudanese have expressed distrust toward UN agencies, often viewing them less as neutral humanitarian actors and more as political institutions with agendas that do not prioritize refugee welfare (Jacobsen, Ayoub, and Johnson 2012). Such perceptions weaken confidence in formal support channels and deepen the reliance on community-based financial practices, religious institutions, and interpersonal networks as more trusted and reliable sources of assistance.

Against this backdrop of constrained aid and limited institutional trust, both Syrian and Sudanese communities in Egypt have developed hybrid strategies that combine formal and informal financial support. Formal actors such as UNHCR and UN Women provide temporary cash transfers for vulnerable households, often directed to women-headed families or those with children. The International Labour Organization’s PROSPECTS program, meanwhile, emphasizes skills development, vocational training, and employability initiatives intended to promote long-term resilience and decent work opportunities for refugees and host communities (UNHCR 2023; ILO 2021). Yet despite these interventions, the scale and scope of formal support remain limited relative to need. Many Syrian entrepreneurs, in particular, have criticized NGO-provided grants as insufficient for sustaining competitive businesses, as they tend to focus on low-skilled, home-based activities rather than more growth-oriented ventures (Hassan 2020).

This insufficiency compels both Syrians and Sudanese to rely heavily on informal financial systems that, while flexible, are often precarious. Among the most common is the sanduq, or rotating savings association, in which members contribute a set amount each month and take turns receiving the pooled sum. These arrangements provide quick, low-barrier access to cash and are often used to cover rent, healthcare, or school fees. Beyond sanduq, refugees frequently turn to kinship and ethnic borrowing networks, where family members, friends, or co-ethnic community members provide small, often interest-free loans based on trust and mutual obligation. While these loans reduce barriers in the short term, they can also create vulnerabilities: repayment depends on social pressure rather than formal contracts, and delays can strain relationships or create cycles of indebtedness. Moreover, the size of loans available through these networks is typically small, sufficient only for coping or subsistence rather than scaling business ventures.

Remittances represent another important, though inconsistent, lifeline. Refugees rely on relatives abroad to supplement their income, but flows are often irregular, tied to emergencies or religious holidays rather than predictable monthly support. In a large-scale study of Sudanese refugees in Cairo, only 4 percent of respondents reported receiving monthly remittances, while the majority noted receiving transfers once or twice a year (Jacobsen, Ayoub, and Johnson 2012). Because documentation barriers exclude refugees from formal banking and money transfer services, most remittances are sent through informal channels such as hawala. This system, relying on trusted brokers embedded in ethnic or regional networks, enables refugees to access money without identification documents, offering speed and flexibility where banks impose rigid restrictions. Yet hawala's unregulated and opaque nature exposes refugees to fraud, and because it operates entirely outside of formal finance, remittances channeled through hawala cannot be leveraged for building credit or accessing future financial services (El-Abed 2021; Kabbani 2018).

Table: Percentages of households receiving earnings from various sources by region and country of origin.

Country of origin	Wages and salaries	Your business or family business	Income from properties or financial capital	Money from family or friends living in Egypt	Money from family or friends living abroad	Money from charity	Other sources
Syria	89.7%	2.7%	0.3%	3.3%	2.9%	74.0%	2.3%
Sudan	87.5%	3.2%	0.3%	3.8%	1.2%	68.9%	3.5%
South Sudan	79.3%	1.1%	0.0%	4.8%	0.5%	67.7%	1.6%
Ethiopia	61.5%	1.0%	0.0%	9.1%	5.1%	56.5%	3.0%
Eritrea	65.1%	2.1%	0.0%	6.2%	3.4%	69.9%	1.4%
Somalia	66.1%	0.0%	0.0%	25.1%	11.0%	63.9%	0.0%
Yemen	61.4%	3.5%	0.0%	14.8%	23.6%	55.1%	5.2%
Region							
Greater Cairo	82.5%	1.9%	0.3%	5.2%	3.8%	67.9%	2.6%
Alexandria	82.0%	6.0%	1.1%	3.2%	2.6%	78.3%	3.6%
Damietta	89.9%	3.1%	0.2%	2.9%	1.5%	90.8%	1.3%
Total	82.7%	2.4%	0.3%	4.9%	3.6%	69.7%	2.6%

Source: (ILO. 2023).

The financial lives of refugees are often defined by a paradox: they rely on informal systems for resilience while simultaneously being excluded from the formal structures that would provide long-term stability. As the provided data shows, a significant majority of refugees across various nationalities depend on "Work" as their primary source of income, a category that largely operates within the informal financial system. For Sudanese and Syrian refugees, this reliance is particularly high, at 89% and 88% respectively. This is in stark contrast to their minimal reliance on formal cash assistance programs, such as those from UNHCR, which account for only 8% of income for Sudanese and 4% for Syrians.

Beyond credit and remittances, non-formal financing extends into everyday survival strategies tied to housing and employment. Refugees often secure housing through informal rent arrangements brokered within their communities, frequently without contracts or legal protections. Similarly, many work opportunities are accessed informally through word-of-mouth referrals or ethnic networks, with payments handled outside of state regulation. These practices substitute for formal access to markets and services, but they also perpetuate refugees' invisibility within institutional frameworks, reinforcing their dependence on fragile, unregulated systems.

Taken together, these patterns highlight a paradox at the core of refugee financial life in Egypt. Informal practices—whether sanduq, kinship loans, remittances, hawala, or community-based housing and employment networks—reflect remarkable resilience, enabling displaced populations to survive in an exclusionary financial environment. Yet the same mechanisms are inherently unstable. They provide small and irregular amounts, insufficient for long-term stability or business growth, and leave refugees locked into subsistence strategies that reproduce financial vulnerability. Without systemic reforms that expand financial inclusion, recognize alternative forms of creditworthiness, and bridge the gap between community-based resilience and formal institutional support, migrant communities will remain confined to precarious pathways of survival rather than empowered trajectories of socioeconomic integration.

Summary table of key informal financial systems:

Mechanism	Description	Key Benefits	Challenges & Limitations
Rotating Savings Groups (Sanduq)	Community-managed credit schemes where members contribute regularly to a common fund, which is disbursed to each member in a rotating cycle.	Provides flexible, collateral-free access to small capital; acts as a financial and social safety net.	Limited capital constrains scalability and long-term growth.
Communal Lending	Community-based credit where loans are made with mutual trust and social accountability as collateral.	Flexible, collateral-free access to small capital; acts as a financial and social safety net.	Limited capital constrains scalability and long-term growth.
Kinship-based Credit & Borrowing	Borrowing from relatives, friends, and members of one's ethnic community.	Manages cash flow and covers emergency expenses.	Leads to increased debt and financial vulnerability; not stable or sufficient for sustained entrepreneurship.
Remittances via Informal Channels (Hawala)	Income from family or diaspora members sent through informal transfer systems like Hawala.	Critical income stream for basic needs (food, housing, healthcare).	Rarely contributes to capital accumulation or business reinvestment; reliance on informal channels due to formal banking restrictions.
Social Networks for Employment & Housing	Leveraging community connections and social capital to find jobs and secure housing.	**83%** of Syrian refugees found jobs through these networks; reduces living costs through shared housing; provides informal safety nets.	Employment and housing are often informal and concentrated in specific ethnic neighborhoods.

The reliance on these non-formal financial mechanisms reflects both necessity and resilience. On one hand, it illustrates the adaptive capacity of migrant communities to mobilize trust, solidarity, and informal networks in order to meet urgent needs and pursue limited entrepreneurial initiatives. On the other, it underscores the depth of structural exclusion that bars displaced populations from participating in Egypt's formal financial sector. The small, short-term, and unstable nature of non-formal financing prevents migrants from accumulating substantial capital or expanding enterprises beyond survival-oriented ventures. In this sense, while non-formal mechanisms are indispensable to refugee life in Egypt, they simultaneously reinforce the precarity and marginalization of displaced populations, leaving them vulnerable to shocks and perpetually constrained in their economic opportunities.

These fragile financial mechanisms not only determine migrants material survival but also shape the broader ways communities organize, share knowledge, and reproduce resilience. Where formal markets and state institutions are absent, the same trust-based logics that underpin sanduq or hawala extend into how refugees build apprenticeships, transmit skills, and support each other through community-based organizations. Thus, informal finance and community networks are not separate domains but mutually reinforcing strategies through which displaced groups construct livelihoods in Egypt.

B. Community Networks and Apprenticeship in Egypt

Building on these financial strategies, refugee communities also rely on dense social networks and grassroots initiatives that function as both safety nets and engines of opportunity. Whether through apprenticeship, neighborhood associations, or women-led community centers, knowledge exchange and solidarity become essential extensions of the same informal infrastructures that sustain credit and remittances. Both Syrian and Sudanese migrants demonstrate the importance of community apprenticeship, whereby skills, information, and survival strategies are circulated within trusted networks and often institutionalized in grassroots initiatives. These networks, while different in scope and capacity, not only address practical needs but also serve as spaces for cultural preservation, identity formation, and social belonging.

Syrian migrants in Egypt often enter with relatively stronger socio-economic resources and the ability to mobilize communal capital through wealthier networks. This is reflected in the visible clustering of Syrian businesses in areas like Sixth of October City, where “Little Damascus” has become synonymous with Syrian restaurants, bakeries, and retail shops. These enterprises do more than generate income: they function as apprenticeship sites where newly arrived Syrians are trained, mentored, and absorbed into the local economy. Knowledge of how to navigate Egyptian bureaucratic systems, secure permits through partnerships with Egyptian nationals, and manage small-scale businesses is passed on in practice, ensuring continuity of enterprise across refugee generations. By 2016, Syrian businessmen were estimated to have invested close to $800 million in Egypt, creating an ethnic economy that has not only generated livelihoods for Syrians but also created jobs for Egyptians (Hassan 2020).

Community-based organizations (CBOs) further reinforce these entrepreneurial ecosystems. The Rabetet Souriyat Women Community Center, for example, offers vocational training, childcare, and cultural activities, creating a social platform where Syrian and Egyptian women share skills and resources. This model exemplifies how Syrian networks extend beyond insularity by fostering cross-cultural solidarity and exchange. At the same time, organizations like the Syrian Businessmen and Entrepreneurs Association (SIAD) have connected refugee entrepreneurs to broader diaspora circuits and state institutions, smoothing bureaucratic barriers while channeling investment capital. Online platforms such as Facebook and WhatsApp groups amplify this ecosystem, enabling Syrian migrants to market their businesses, advertise vacancies, and share consumer information, turning digital tools into low-cost accelerators of entrepreneurship and integration.

Sudanese migrants, by contrast, often confront sharper structural disadvantages. Racial discrimination, precarious legal status, and residence in lower-income neighborhoods of Cairo and Giza combine to limit their upward mobility. Their networks are more localized, oriented toward survival and daily subsistence rather than investment and expansion. Mutual aid mechanisms such as sanduq (rotating savings groups), neighborhood committees, and women-led associations function as lifelines for households with little access to formal credit or financial systems. For women in particular, these communal funds, along with informal childcare and schooling initiatives, constitute the core of household resilience. These networks not only provide financial relief but also reinforce psychosocial well-being by embedding refugees in circles of trust and solidarity.

Sudanese livelihoods remain concentrated in the most precarious segments of Egypt’s informal economy, including domestic labor, street vending, construction, and cleaning services. These jobs expose workers to chronic risks of underpayment, sudden dismissal, and workplace abuse, with little recourse to legal protection. The inability to access formal banking systems—due to lack of recognized documentation, valid identification, or credit history—deepens reliance on fragile community mechanisms. Borrowing within networks can sustain families during crises but often produces cycles of indebtedness that entrench vulnerability (El-Abed 2021; Kabbani 2018). Informal transfer systems such as hawala also play an important role, particularly among Sudanese households, yet they rarely translate into long-term financial inclusion.

Despite these constraints, Sudanese migrants have built dense community infrastructures that substitute for absent institutions. Churches, mosques, and community centers offer education, counseling, cultural events, and childcare. Informal schools organized by Sudanese teachers ensure children maintain access to learning even when public education is inaccessible or overcrowded. Cultural belonging is actively recreated through neighborhood networks in places like Faisal, where shops are named after Sudanese cities, youth groups organize sports tournaments, and cultural events celebrate Sudanese traditions. These practices produce an "alternative Sudan" in exile, sustaining collective identity while nurturing intergenerational resilience.

Digital and transnational dimensions further shape both communities, though in different ways. Syrian networks leverage diaspora ties for business investment, mentorship, and market expansion, embedding their enterprises into broader transnational circuits. Online platforms serve not only as tools for cultural expression but as extensions of commercial strategies. Sudanese networks, however, employ digital platforms primarily for survival—circulating guides on accessing healthcare, finding affordable housing, or navigating bureaucratic systems. While Sudanese refugees also maintain transnational ties, particularly with relatives in the United States, Australia, and Saudi Arabia, these links often yield symbolic solidarity rather than consistent financial support, as many Sudanese migrants abroad face economic constraints themselves.

Summary table of Syrians vs. Sudanese community based networks

Domain	Syrians	Sudanese
Finance	Business associations, entrepreneurship, diaspora investment	Sanduq savings groups, borrowing, survival lending
Education	Apprenticeship in businesses, CBO training centers	Volunteer schools, tutoring, informal literacy programs
Community Orgs	Cultural associations, women's centers, SIAD	Churches, mosques, grassroots neighborhood orgs
Digital Networks	Job boards, entrepreneurial marketing	Survival manuals, housing/healthcare advice
Transnational Ties	Remittances + business links	Symbolic solidarity, limited remittances

Placed side by side, Syrian and Sudanese community networks reveal two contrasting forms of community apprenticeship. Syrians, backed by capital and diasporic connections, transform apprenticeship into a springboard for entrepreneurship, transnational mobility, and cultural continuity. Sudanese, operating under more restrictive conditions, use apprenticeship in the form of localized resilience, where survival skills, cultural knowledge, and small-scale financial practices are shared within trusted circles. In both cases, community-based initiatives function as lifelines that fill institutional gaps, offering refugees pathways to cope, adapt, and sometimes flourish.

Yet despite their dynamism, these networks remain bounded by informality. Their contributions to economic life and social stability are seldom recognized, and without mechanisms for accreditation of skills, financial inclusion, or supportive policy frameworks, they risk perpetuating cycles of precarity. Community strategies thus illuminate both the resilience and the limits of refugee self-reliance in Egypt: they are vital engines of day-to-day survival and belonging, but they cannot substitute for the structural reforms necessary to ensure equitable integration and upward mobility (Kabbani 2018; El-Abed 2021; UNHCR 2023).

Theme 5 – Identity, Recognition, and Policy Narratives of Migrant Contribution

The pathways through which migrants navigate Egypt's economy are shaped not only by legal frameworks and structural constraints but also by the powerful influence of identity, legitimacy, and perception. As explored in earlier themes, refugees and migrants often rely on informal and hybrid integration strategies to access livelihoods, circumventing restrictive policies and limited access to formal work permits. Similarly, the recognition—or lack thereof—of their skills and capacities has been shown to determine their economic opportunities. Yet beyond these structural factors lies another decisive layer: the politics of identity and belonging.

In Egypt, markers such as nationality, race, language, and religion function as filters that shape how migrants are perceived by the state, employers, and host communities. These identity-based distinctions play a central role in determining whether migrants are viewed as legitimate economic actors or as outsiders competing for scarce resources. Syrians, for example, benefit from shared language, cultural proximity, and a positive entrepreneurship narrative, which has facilitated their integration into consumer markets and local business networks. By contrast, Sudanese and non-Arabic-speaking African migrants frequently face systemic discrimination, racism, and invisibility, leaving their contributions underrecognized and their participation largely confined to precarious, informal, and low-status work.

This theme explores these dynamics across two interrelated dimensions. Section 6.1 analyzes how national narratives construct migrants as either economic burdens or contributors, shaping the policy environment and influencing access to formal opportunities. Section 6.2 turns to the level of social acceptance, discrimination, and visibility, examining how everyday encounters with landlords, customers, and suppliers impact migrants' ability to sustain livelihoods and gain legitimacy as entrepreneurs. Taken together, these perspectives underscore that economic inclusion is not solely a matter of legal reform but also requires transforming perceptions and narratives that define who is recognized as a participant in Egypt's economy.

A.National Narratives and Economic Legitimacy

Public and policy discourse plays a decisive role in shaping the economic inclusion of migrants and refugees in Egypt, not only by influencing government action but also by structuring how society perceives their legitimacy as economic actors. National narratives frequently oscillate between two extremes: portraying migrants as economic burdens or recognizing them as contributors to local development. The dominant framing has direct implications for the policies adopted and the extent to which migrants are able to integrate into the formal economy.

One pervasive narrative frames migrants as a burden on the host state and its citizens. They are frequently accused of straining already limited public services, contributing to unemployment, and exacerbating competition in the informal labor market where most migrants and refugees find work. Host populations experiencing their own socioeconomic hardships often channel frustration toward these groups, seeing them as competitors for scarce jobs, affordable housing, and overstretched healthcare and education services. These concerns echo wider regional experiences, such as in Turkey, where Syrians have been portrayed as failing to contribute taxes while driving up housing and labor competition (Kaya and Kıraç 2016). In Egypt, similar narratives are reinforced through official rhetoric that inflates migrant numbers and positions them as "takers" of opportunities, rather than as economic participants (El-Abed 2021). Media outlets have occasionally amplified such perspectives, portraying Syrians as politically threatening, Sudanese as dependent on humanitarian aid, or sub-Saharan Africans as culturally alien, thereby legitimizing policies that leave migrants in a state of semi-formal recognition without pathways to meaningful inclusion.

At the same time, counter-narratives highlight the tangible contributions of certain migrant groups, particularly Syrians, to Egypt's economy. Syrian refugees and migrants have been central to discourses of entrepreneurship and resilience, with many investing capital, creating jobs for both Egyptians and Syrians, and revitalizing industries such as food, textiles, and small-scale manufacturing (Zohry 2022). Their integration into Egyptian society has been facilitated by shared language, cultural familiarity, and the strong visibility of Syrian cuisine and retail enterprises, which have helped normalize their presence in local markets. Civic and community-led initiatives often showcase Syrians as self-sufficient and innovative, with social media campaigns like "Syrians are welcome in Egypt" reinforcing their reputation as valuable contributors to national development.

By contrast, Sudanese migrants—despite their deep historical ties with Egypt and long-standing patterns of cross-border mobility—are often associated with vulnerability and dependency rather than entrepreneurship. Their concentration in low-income neighborhoods, reliance on informal labor such as domestic work, construction, and street vending, and visible racialized identities have shaped narratives that emphasize need rather than contribution. While there are examples of Sudanese-led businesses, these are less celebrated in public discourse and less likely to be framed as symbols of resilience or integration. As a result, Sudanese migrants often remain trapped in the "burden" narrative, which constrains their ability to gain legitimacy as economic actors.

Language further compounds these differences. Arabic-speaking groups such as Syrians, Sudanese, Yemenis, and Libyans navigate social and economic interactions with relative ease compared to non-Arabic-speaking communities from Eritrea, Ethiopia, or South Sudan. For Arabic speakers, linguistic familiarity allows quicker entry into customer-facing sectors, smoother negotiations with landlords and suppliers, and stronger possibilities for inclusion in local narratives of shared identity. Conversely, non-Arabic-speaking migrants face a dual burden: they are excluded from national narratives of "Arab brotherhood" and are also stigmatized on racial and cultural grounds. Their economic potential is thus obscured by narratives of foreignness and dependency, which reduce visibility of their contributions and further marginalize their role in the economy.

Ultimately, the tension between these competing narratives—between burden and contribution, familiarity and foreignness—shapes the policy environment. When governments and the public perceive migrants primarily as dependents, restrictive frameworks for residency, work permits, and financial access are maintained. Conversely, narratives that recognize migrants as legitimate economic actors open space for inclusive reforms—such as tailored entrepreneurship support, recognition of informal learning, or investment visas—that can translate their potential into measurable contributions for both host and displaced communities. The divergent treatment of Syrians and Sudanese, and of Arabic versus non-Arabic speakers, illustrates how selective national narratives can either reinforce exclusion or enable pathways to legitimacy within Egypt's economy.

B.Social Acceptance, Discrimination, and Economic Visibility

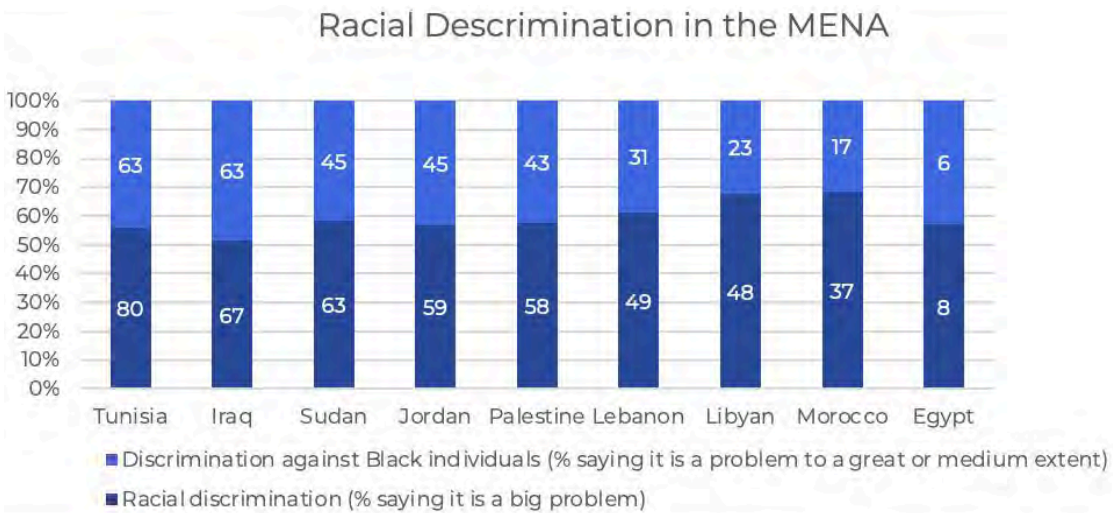
Beyond policy frameworks and official rhetoric, everyday social perceptions directly shape the economic viability of migrant and refugee businesses in Egypt. The degree of social acceptance—or conversely, the depth of discrimination—affects whether migrants can access local markets, secure affordable premises, and build sustainable customer bases. These dynamics underscore that economic integration is not only a function of formal regulation but also of societal attitudes and the visibility migrants are allowed to achieve within Egypt's economic landscape.

Discrimination operates through multiple channels. For many migrants, particularly those visibly racialized as Black Africans, social prejudice restricts their ability to rent shops, attract customers, or negotiate fair terms with suppliers. Landlords often impose higher rents or refuse to lease commercial spaces to Sudanese, South Sudanese, or Eritrean entrepreneurs. Customers may avoid patronizing businesses run by darker-skinned migrants due to entrenched social biases, further marginalizing these communities. These discriminatory practices not only reinforce exclusion but also obscure the economic contributions of these groups, leaving them largely invisible in public narratives of entrepreneurship.

By contrast, Syrian migrants have often been met with relatively high levels of social acceptance. Their businesses—especially restaurants, bakeries, and textile shops—have become highly visible and in some cases celebrated as symbols of quality and innovation. Shared language, religion, and cultural proximity have facilitated customer trust and supplier relationships, creating opportunities for Syrians to carve out significant market niches. Public visibility has, in turn, fed into narratives of resilience and contribution, helping Syrians achieve a form of economic legitimacy denied to other groups. However, this visibility is not without tension: some Egyptians perceive Syrians as "too successful," fueling resentment that their businesses outcompete local enterprises, especially in food and retail sectors.

Sudanese migrants occupy a more ambivalent space. On one hand, their long history of mobility to Egypt and shared cultural references should, in principle, provide a foundation for social acceptance. On the other hand, racialized perceptions of Sudanese as "less skilled" or "dependent on aid" often overshadow their economic activities. Their visibility in Egypt's labor market is largely confined to manual and low-paid work, which reinforces stereotypes rather than challenging them. Unlike Syrian entrepreneurs, Sudanese business owners rarely receive recognition in the media or broader society, meaning their contributions remain under-acknowledged. This selective recognition of one Arabic-speaking group (Syrians) while marginalizing another (Sudanese) illustrates how racial hierarchies intersect with cultural and linguistic affinities to structure economic acceptance.

Figure 20: Racial Discrimination in MENA



Source: (Arab Barometer. 2022)

The Arab Barometer's data reveals a significant discrepancy in how Egyptians perceive racial discrimination, particularly in comparison to other countries in the MENA region. While a considerable percentage of citizens in countries like Tunisia (80%), Iraq (67%), and Jordan (63%) report that racial discrimination is a serious problem, Egypt stands out with the lowest recognition of the issue. The findings indicate that fewer than one in four Egyptians (23%) view racial discrimination as a major problem in their country. This lack of acknowledgment is even more pronounced when specifically addressing anti-Black discrimination, with only 29% of Egyptians stating that it is a problem to a great or medium extent. This data highlights a profound disconnect between the lived experiences of Black individuals, including Sudanese migrants and refugees, and the general perception of the issue within Egyptian society.

Non-Arabic-speaking migrants, particularly from the Horn of Africa, face the most acute barriers. Lacking both linguistic familiarity and cultural proximity, they are often treated as outsiders regardless of their entrepreneurial potential. Their businesses—when they exist—tend to cater primarily to co-ethnic communities in insular markets, limiting visibility and broader acceptance. For these groups, discrimination is compounded by linguistic exclusion, making it difficult to integrate beyond narrow social and economic enclaves.

Ultimately, social acceptance and discrimination are decisive in determining which migrant groups are able to transform entrepreneurship into sustainable livelihoods and which remain trapped in low-visibility, low-value niches. Syrians' relative economic visibility contrasts sharply with the marginalization of Sudanese and the near-invisibility of non-Arabic-speaking Africans. This stratification of acceptance not only perpetuates inequality but also constrains Egypt's ability to harness the full potential of migrant entrepreneurship. Addressing these dynamics requires more than legal reform; it demands targeted efforts to challenge racial prejudice, shift public attitudes, and ensure that the visibility of migrant economic participation is not restricted to a select few groups.

Taken together, national narratives and everyday social perceptions operate as two interlocking layers of inclusion and exclusion that profoundly shape the economic trajectories of migrants in Egypt. At the top-down level, state rhetoric, political discourse, and media framing construct dominant imaginaries of who migrants are and what role they play. When migrants are framed as dependents or competitors, restrictive policies on work permits, financial access, and residency are more easily justified. Conversely, narratives that emphasize resilience, entrepreneurship, and contribution create openings—albeit limited—for more inclusive measures. These discursive frames do not simply reflect reality; they actively structure the policy environment and the boundaries of economic legitimacy.

At the bottom-up level, everyday social attitudes determine whether migrants can build the practical foundations of livelihoods: customers for their products, landlords willing to rent them premises, or suppliers ready to extend trust and credit. Even when migrants manage to navigate legal ambiguity or mobilize their skills, these micro-level interactions often act as gatekeepers to market participation. Discrimination—whether in the form of racial prejudice, xenophobic stereotypes, or everyday exclusion—translates directly into reduced economic visibility and viability.

The intersection of these two layers produces a hierarchy of belonging. At the top, Syrians benefit from relatively positive national narratives and strong consumer demand for their businesses, particularly in food and retail, which grant them visibility and legitimacy. In the middle, Sudanese migrants—despite shared language and cultural proximity—remain constrained by racialized prejudice and a lack of recognition, leaving them with limited mobility beyond low-paid or informal work. At the margins, non-Arabic-speaking African migrants face compounded exclusion, often invisible in public discourse and doubly marginalized in the labor market, where linguistic barriers intersect with racism to push them into the most precarious forms of labor.

This layered dynamic reinforces earlier themes in the report: just as migrants rely on informality and hybrid strategies and struggle to have their skills and qualifications recognized their ability to transform these strategies into sustainable livelihoods is ultimately mediated by questions of identity, visibility, and legitimacy. Economic participation, therefore, cannot be disentangled from the politics of belonging.

Overcoming this divide requires more than technical legal reforms or incremental bureaucratic easing. It demands a dual shift: in state rhetoric, toward framing migrants as contributors to national development rather than competitors or dependents; and in societal attitudes, toward embracing diversity and recognizing the shared benefits of migrant participation in local markets. Only through this twin transformation can Egypt move beyond a selective hierarchy of inclusion and toward an environment where all migrants—regardless of nationality, race, or language—are acknowledged as legitimate economic actors whose contributions enrich both their own communities and Egyptian society as a whole.

In conclusion, the experiences of Sudanese and Syrian refugees in Egypt highlight a fundamental disconnect between their significant human capital and the structural barriers that prevent its full utilization. From a lack of skill and credential recognition to an overwhelming reliance on precarious, informal labor, refugees are consistently funneled into a survival-based economy. The data reveals that while they exhibit incredible resilience through informal networks and entrepreneurship, these strategies ultimately perpetuate their financial vulnerability and social invisibility within the broader Egyptian institutional framework. Overcoming this divide requires a multifaceted approach that moves beyond temporary solutions. It demands systemic reforms that expand financial inclusion, a legal framework that recognizes foreign qualifications, and a societal shift that views refugees not as a burden but as a source of valuable human capital. By investing in these pathways, Egypt can transform a cycle of exclusion into a trajectory of socioeconomic integration, benefiting not only the refugees themselves but also contributing to the country's economic development and fostering greater regional stability.

03

Section 03

Adopted Methodology

01 Overview of Research Approach

Entlaq's research approach is grounded in the principle that complex integration challenges require multi-method, multi-level, and participatory diagnostics. To analyze the labor market integration of refugees and migrants in Egypt—particularly the Sudanese population—Entlaq employed a mixed-methods design that combines tools from public policy analysis, development economics, innovation systems research, and entrepreneurship studies.

The methodology was structured in two phases to progressively map, validate, and interpret the dynamics of refugee labor market participation. The first phase involved secondary research and quantitative data analysis, establishing a baseline on demographics, employment patterns, and institutional frameworks. The second phase incorporated primary research, which captured the perspectives of refugees, business owners, employees, regulators, and civil society organizations.

By integrating quantitative trends with lived experiences and stakeholder perspectives, this approach ensures that findings are holistic, context-sensitive, and actionable. The methodology is designed not only to identify barriers but also to highlight opportunities for policy reform, institutional innovation, and private sector engagement in refugee and migrant labor market inclusion.

This report, Beyond Displacement: Sudanese Refugees and Economic Integration in Egypt, advances the research agenda established in the foundational study, Sudanese Displacement in Egypt – A Situational Overview. While the first report employed a quantitative research methodology centered on a meticulously cleaned dataset of 6,300 Sudanese individuals in Egypt, this study moves from diagnosis to actionable strategy.

The present report adopts a mixed-methods research approach, integrating both quantitative and qualitative evidence to provide Egypt's most comprehensive and data-driven roadmap for Sudanese refugee and migrant inclusion to date. Building on the quantitative baseline established through Savannah Innovation Labs' survey of 6,300 Sudanese migrants in Egypt, the analysis is enriched with data collected from Flat 6 Labs StartMashraq program, an innovative program designed to support startups across the Levant region, specifically Jordan, Lebanon, and Iraq, in partnership with the International Finance Corporation (IFC).

The presented study integrates both secondary and primary research, organized into four sequential and interdependent stages:

1. Inception and Framework Alignment
2. Primary and Secondary Data Collection and Analysis
3. Synthesis, Validation, and Roadmap Development

Each phase built upon the findings of the previous one, ensuring analytical continuity and methodological rigor. This approach also emphasizes inclusivity, policy relevance, and validation with ecosystem stakeholders, through the utilized dataset. This data triangulation ensures that findings are not only accurate but aligned with lived realities and ready for institutional uptake.

A. Inception and Framework Alignment

The project begins with a detailed inception phase to the inception phase for the initial report in order to meticulously prepare the ground for the robust quantitative analysis and contextualization required for the situational overview:



Identifying the scope and structure of this report: this step was crucial to differentiate between the first and second phases of this project. An outline was developed for both reports and methodological approaches to ensure the continuation and flow of both phases.



Laying the Foundational Data and Contextualization: Thorough data cleaning of the core dataset was meticulously performed to ensure its accuracy and reliability, simultaneously familiarizing Entlaq's team with its nuances and revealing initial general trends, while initial desk research provided crucial contextual validation for the project's scope and structure.



Refining Quantitative Methodology: The initial analysis of the dataset was pinpointed by the Entlaq's team where the types of descriptive analytics needed were identified.

B. Secondary Data Collection and Analysis

Secondary data collection constitutes the analytical backbone of this ecosystem assessment. Before any meaningful stakeholder engagement or field research can occur, it is imperative to establish a solid empirical and institutional foundation that clarifies the rules, norms, incentives, and constraints shaping Egypt's Refugees' labor integration. This foundational layer enables us to diagnose systemic strengths and weaknesses, avoid duplicating existing insights, and ensure that all primary data collection efforts are directed toward filling knowledge gaps, rather than rediscovering what is already known.

In the context of Egypt, where multiple ministries, regulatory authorities, and financing bodies intersect—often with overlapping mandates—secondary research becomes particularly crucial. It helps disentangle complex jurisdictional relationships, illuminate the real-world implications of policy instruments, and highlight implementation gaps between legislative intent and ecosystem experience. Moreover, it provides a lens to situate Egypt's ecosystem in comparative perspective, assessing its competitiveness and coherence regarding labor market integration methods, relative to other host countries.

To this end, Entlaq will undertake an intensive review and interpretation of a wide range of secondary sources. These include, but are not limited to:

- National laws and executive regulations related to asylum and labor laws in Egypt, and social protection laws.
- National strategies and commitments such as the adherence to the 1951 Refugee Convention and 1967 Protocol, delegation of refugee status determination to UNHCR via a 1954 MoU, implementation of the National Strategy on Combating Illegal Migration and Human Trafficking (2016–2026), alignment with Egypt Vision 2030 on inclusive service access, legal provisions for conditional labor market participation, and de facto access to public health, education, and limited social protection through coordinated efforts with UN agencies and partners;
- International benchmarking indices and databases (e.g., MIPEX, the Refugee Policy Index (RPI), the World Bank's KNOMAD, the Global Compact for Migration (GCM) Indicator Framework, SDG Indicator 10.7.2, UNHCR's Global Refugee Policy Tracker, UNHCR's Operational Data Portal, IOM's GMDAC, the OECD International Migration Database, the World Bank Migration and Remittances Data, and UN DESA's International Migrant Stock Database.
- Institutional reports and assessments issued by UN agencies, development banks, think tanks, and ministries.

Rather than treating this body of work as a flat repository of background data, Entlaq applies a layered and analytical approach—interpreting each source through four interlocking frameworks:



SWOT Analysis, to map current ecosystem dynamics across internal and external dimensions.



Gap Analysis, to identify structural absences or underdeveloped mechanisms.



Benchmarking Analysis, to contextualize Egypt's position vis-à-vis peer economies and highlight replicable best practices.



Legal Text Analysis, to evaluate the legal and regulatory underpinnings of the Refugee/ Migrant communities in Egypt.

Each of these methods brings a different vantage point to the diagnostic. Legal text analysis helps clarify what is codified; SWOT analysis identifies what is functioning or failing in practice; gap analysis spotlights what is missing altogether; and benchmarking shows how Egypt can learn from or leapfrog other systems. Taken together, they offer an integrated, multi-perspective understanding of Egypt's current integration system for Refugees/Migrants—and, crucially, what must evolve to unlock its full potential in service of an inclusive, unbiased economy.

SWOT Analysis

What It Is:
The SWOT analysis—standing for Strengths, Weaknesses, Opportunities, and Threats—is a structured analytical tool commonly used in strategic planning to evaluate the internal and external conditions that shape performance and outcomes. In the context of this assessment, the SWOT serves not as a static table but as a diagnostic framework that helps to classify, synthesize, and interpret the multiple forces shaping market integration and entrepreneurship for Sudanese migrants in Egypt.

The "Strengths" and "Weaknesses" components focus on internal ecosystem features, such as legal frameworks, institutional capacity, or entrepreneurial talent, while the "Opportunities" and "Threats" components emphasize external influences, including overdependence on Humanitarian Framing, ambiguity in Refugee and Labor Law Implementation, Private Sector Interest in Informal Markets and policy momentum around economic inclusion, to name a few. By organizing complex ecosystem dynamics into this structured format, we can highlight not only what is lacking—but also what is working, what is emerging, and what can be leveraged.

Why It Matters:
Insight of the emerging migrant community in Egypt, the SWOT analysis provides an important bridging tool between desk-based diagnostics and stakeholder engagement. While legal text analysis and benchmarking focus on codified rules and global comparisons, the SWOT zooms into the lived functionality of the ecosystem: where policy translates (or fails to translate) into practice, where support structures fall short, and where emerging strengths—such as entrepreneurial dynamism among migrants and education and skills transferability, as well as skills and qualification attainment in Egypt, and the missed potential that remains underutilized

In short, the SWOT helps answer a fundamental question for this assignment:
Given Egypt's current policy, institutional, and market environment, what is realistically possible now—and what needs to be unlocked next?

The SWOT also supports downstream deliverables in this project, including gap analysis and roadmap development. It will enable the project team to differentiate between gaps caused by absence (e.g., no public market penetration guidelines) and gaps caused by underperformance or misalignment (e.g., ineffective implementation of business licensing reforms and work permits).

How It Will Be Done:
Entlaq will deploy the SWOT framework using a domain-specific approach, ensuring that each core component of the Sudanese labor integration is systematically assessed. We will apply the framework across five critical domains, each of which influences the integration, survival, and scaling of Sudanese Migrants' enterprises in Egypt:

1. **Policy and Regulatory Frameworks**
   - Assesses the impact of Egypt's asylum law, labor regulations, MSME development law, and social protection systems on migrant inclusion and economic participation.
2. **Access to Finance**
   - Examines the availability, accessibility, and suitability of financial products and services—such as microfinance, grants, and credit—for Sudanese entrepreneurs and jobseekers.
3. **Support Services**
   - Evaluates the presence and effectiveness of non-financial enablers, including incubation, mentorship, legal aid, and business development services tailored to displaced populations.
4. **Inclusion (Gender, Geography)**
   - Analyzes disparities in access and outcomes based on gender, location, and social vulnerability, highlighting patterns of exclusion and underrepresentation.
5. **Talent and Technical Capacity**
   - Investigates education levels, vocational training access, and the transferable skills of Sudanese youth, with an emphasis on alignment with labor market needs in Egypt.

Each domain will be initially populated through secondary data sources, such as policy documents, ecosystem reports, donor-funded diagnostics, and academic studies. This preliminary SWOT will then be tested and refined through primary data analysis from the provided Savannah and Flat6Labs Datasets (2025).

This hybrid approach ensures that the SWOT is not just an analytical exercise—but a participatory tool that brings together diverse voices to interpret what the current ecosystem enables, what it constrains, and where it must evolve.

Gap Analysis

What It Is:
Gap analysis is a policy and systems evaluation tool that identifies the difference between the current state of a system and its desired or expected state, based on agreed objectives, international standards, or strategic development goals. In the context of Sudanese economic inclusion, gap analysis highlights structural absences, misalignments, or underperforming elements in Egypt's legal, institutional, financial, and market environments. Rather than simply pointing out what is weak, the goal is to pinpoint what is missing, why it matters, and what kind of reform or intervention is required.

Why It Matters:
Economic integration is most effective when its core components—policy, capital, talent, and regulation—are aligned to enable meaningful workforce participation across diverse sectors. In Egypt, however, this alignment remains fragmented, particularly for displaced populations. Despite the economic potential of migrants and Egypt's stated development goals, the current system does not sufficiently channel refugee and migrant talent into productive, growth-aligned sectors. Instead, pathways are often narrow and concentrated in low-wage, informal jobs such as housekeeping and construction—roles that do not leverage the full human capital potential of this demographic.

Gap analysis is essential because it distinguishes between constraints of implementation (e.g., limited outreach or poor enforcement of inclusion mandates) and structural omissions (e.g., no sector-specific upskilling programs or inclusive hiring incentives). By identifying what is missing—not just what is underperforming—this methodology provides a diagnostic lens to highlight systemic inefficiencies, misalignments, and overlooked opportunities. Mapping these gaps against Egypt's national employment and productivity strategies—including Vision 2030, the National Structural Reform Program, and SDG-aligned development priorities—allows stakeholders to reposition Sudanese youth not as passive aid recipients but as contributors to Egypt's inclusive economic recovery and long-term human capital base.

How It Will Be Done:
Entlaq will apply a targeted gap analysis using a three-step approach:

- **Define the Expected Standard of Integration and Inclusion:**
  - Based on Egypt's own policy frameworks (e.g., Vision 2030, National Employment Strategy, the MSME Law, Labor Law, Asylum Law and Social Protection Law)
  - Benchmarked against global standards (e.g., ILO Migration Guidelines, UNHCR's Global Compact on Refugees, and World Bank labor inclusion frameworks)
  - Informed by regional and international best practices (e.g., refugee labor market integration in Uganda, private sector inclusion models in Jordan and Morocco)

- **Compare the Current System Against These Benchmarks:**
  - Through legal and policy text analysis (e.g., Asylum Law, Labor Law, MSMEs Law and Decree No. 3326 of 2023)
  - Survey-based diagnostics and field data on migrants' employment and sectoral participation and social integration in Egypt (via the Savannah and Flat6Labs Datasets)

- **Document and Analyze the Gaps Using a Structured Matrix:**

The matrix will capture:
  - The specific gap (e.g., absence of sectoral job matching or recognition of prior learning for migrants)
  - Why it matters (economic rationale, inclusion imperative, talent wastage, or missed productivity gains)
  - The programmatic or policy response it necessitates (e.g., vocational bridging programs, employer incentives, inclusive entrepreneurship pathways)

This diagnostic lens ensures that integration is not reduced to labor absorption but instead seen as a two-way developmental opportunity: empowering Sudanese youth and strengthening Egypt's labor market resilience, sectoral diversification, and long-term GDP growth.

Benchmarking Analysis

What It Is:
Benchmarking is a comparative assessment method used to evaluate how a system or ecosystem performs relative to selected peers. In the context of this project, benchmarking will allow us to measure Egypt's integration pathways for migrants—its laws, institutions, infrastructure, financing mechanisms, and inclusion policies for MSMEs—against those of Jordan, Uganda, and Morocco, countries that have also absorbed significant refugee inflows and experimented with diverse social and economic integration approaches. This is not a ranking exercise. Rather, it is a learning tool to identify transferrable practices, gaps in ecosystem alignment, and potential reform pathways that are both realistic and of high impact.

Why It Matters:
Egypt's efforts to manage and support refugee and migrant populations have evolved over time, yet a coherent national framework to economically integrate migrants and refugees is still lacking. Current pathways are narrow, often informal, and concentrated in sectors such as domestic work, hospitality, and construction, which do not fully capitalize on migrants' existing skills or growth potential. To unlock shared economic value, Egypt must benchmark its policies and ecosystem architecture against regional peers that have demonstrated progress in refugee and migrant inclusion as part of broader development strategies.

Benchmarking helps identify concrete policy tools, programmatic models, and institutional mechanisms that can support the productive participation of Sudanese youth in higher-value sectors such as agribusiness, light manufacturing, digital services, and sustainable infrastructure. It also helps Egypt position itself as a regional leader in inclusive development—aligning with Vision 2030, the National Structural Reform Plan, and its international commitments under the Global Compact on Refugees.

For example:

- **Jordan** has pioneered the use of work permit schemes and development-linked compacts that integrate refugee labor into formal sectors such as agriculture and manufacturing.
- **Uganda** has established a progressive refugee policy that grants freedom of movement, land access, and work rights, enabling refugees to contribute directly to local economies.
- **Morocco** has pursued regularization campaigns and social protection extensions for migrants, aiming to link legal residency with pathways into education, healthcare, and entrepreneurship.

Benchmarking these country cases will provide Egypt with a toolkit of adaptable solutions—from legal reforms and upskilling pipelines to private-sector engagement models. It will also enable Egypt to track its progress over time and identify priority interventions that create mutual value for both host and migrant communities. By doing so, the country can transform migrant inclusion into a lever for economic resilience, productivity gains, and regional leadership.

How It Will Be Done:

Entlaq will carry out the benchmarking analysis through a structured, four-step process:

1. Selection of Benchmark Countries

The selection of benchmark countries is a strategic exercise that ensures relevance, applicability, and practical learning potential. In this project, we benchmark Egypt's migrant integration system against Jordan, Uganda, and Morocco based on the following criteria:

Selection Criteria

- **Geographic and socio-economic relevance:** Jordan, Uganda, and Morocco represent different but comparable refugee contexts—ranging from protracted displacement (Jordan), progressive refugee-hosting (Uganda), and managed regularization (Morocco)—offering diverse lessons for Egypt's dual role as both a host and transit country.
- **Policy and regulatory approaches to migrant inclusion:** Each country has enacted targeted legal or programmatic reforms to facilitate migrant and refugee participation in the economy—whether through work permits, land access, or social protection—providing actionable policy models for Egypt.
- **Institutional comparability and ecosystem constraints:** All three countries face challenges similar to Egypt, including labor market informality, administrative bottlenecks, and social integration hurdles, making their policy responses instructive for strengthening Egypt's migrant integration systems.



Selected Comparators

1. Jordan: Work Permit Schemes and Development-Linked Compacts

Jordan hosts one of the largest protracted refugee populations globally, with more than 1.3 million Syrians alongside Iraqis, Sudanese, and other groups. Its integration model is shaped by international partnerships such as the Jordan Compact, which ties concessional financing and trade benefits to expanded work opportunities for refugees.

Key Rationale for Inclusion

- Labor Market Access: Jordan pioneered large-scale work permit schemes, particularly in agriculture, construction, and manufacturing, enabling refugees to participate in formal employment (World Bank, 2023).
- Donor–Government Compacts: The Jordan Compact (2016) mobilized concessional financing in exchange for integrating Syrian refugees into the labor market, offering Egypt a model for leveraging international support (ILO, 2021).
- Education and Skills Programs: Investments in schools and vocational training have supported refugee children and youth in accessing education, mitigating risks of lost generations (UNHCR, 2022).
- Private Sector Engagement: Special Economic Zones linked to the compact encouraged firms to employ refugees, integrating inclusion into broader development strategies.

Jordan demonstrates how international compacts, work permits, and donor coordination can expand formal labor market participation and mobilize external resources to support host economies.

2. Morocco: Legal Regularization and Social Protection Expansion

Morocco has positioned itself as both a transit and destination country for migrants, hosting communities from sub-Saharan Africa, Syria, and beyond. Since 2013, Morocco has pursued a National Immigration and Asylum Strategy (NIAS), marked by regularization campaigns and social inclusion reforms.

Key Rationale for Inclusion

- Legal Residency and Regularization: Morocco's 2014 and 2017 regularization campaigns granted legal status to tens of thousands of migrants, including sub-Saharan Africans (IOM, 2019).
- Access to Social Services: Legal status enabled access to healthcare, education, and vocational training, linking rights to integration pathways (UNESCO, 2021).
- Policy Mainstreaming: Migration is embedded in national strategies, connecting inclusion to development planning and labor market reforms (IOM, 2019).
- Civil Society Partnerships: NGOs play a key role in providing legal aid, education, and employment services, bridging state capacity gaps.

Morocco offers Egypt a relevant North African model of legal regularization, social protection, and gradual economic integration, showing how policy frameworks can transition migrants from informality to structured inclusion.

3. Uganda: Progressive Rights-Based Refugee Policy

Uganda is home to over 1.5 million refugees, primarily from South Sudan and the Democratic Republic of Congo, making it Africa's largest refugee-hosting country. Its model is internationally recognized for its progressive legal framework, which grants refugees rights to work, move, and access land.

Key Rationale for Inclusion

- Legal and Social Rights: Refugees are granted freedom of movement, the right to work, and land for cultivation, which fosters self-reliance and reduces aid dependency (World Bank, 2022).
- Settlement over Camps: Refugees live in settlements integrated with host communities, strengthening local economies and service delivery (UNHCR, 2023).
- Inclusive Education and Health Access: Refugees access public schools and healthcare, improving human capital outcomes (World Bank, 2022).
- Partnership with Development Actors: Uganda's approach aligns with the Global Compact on Refugees and the Comprehensive Refugee Response Framework, attracting donor support for infrastructure and livelihoods.

Uganda provides Egypt with lessons on rights-based integration and self-reliance, illustrating how expanding formal rights and access can enhance resilience and reduce informality.

Summary Table: Rationale for Benchmark Selection

Country	Relevance to Egypt	Primary Strengths	Learning Value
Jordan	Hosts one of the largest protracted refugee populations in the region (Syrians, Iraqis, Sudanese); similar pressures on labor market and services,	Innovative use of work permit schemes, Jordan Compact, and partnerships with donors to integrate refugees into agriculture, manufacturing, and services.	Shows how development-linked compacts and labor formalization can create economic opportunities for both refugees and hosts while unlocking international support.
Morocco	Comparable as a North African transit/destination country managing mixed migration flows.	Regularization campaigns granting legal status; gradual expansion of social protection, education, and healthcare to migrants.	Provides a model for linking legal residency to social and economic rights, paving the way for structured integration rather than prolonged informality.
Uganda	Like Egypt, is both a host and transit country; faces high refugee inflows from neighboring conflict zones.	Progressive Refugee Act and Policy granting work rights, land use, and freedom of movement, enabling refugees to engage in farming and business.	Demonstrates how rights-based frameworks and self-reliance policies can ease pressure on humanitarian aid and strengthen local economies.

Comparable as a North African transit/destination country managing mixed migration flows.

Definition of Benchmarking Dimensions

Benchmarking is most effective when grounded in clearly defined dimensions that reflect both the enabling environment for Sudanese workforce integration and the outcomes it produces. For this assessment, four strategic dimensions have been selected to capture the multi-level ecosystem conditions that shape said Sudanese workforce integration in Egypt:

a. Legal and Policy Environment for Migrant Economic Integration

This dimension assesses the clarity, inclusiveness, and enforceability of the legal and policy frameworks governing migrant access to the formal economy. It includes:

- Existence of national strategies or legal frameworks recognizing migrants' economic roles (e.g., labor laws, MSME laws, integration charters)
- Legal pathways for refugees and migrants to obtain work permits or start businesses Regulatory provisions protecting migrant workers from exploitation and enabling mobility across sectors
- Alignment with international commitments (e.g., Global Compact on Refugees, AU Free Movement Protocol)

b. Support Infrastructure for Migrant Livelihoods and Skills Transfer

This dimension evaluates the institutional and ecosystem support enabling Sudanese migrants to gain skills, transition out of low-skilled jobs, and contribute to productive sectors. It includes:

- Access to vocational training, upskilling programs, and labor market intermediation services
- Inclusion in public or donor-funded entrepreneurship support programs (e.g., incubators, startup bootcamps)
- Recognition and certification of prior informal experience or foreign qualifications
- Partnerships between state agencies, NGOs, and employers to support migrant skilling and job-matching

c. Financing and Economic Participation Architecture

- This dimension captures the financing mechanisms and economic instruments available to support Sudanese migrants in becoming economically active beyond survivalist jobs. It includes:
- Access to microfinance, grants, or entrepreneurship funds for migrants and refugee-led businesses
- Inclusion in financial literacy, savings, or cooperative financing schemes
- Incentives for private employers to hire, train, or incubate young migrant talent
- Presence of data on migrant-owned businesses, employment sectors, and GDP contributions

d. Inclusion: Youth and Gender Equity in Economic Integration

This cross-cutting dimension assesses how inclusive Egypt's economic integration efforts are, particularly for young Sudanese women and men. It includes:

- Participation rates of Sudanese youth (ages 18–35) in formal employment or entrepreneurship programs
- Targeted support for women-led ventures or vocational upskilling in non-traditional sectors
- Cultural, linguistic, and psychosocial considerations in training and employment initiatives
- Reflection of migrant inclusion in national employment, education, or MSME strategies

3. Indicator Mapping and Data Sources

For each of the four dimensions above, a targeted set of quantitative and qualitative indicators will be used. These indicators are drawn from authoritative global databases, national strategy documents, and ecosystem studies. The table below outlines the proposed mapping:

Dimension	Key Indicators	Primary Data Sources
Legal and Policy Environment for Migrant Economic Integration	- Legal access to work and business registration for refugees/migrants - Existence of integration or inclusion strategy - Recognition of refugee status in law	UNHCR Refugee Law Databases, ILO Labour Migration Database, National Legal Gazettes (Egypt, UAE, Germany, Tunisia), GCR and GCM implementation trackers
Support Infrastructure for Migrant Livelihoods and Skills Transfer	- Number of training and skills programs accessible to migrants - NGO/private sector programs supporting employment or entrepreneurship - Systems for skill recognition or informal experience accreditation	UNHCR Livelihoods Database, IOM Reports, GIZ Tunisia Migration Programmes, BMAS Germany Integration Reports, Local CSO reports, Ministry of Labour portals
Financing and Economic Participation Architecture	- Access to grants, loans, or credit for migrant entrepreneurs - % of refugee/migrant participation in MSMEs - Availability of migrant-specific microfinance or savings schemes	UNCDF Inclusive Finance Reports, UNHCR Livelihoods Programme Data, ILO Financial Inclusion Reports, National MSME Authority Reports, IFC Inclusion Finance

Inclusion: Youth and Gender Equity in Economic Integration	- Youth (18–35) inclusion in workforce or vocational training - Share of women participating in income-generating programs - Cultural/linguistic accommodations in economic programs	UN Women Refugee Economic Empowerment Reports, ILO Youth Labour Market Data, UNHCR Age-Gender Diversity Tool, National Youth and Gender Strategies

Indicator Selection Criteria

Each indicator is chosen based on:

- **Direct relevance** to migrant integration system design and policy adaptation for Egypt
- **Comparability** across Germany, UAE, and Tunisia as Global South or host/transit countries
- **Credible data availability,** or fallback to qualified proxies in case of gaps

Synthesis of Findings and Relevance to Egypt

Once data is collected and organized by dimension and comparator country (Jordan, Uganda, Morocco), the synthesis phase will focus on extracting policy-relevant insights for Egypt's migrant integration agenda. This process will include:

- Cross-country pattern recognition: Identifying recurring success factors across effective integration systems—such as work permit schemes linked to donor compacts (Jordan), rights-based frameworks granting work and land access (Uganda), or legal regularization and service inclusion (Morocco).
- Gap triangulation: Systematically linking Egypt's institutional, regulatory, and programmatic limitations—such as weak labor market access, limited recognition of migrant skills, or barriers to formal entrepreneurship—to higher-performing practices observed in the comparators.
- Policy transfer potential: Evaluating which policies, institutions, or delivery models can be realistically adapted to Egypt's legal and economic context. Examples include:
  - Jordan's development-linked compacts and large-scale work permit programs as a model for combining international financing with refugee labor integration.
  - Uganda's progressive refugee rights framework, including freedom of movement and access to work and land, which demonstrates the economic benefits of enabling self-reliance.
  - Morocco's regularization campaigns and expansion of social protection, which offer lessons for linking legal status to education, healthcare, and entrepreneurship pathways.

Rather than producing a simple ranking, the output will take the form of a narrative benchmarking map, showing:

- Where Egypt currently stands relative to peer systems on core inclusion metrics;
- Which integration reforms offer the greatest potential for impact—especially in terms of GDP contribution, youth employment, and labor market diversification;
- How institutional and legal frameworks can be redesigned to move beyond survival livelihoods and toward strategic economic inclusion.

These findings will be visualized through tools such as radar charts, integration ladders, or strategic fit matrices, to ensure realism, policy ownership, and alignment with Egypt's economic development and youth employment goals.

Legal Text Analysis

What It Is:
Legal text analysis is the systematic review and interpretation of national laws, executive regulations, decrees, and legal frameworks that shape the Sudanese Refugee/Migrant integration in the Egyptian economy. This method does not merely summarize laws; it interrogates their clarity, relevance, coherence, and practical enforceability in relation to their presumed ecosystem facilitation and inclusiveness of Sudanese migrants in Egypt.

Why It Matters:
Performing a legal text analysis of Egypt's December 2024 Asylum Law and the national Labor Law is essential to understand the formal frameworks governing refugee rights, residency, and labor market access. This step enables the identification of legal enablers and constraints that directly shape the economic participation of Sudanese youth in Egypt. It also provides a foundational layer for interpreting field data within the broader regulatory environment. As a matter of fact, the regulatory landscape in Egypt suffers from three critical challenges:

- **Regulatory fragmentation:** Multiple entities (e.g., IOM, UNHCR, Permanent Committee of Refugee Affairs) issue overlapping/confusing directives without coordinated implementation pathways.
- **Legal uncertainty:** Sudanese Entrepreneurs face unclear or outdated provisions on licensing, work permits, market penetration and inclusion in the entrepreneurial ecosystem.
- **Policy-to-practice gaps:** policy language- regarding the Migrants' economic integration in the Egyptian market- is ambiguous and often lacks corresponding legal enforcement mechanisms or MSME-oriented interpretation.

A rigorous legal text analysis allows us to trace the disconnects between law, institutional practice, and entrepreneurial experience, thereby informing recommendations that are not only ambitious but implementable. It also ensures that any roadmaps or reforms proposed later in this assignment are grounded in what the law currently permits, constrains, or overlooks.

How It Will Be Done:
Entlaq will conduct a targeted and interpretive review of national laws and regulatory instruments most relevant to the Sudanese migrant integration in the Egyptian economy. Rather than taking an exhaustive approach, we focus on legal texts with direct implications for said economic integration. We have thus divided these laws into the following two clusters:

Direct laws-those having direct relevance and implications to our study:

- **Law No. 164/2024, enacted on December 16, 2024 (Asylum Law):** establishing an asylum framework whose purpose is to define who qualifies as a refugee or asylum-seeker, set out a national institutional structure to manage asylum, and stipulates fundamental rights and protections for those recognized under it.

Tangential Laws-legal provisions not directly focused on a specific issue, but that still significantly influence its application:

- **Decree No. 3326 of 2023:** Requires irregular migrants and foreigners with expired residency to pay a $1,000 fee and secure an Egyptian sponsor to regularize their legal status. Refugees and asylum seekers registered with UNHCR are explicitly exempt from this requirement.
- **Law No. 148 of 2019 (Social protection Law) Amended by decree no. 2437 of 2021:**Mandates social insurance is an obligatory system enforced by governments to protect both regular and irregular workers
- **Law No. 12 of 2025:** The law entitles Egyptians without social insurance and unable to support themselves to assistance through the Takaful and Karama Fund, and extends this support to foreign nationals, provided their home countries offer Egyptians equivalent benefits.
- **Law No. 152 of 2020 (MSME Development Law):** on the development of medium, small, and micro-enterprises, which includes social insurance incentives for informal workers.
- **Law No. 12 of 2003 (Labor Law):** the main legislation governing private-sector employment. It regulates contracts, wages, working hours, safety standards, union rights, and dispute resolution, aiming to protect workers while maintaining flexibility for employers.

In addition, we will cross-reference relevant sectoral strategies and bylaws—especially where their application is ambiguous or their alignment with national goals remains untested.

Analytical Framework

Each legal text will be evaluated using a structured analytical framework comprising the following dimensions:

Matrices	Why It Matters for the Migrant/Business Landscape in Egypt
Legal Accessibility	Assesses whether migrants and refugees can effectively understand, navigate, and benefit from laws governing asylum, labor, and enterprise; this matters because many displaced Sudanese face language, documentation, and institutional barriers that limit their ability to engage with legal systems designed to support them.
Rights-to-Work and Market Access	Evaluates whether relevant legislation—such as the Asylum Law (No. 164/2024), Labor Law (No. 12/2003), and MSME Law (No. 152/2020)—explicitly permits or restricts refugees and migrants from accessing formal employment and registering businesses, which is critical to determining their economic viability and ability to contribute productively to the host economy, in our case: Egypt.
Social Protection Inclusion	Measures the extent to which Sudanese migrants, particularly those in precarious or informal work, are covered by Egypt's social protection systems under Law No. 148/2019, including pensions, health insurance, and unemployment benefits—essential for evaluating whether economic integration comes with long-term social security.
Enforcement and Institutional Coordination	Analyzes how clearly and effectively institutions implement, coordinate, and cross-reference legal mandates related to refugee labor rights, MSME support, and social insurance; this matters because fragmented enforcement or institutional silos can undermine migrants' ability to benefit from legal entitlements even if they exist on paper.
Informality and Transition Incentives	Assesses whether laws provide practical pathways or incentives—such as registration benefits, simplified procedures, or financial support—that enable Sudanese migrants working informally to transition into the formal economy; this is crucial given that most operate outside formal structures and face high barriers to legal economic participation.

C. Primary Data Collection

While secondary research provides structural clarity about Egypt's model for economic integration of migrants—outlining the migrants demographic composition, labor market composition and legal frameworks governing their integration—it is through primary data collection that we uncover how these systems function in practice. Regulatory texts do not always reflect enforcement realities; national strategies often fail to reach the realities of the bureaucratic bottlenecks; and innovation metrics tend to overlook informal entrepreneurship, experimental business models, or social ventures operating outside formal pipelines. For these reasons, primary research is essential not as a supplement, but as a core diagnostic tool.

The primary fieldwork for this report draws on the StartMashreq dataset, which was generated through a structured, multi-layered data-collection system designed by Flat6Labs' Monitoring and Evaluation (M&E) team. The program's results framework informed the creation of bespoke digital data-collection tools that were embedded directly into the StartMashreq platform, enabling systematic and timely capture of user information across Jordan, Lebanon, and Iraq. Data were collected through integrated digital forms supported by CRM systems (Zoho and HubSpot), supplemented by extensive desk research to identify key ecosystem actors and one-on-one consultations with startups, partners, and sectoral stakeholders in the three Mashreq countries. This mixed-methods approach ensured that both quantitative indicators and qualitative insights were captured with a high degree of reliability and contextual validity. The M&E team managed tool design, data verification, and analysis, with support from the Technology Department, which digitized workflows and optimized data integrity. Together, these processes produced a robust dataset that forms the empirical foundation of the benchmarking and analytical sections of this report.

Furthermore, the report also relies on the nation-wide survey implemented by Savannah's team, using a quantitative approach, through the conduction of comprehensible surveys, between November/ December 2024 and April/May 2025. This offered statistically measurable data to identify patterns, trends, and correlations across large populations, which is crucial to provide the situational overview. Especially with how widespread the survey was circulated, ending with 6,300 usable datapoints. This method ensured a representative understanding of refugee and migrant needs and experiences, allowing for the detection of disparities across age, gender, and legal status. Which allowed Entlaq's team to quantify barriers and test hypotheses at scale.

Synthesis, Validation, and Roadmap Development

To complement the quantitative baseline done through the baseline in report 1, the savannah data set and the flat6labs database.

The combined application of these methodologies was designed to:

- **Expand the evidence base for refugee and migrant integration in Egypt** by taking in the perspective and quantitative insights from Sudanese households.
- **Capture a representative picture** by ensuring diversity across gender, age, occupation, and geography in the survey, while integrating institutional voices from labor market regulators, private-sector employers, and refugee-led organizations.
- **Quantify unaddressed integration gaps and bottlenecks**—such as barriers to formal labor market entry, lack of recognition of prior skills, legal documentation challenges, and limited access to microfinance.
- **Provide a data-driven and narrative-based understanding** of how refugees and migrants navigate informality, what employers perceive as risks or opportunities, and where institutional reforms are most needed.
- **Identify structural barriers and emerging opportunities** for strengthening Egypt's refugee integration framework, drawing on survey trends (e.g., concentration in low-wage sectors).
- **Produce actionable, evidence-based insights** to inform targeted interventions, policy reforms, and private-sector engagement strategies aimed at enhancing migrant inclusion and maximizing their economic contribution.
- **Enable rapid data visualization and communication**, including dashboards and benchmarking comparisons.
- **Generate initial roadmap recommendations.** The survey analysis, secondary research, and quantitative findings were triangulated to create draft recommendations, which will be validated and refined in subsequent phases.

The insights derived from survey data, and secondary research were synthesized through a structured process of triangulation. This ensured that conclusions are not drawn from isolated data points but from converging evidence across multiple methods. Divergent findings were also surfaced, discussed, and explained where relevant—particularly where refugee perceptions diverged from institutional positions or business perspectives.

This structured approach ensures the findings are data-driven, inclusive of stakeholder voices, and directly aligned with Egypt's policy and development objectives for migrant and refugee integration.

Ethical Considerations and Inclusion Strategy

This study adheres to stringent ethical standards to ensure participant well-being and data integrity. Entlaq's fieldwork protocols adhere to the Declaration of Helsinki, ESRC ethical guidelines, and Egypt's Personal Data Protection Law (No. 151/2020). Four pillars guide every interaction.

Our key commitments include:

Pillar	Operational Safeguards
Informed consent & confidentiality	· Plain-language consent forms in Arabic and English. · Right to refuse or withdraw at any time, without penalty. · Data is anonymized to protect participant identities, and confidentiality was maintained throughout the research process.
Cultural Sensitivity	· Efforts were made to ensure that all interactions are respectful and culturally appropriate, acknowledging the unique socio-cultural context of Sudanese communities in Egypt.
Safe spaces for marginalized voices	· Code of conduct that prohibits harassment and ensures respectful discourse. · Use of remote phone interview for respondents who were reluctant or couldn't be present in-person.
Language & accessibility	· Data-collection tools drafted **Arabic-first**, then back-translated to English to preserve nuance. · Interpreters available for Sudanese dialects if required.

04

Section 04

SWOT Analysis

This SWOT analysis provides a structured, evidence-based assessment of the economic and social integration landscape for refugees and migrants in Egypt, drawing on quantitative indicators, national legislation, sectoral data, and community-level dynamics. Egypt hosts one of the largest refugee and migrant populations in Africa and the Middle East, with over 939,000 registered refugees and asylum seekers and 10.9 million migrants residing in the country (UNHCR 2025; IOM 2022). This demographic scale places significant pressure on national systems, while simultaneously creating opportunities for economic contribution, regional connectivity, and human capital development. The analysis identifies four interlinked domains—Strengths, Weaknesses, Opportunities, and Threats—to inform policy formulation, program design, and long-term planning.

A major strength emerging from the analysis is the high degree of entrepreneurial agency and social capital among refugee and migrant communities. Across Syrian, Sudanese, Yemeni, Eritrean, and Ethiopian populations, self-employment, microenterprise activity, and informal-sector participation serve as primary pathways for economic resilience. Many refugees bring strong educational backgrounds, specialized craftsmanship, and prior professional experience, enabling them to contribute productively to Egypt's urban economies. Egypt's long-standing policy of urban self-settlement further enhances integration by embedding refugees within metropolitan labor markets and community structures, rather than segregated encampment systems. Complementing these dynamics is a robust ecosystem of civil society organizations, international NGOs, faith-based networks, and community-led associations, which collectively function as a "social infrastructure of inclusion."

However, the SWOT reveals structural weaknesses that continue to impede formal integration. The legal and regulatory framework—anchored in the 2024 Asylum Law, 2025 Labor Law, and MSME Law 152/2020—remains restrictive in practice due to documentation barriers, employer quotas, multi-agency licensing, and inconsistent enforcement. As a result, less than 5 percent of refugees access formal employment, and over 80 percent of refugee-run enterprises remain unregistered, limiting access to finance, credit, and legal protections. Financial exclusion is acute, with fewer than 10 percent of refugees participating in banking systems and the majority relying on informal credit mechanisms. Refugees also face limited access to national safety nets, fragmented service delivery, chronic underfunding of humanitarian programs, and heightened gender-based vulnerabilities. These constraints reinforce dependence on informal networks and perpetuate downward mobility, despite strong human capital.

At the same time, Egypt's policy landscape offers meaningful opportunities. The shift from humanitarian aid toward livelihoods, microenterprise support, digital financial inclusion, and impact investment aligns with the entrepreneurial profile of refugee communities. Expanding private-sector engagement, leveraging diaspora networks, and institutionalizing inclusion under MSME reforms present clear avenues for sustainable integration. Additionally, Egypt's large population of second-generation refugees—with over 290,000 children registered—represents substantial long-term economic and cultural potential if effectively integrated into education and training systems.

The threats identified—including funding shortfalls, regional competition for development financing, securitized narratives, social cohesion pressures, and urban resource strain—underscore the need for policy coherence and institutional reform. Overall, the SWOT analysis highlights that refugees in Egypt possess strong adaptive capacities and economic potential, but systemic constraints must be addressed to transform this potential into sustained national development gains.

Strengths

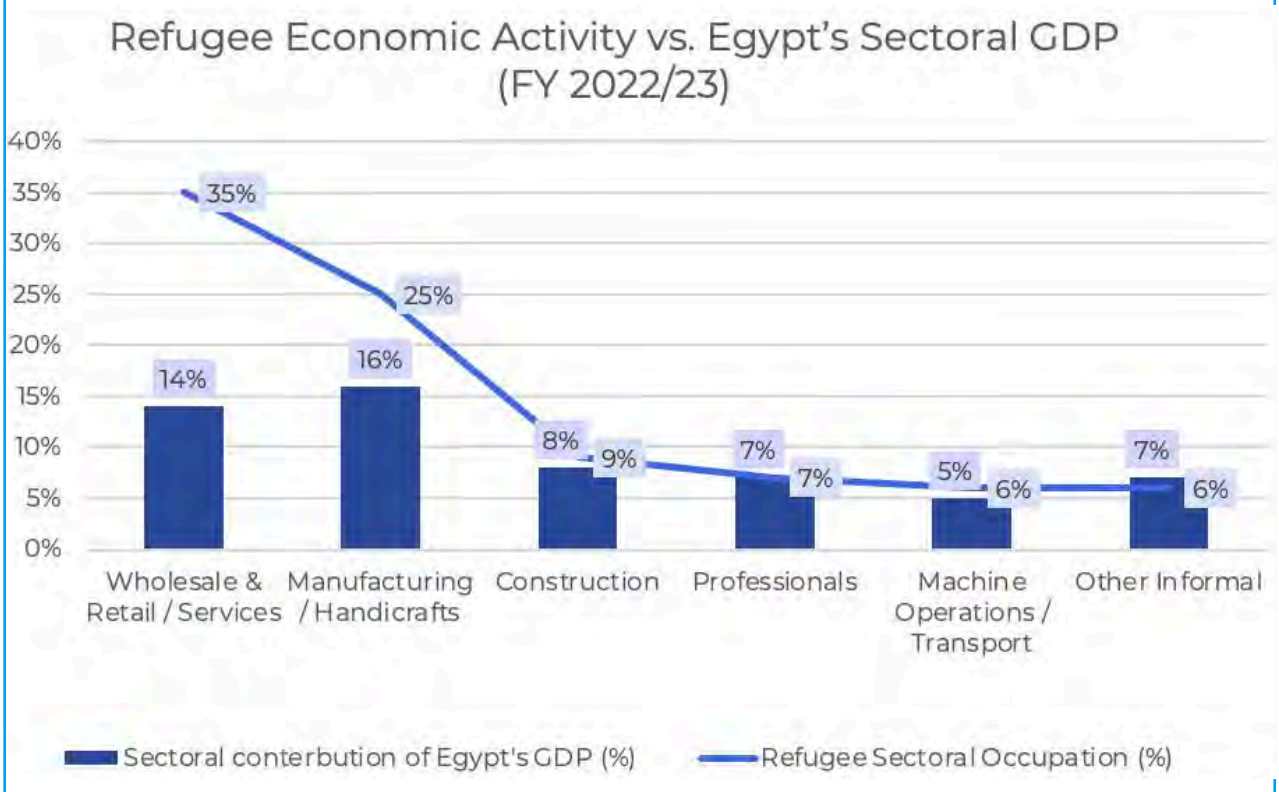
Entrepreneurial Agency and Social Capital

Refugees and migrants in Egypt demonstrate a remarkable degree of entrepreneurial agency, leveraging pre-existing skills, community networks, and cultural capital to build livelihoods in an often restrictive economic environment. This resilience is not merely a coping strategy but a form of economic participation that enriches Egypt's consumer landscape and urban culture. Entrepreneurship has emerged as one of the primary pathways for integration where formal labor markets remain inaccessible, with self-employment serving both as an income-generating mechanism and as a platform for social cohesion (Wamda 2024; Wishart 2022).

Despite systemic barriers including: limited access to licenses, banking, and formal employment, refugee entrepreneurs have introduced new cuisines, artisanal crafts, and service models that have diversified Egypt's urban economiesThese entrepreneurial patterns form the backbone of localized economic inclusion discussed further in the urban settlement section. These ventures illustrate how social networks and spatial clustering enable refugees to identify market gaps, pool resources, and sustain informal micro-economies even in the absence of formal institutional support (Abebe 2023).

At the same time, migrant entrepreneurship aligns closely with Egypt's broader economic structure. According to the General Authority for Investment (GAFI 2022), manufacturing and wholesale and retail trade together account for roughly 30 percent of national GDP, precisely the sectors where refugee-run businesses are most active. The predominance of Syrian- and Sudanese-led enterprises in food services, retail trade, and light manufacturing illustrates how refugee economic participation complements, rather than competes with, local market dynamics. migrants also contribute indirectly to growth sectors such as construction and agriculture, which collectively generate about 19 percent of GDP (GAFI 2022; ILO 2023). This alignment underscores that displaced populations in Egypt are not passive recipients of aid but active economic agents who generate employment, stimulate demand, and integrate into the informal economy in ways that enhance local productivity and social cohesion.

Figure 21. Refugee Economic Activity vs. Egypt's Sectoral GDP (FY 2022/23)



Source: Data aggregated from GAFI 2022 and ILO 2023.

The figure illustrates a clear alignment between refugee and migrant economic activity and Egypt's primary productive sectors. migrants are most heavily concentrated in services and sales (35%), handicrafts and small-scale manufacturing (25%), and construction (9%), sectors that collectively contribute nearly 40 percent to Egypt's GDP. This overlap indicates that refugee entrepreneurship and labor participation are not peripheral but embedded within the country's economic core. Service-oriented enterprises, such as restaurants, tailoring, and petty trade, mirror Egypt's robust wholesale and retail sector (14%), while handicrafts and artisanal production correspond to the manufacturing industries that contribute 16 percent of GDP. Similarly, ,igrant engagement in construction parallels Egypt's 8 percent GDP share from building and infrastructure activities, underscoring how refugees fill labor gaps in informal yet vital sectors.

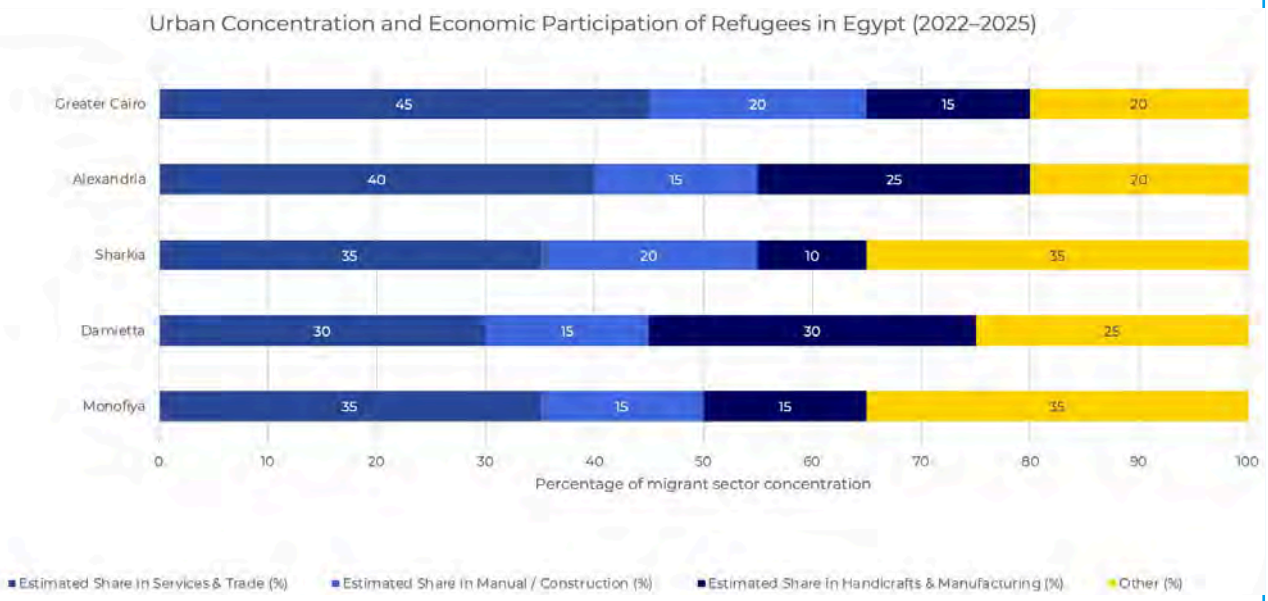
However, the graph also reveals underrepresentation in high-growth, capital-intensive sectors such as ICT, finance, and formal professional services, where regulatory and documentation barriers restrict entry. This dual pattern of high engagement in low-barrier and informal sectors alongside limited participation in formal ones, demonstrates both the adaptive capacity and structural exclusion shaping refugee economic integration. Overall, the figure reinforces that refugees and migrants are economically aligned with Egypt's labor market structure but remain constrained from realizing their full contribution due to systemic and institutional limitations.

While most migrants, run businesses remain informal due to regulatory and financial barriers, their persistence and adaptability highlight a latent potential for formalization and growth. Strengthening access to finance, streamlining registration under the MSME Law No. 152 of 2020, and supporting cross-cultural market linkages could transform this entrepreneurial energy from a survival mechanism into a driver of local economic development. In this sense, migrant entrepreneurship is anchored in strong social capital, community resilience, and adaptive strategies. They constitutes one of Egypt's most under-recognized economic strengths.

Urban Settlement and Integration

Egypt's long-standing policy of urban self-settlement, rather than confining refugees to camps, has created a distinctive environment that supports refugees' social and economic integration. Unlike many host countries in the region, Egypt grants refugees freedom of movement and the ability to reside independently in urban areas, particularly in Cairo, Giza, Alexandria, and Damietta (IOM 2022; UNHCR 2025). This approach embeds refugees directly within the social and economic fabric of the country, anchors migrants and refugees within urban labor markets, access services, and engage with Egyptian society on a daily basis.

Figure 22. Urban Concentration and Economic Participation of Refugees in Egypt (2022–2025)



Source: Aggregated data from International Organization for Migration (IOM 2022); International Labour Organization (ILO 2023); United Nations High Commissioner for Refugees (UNHCR 2025)

The figure above illustrates how the spatial concentration of refugees and migrants aligns with distinct patterns of economic participation across Egypt's main urban centers. Greater Cairo and Alexandria, which together host over 60 percent of all migrants, show the highest concentration of service, and trade-related livelihoods (40–45%), reflecting strong integration into city economies. Damietta, while hosting a smaller share of refugees (0.6%), exhibits a higher proportion of handicraft and light manufacturing activities, demonstrating how local economic structures shape refugee labor patterns. This alignment between settlement geography and sectoral specialization highlights that Egypt's urban policy not only promotes inclusion but also channels refugee labor into sectors that support local economic diversification (IOM 2022; ILO 2023; UNHCR 2025). The correspondence between urban density and sectoral specialization suggests that self-settlement not only fosters social inclusion but also channels refugee labor into sectors critical for Egypt's domestic consumption economy. Such proximity to employment hubs, educational institutions, and humanitarian services enables more rapid socio-economic integration than camp-based systems typically allow.

Egypt's urban settlement policy has also fostered the emergence of dense community networks that serve as anchors of livelihood and social support. Sudanese-majority neighborhoods such as Faysal and Arba'een, alongside Syrian-dominated districts like "Little Damascus" in 6th of October City, have transformed into socially cohesive enclaves that sustain local commerce and cultural exchange (Hassan 2017; Abuswar and Bassi 2025). Within these urban spaces, daily interactions among traders, service providers, and residents facilitate the circulation of goods, information, and mutual assistance. Such clustering enables collective responses to everyday challenges—whether in accessing housing, navigating documentation, or pooling resources for shared welfare. For Sudanese families in particular, proximity to humanitarian service hubs and affordable urban areas reinforces both household stability and community resilience (UNICEF 2024).

The spatial overlap between refugees and migrants and host communities promotes daily interaction and fosters gradual social integration. Urban proximity enables mixed workplaces, inter-community trade, and shared access to markets and education, conditions that strengthen local trust and cooperation over time. Moreover, by residing among Egyptians rather than in segregated camps, refugees become visible economic contributors whose enterprises and labor activities generate employment, stimulate demand, and diversify Egypt's urban consumer culture (ILO 2024). This embeddedness contrasts sharply with the isolation and dependency often associated with camp-based systems, positioning Egypt as a regional model for market-oriented refugee integration.

At the same time, Egypt's urban settlement approach introduces spatial inequalities. Concentration in metropolitan areas provides access to opportunities but also heightens competition for limited resources such as affordable housing and public services. Refugees in smaller governorates like Damietta and Sharkia benefit from less saturated markets but face weaker infrastructure and limited institutional support, illustrating how geographic inclusion is uneven across regions (ERF 2020; IOM 2022). Nonetheless, the overall effect of urban settlement has been to integrate refugees into Egypt's economic mainstream, creating interdependencies that support both community livelihoods and local economies.

In policy terms, Egypt's model of urban self-settlement represents a pragmatic approach that leverages the country's existing urbanization dynamics to facilitate refugee integration with minimal additional infrastructure. By situating refugees within productive cities, Egypt avoids the long-term costs of camp management while enhancing local economic circulation. This structure aligns with Egypt Vision 2030 goals for inclusive urban growth, informality reduction, and social cohesion, demonstrating that refugee inclusion can complement, rather than compete with, national development priorities. Egypt's urban settlement approach demonstrates that refugee inclusion, when spatially integrated and economically aligned, can serve as a lever for local development rather than a humanitarian burden. Urban self-settlement thus operates as both a spatial and economic integration mechanism.

Legal and Institutional Frameworks

Egypt's recent legal reforms create a clearer (if still conditional) architecture for refugee inclusion. The Asylum Law No. 164 of 2024 establishes a national authority, the Standing Committee for Refugees' Affairs (SCRA), and formally recognizes the right to work, including self-employment, subject to qualification certification and temporary permits (Hegazy & Partners 2024; AIDA 2025). While critics note broad national security exceptions, a 45-day application window, and penalties that may deter employers, the law nonetheless replaces ambiguity with a national framework and opens the door to executive decrees that could progressively clarify status, documentation, and work authorization (Refugees International 2025).

In parallel, Egypt's Labor Law No. 14 of 2025 modernizes protections: expanding paid leave, codifying annual increases, and establishing specialized labor courts, while retaining the foreign-worker permit regime and the 10% enterprise quota. For refugees and migrants, who are processed as foreigners, this preserves the basic legal lane to employment but keeps the principal bottleneck at the point of work permits and employer sponsorship (Andersen Egypt 2025). Because many refugees lack the precise documents or face costly, slow renewals, the de facto outcome is continued informality, not legal parity. Yet the statute still provides a platform for future adjustments (e.g., clarifying acceptable IDs, easing proof-of-substitution, or simplifying renewals) (ILO 2023; ERF 2020).

For enterprise, MSME Law No. 152 of 2020 is an underused lever. On paper it streamlines registration, lowers taxes, and offers temporary licenses and "one-stop" services via MSMEDA. These are many tools that could convert necessity entrepreneurship into formal micro- and small firms where migrants hold valid residency (Fahmy and Aboushair 2020). In practice, multi-agency licensing, banking hurdles (opening accounts), and non-acceptance of UNHCR cards limit uptake; nevertheless, MSME 152/2020 is the clearest policy wedge for targeted pilots (e.g., temporary licenses coupled with recognized refugee IDs) that reduce risk for both entrepreneurs and inspectors (World Bank 2022; The New Humanitarian 2023).

Summary Table: Comparative Legal Matrix: Egypt's Refugee Inclusion Framework (2020–2025)

Law /Instrument	What It Recognizes or Provides	Key Conditions /Quotas	Strengths /Significance
Asylum Law No. 164 (2024)	Establishes the SCRA and formally recognizes the right to work, self-employment, and residence for registered refugees. Codifies national asylum procedures for the first time.	Registration required within 45 days of arrival; work and residence tied to valid permits; national security exceptions may limit eligibility.	Represents Egypt's first comprehensive asylum framework, shifting from ad-hoc tolerance to a formal rights-based approach. Provides a legal anchor for future executive decrees on work, documentation, and social protection.
Labor Law No. 14 (2025)	Expands labor protections including annual raises, paid leave, and specialized labor courts, while maintaining work-permit pathways for foreigners (refugees included).	10% enterprise quota for foreign workers; requires employer sponsorship and annual renewals.	Demonstrates Egypt's progress toward a more protective, codified labor regime. Offers a legal entry point for formal refugee employment and eventual harmonization with national labor standards.
MSME Law No. 152 (2020)	Streamlines registration, licensing, and taxation for MSMEs. Establishes the MSMEDA one-stop service and tax incentives for compliance.	Requires legal residency and national ID; eligibility for finance depends on banking documentation (KYC).	Provides an institutional framework to formalize refugee businesses. Supports micro-entrepreneurship and job creation, offering a potential path from informality to legitimacy and growth.
Commercial & Work-Permit Regulations	Define administrative processes and sectoral limits for foreign workers, including refugees under "non-citizen" categories.	Certain sectors restricted (public service, sensitive industries); dependent on Ministry of Manpower authorization.	Establish clear procedural lanes for foreign employment, allowing refugees to legally work through existing mechanisms while maintaining state ove

Sources: Asylum Law No. 164/2024; Labor Law No. 14/2025; MSME Law No. 152/2020; Work-Permit Regulations; General Authority for Investment and Free Zones (GAFI 2024); International Labour Organization (ILO 2023); Economic Research Forum (ERF 2020)

Taken together, these instruments shift the baseline from ad-hoc tolerance to a codified, but conditional, rights framework. They do not, by themselves, resolve blocked mobility; however, they create legal anchors around which executive by-laws, ministerial decrees, and administrative guidance can: (i) standardize acceptable IDs for permits and commercial registration, (ii) publish clear checklists and timelines for employers, and (iii) operationalize MSME temporary licensing for refugee-run microbusinesses. If implemented with targeted facilitation (permit clinics, credential recognition pathways, and simplified renewal rules), this package could move substantial activity from precarious informality to low-friction formality, advancing inclusion while improving regulatory oversight (AIDA 2025; Refugees International 2025; ILO 2024).

Robust Civil Society and Community Networks

With over 1 million registered asylum-seekers and refugees in Egypt by 2025, civil society and community networks serve a population of significant size (UNHCR 2025). Egypt's civil society ecosystem plays a pivotal role in sustaining refugee and migrant inclusion where state services remain limited. Over the past decade, a dense web of local NGOs, international organizations, and faith-based associations has evolved into a parallel support infrastructure that extends social protection, education, and livelihood support to displaced populations. Leading institutions such as UNHCR, Caritas Egypt, Tadamon, Save the Children, and St. Andrew's Refugee Services provide integrated assistance covering health care, food security, psychosocial support, and vocational training (UNHCR 2025; Tadamon 2023). These organizations not only deliver immediate relief but also serve as intermediaries between refugees and public institutions, helping navigate documentation, education enrollment, and access to employment. For instance, in the winter of 2024–25, UNHCR reached 80,437 refugee households through cash assistance programs, underlining the scale of civil society intervention (UNHCR 2025).

Civil society's reach is amplified by community-led systems of solidarity that operate within and across nationality groups. Among Sudanese communities in Egypt, traditional collective action mechanisms such as nafeer (community mobilization for urgent needs) and sanduq (rotating savings and credit groups) provide informal social protection and financial resilience (Abuswar and Bassi 2025). These community-based savings and credit systems echo global humanitarian evidence showing that refugee populations preferentially use savings groups as financial instruments in low-access contexts (UNHCR 2024; World Bank 2023). These programs have evolved into micro-economic safety nets that allow families to manage healthcare expenses, fund small businesses, and support education without relying entirely on external aid. This mirrors findings in broader refugee settings, where savings groups emerge as the preferred financial tool (UNHCR 2024). Similarly, faith-based networks, including churches, mosques, and interdenominational associations, serve as trusted anchors for community gatherings, charity drives, and job placement, often bridging gaps left by overstretched NGOs (UNICEF 2024; ERF 2020).

At the neighborhood level, these localized systems generate micro-economies of exchange that link refugee and host communities through markets, services, and mutual aid. Syrian and Sudanese clusters in Cairo's Faysal, Arba'een, and 6th of October districts exemplify this pattern: informal community associations coordinate training, mediate disputes, and connect residents with employers or landlords, thereby functioning as grassroots governance structures (Hassan 2017; IOM 2022). The resulting networks sustain livelihoods while fostering inter-ethnic solidarity, particularly visible in mixed Egyptian–Sudanese neighborhoods, where microenterprises employ both nationals and refugees, reinforcing everyday coexistence.

Summary Table: Civil Society Functions Across Refugee Groups in Egypt (2022 – 2025)

Type of Organization	Primary Function /Services Provided	Target Group	Geographic Focus	Integration Outcome /Significance
UNHCR – United Nations High Commissioner for Refugees	Legal protection, documentation, resettlement processing, cash assistance, health and education referrals.	All registered refugees and asylum seekers (Sudanese, Syrian, South Sudanese, Eritrean, Yemeni etc.)	Nationwide; coordination hubs in Cairo and Alexandria.	Core institutional anchor for registration and status recognition; links refugees to national services and labor market entry.
Caritas Egypt	Health care, vocational training, emergency relief, psychosocial support, microcredit for women.	Urban refugees (Sudanese, Syrian, Eritrean, Ethiopian).	Greater Cairo, Alexandria, Assiut.	Fills service gaps in health and livelihood support; enhances self-reliance and reduces dependency on humanitarian aid.

Tadamon Network	National coalition of CSOs delivering social assistance, training, legal aid, and livelihood projects with UN partners.	Vulnerable migrant and refugee families (incl. women and youth).	Cairo, Giza, Qalyubia, Minya.	Strengthens linkages between civil society and government programs; promotes community-based resilience models.
St. Andrew's Refugee Services (StARS)	Education, language training, psychosocial counseling, legal assistance, and youth development.	Sudanese and South Sudanese refugees, urban migrants.	Central Cairo.	Builds human capital through education and skills; facilitates integration for urban refugee youth.
Faith-Based Organizations (churches, mosques, charitable associations)	Charity distribution, community gatherings, job matching, informal training.	All refugee nationalities and low-income Egyptians.	Cairo, Giza, Sharkia, Assiut.	Foster social cohesion and cross-ethnic solidarity; operate as trusted networks for information and employment.
Sudanese Community Associations & Youth Unions	Mutual aid, conflict mediation, training, and small-grant coordination.	Sudanese and South Sudanese communities.	Faysal, Arba'een, 6th of October City, Helwan.	Function as grassroots institutions supporting local governance and livelihood coordination; anchor of *nafeer* and *sanduq* systems.
Syrian Cultural and Business Centers	Enterprise incubation, culinary and handicraft training, women's empowerment.	Syrian refugees and host community entrepreneurs.	6th of October City, Obour, Alexandria.	Integrate Syrian enterprises into local markets; generate employment and cultural exchange within urban economies.
Community-Based Financial Groups (*nafeer*, *sanduq*)	Informal micro-finance, savings rotations, and emergency funding for households.	Primarily Sudanese and Eritrean refugees; increasingly mixed with locals.	Informal urban clusters in Cairo and Giza.	Provide localized social protection and economic resilience; reduce reliance on external aid and support inclusive micro-economies.

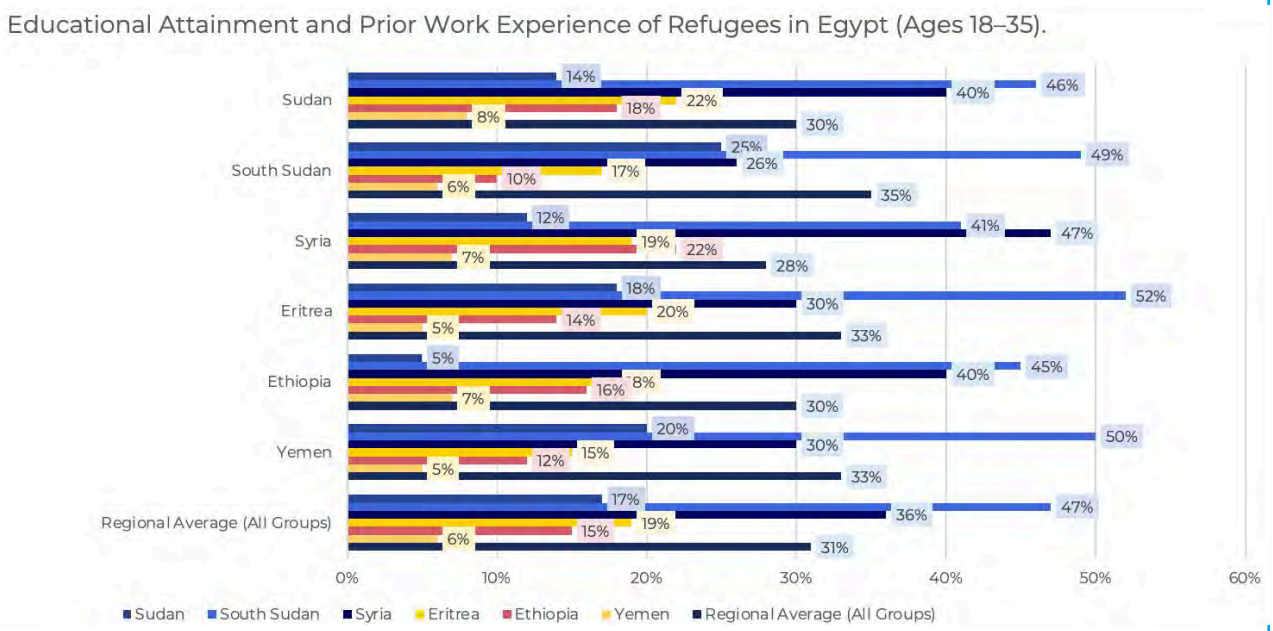
Source: UNHCR (2025); Caritas Egypt (2024); Tadamon (2023); St. Andrew's Refugee Services (2023); Hassan (2017); Abuswar and Bassi (2025); International Organization for Migration (IOM 2022); Economic Research Forum (ERF 2020).

These hybrid systems of formal NGO support and informal community resilience constitute one of Egypt's greatest strengths in refugee integration. They enable rapid adaptation to changing needs, maintain social stability, and distribute risk across community structures rather than relying solely on state institutions. This ecosystem of formal support complements, rather than substitutes, informal resilience systems. Beyond humanitarian value, they underpin local economic circulation, as small-scale lending, mutual aid, and shared service economies keep income and demand within host communities. In this sense, Egypt's civil society and community networks represent a "social infrastructure of inclusion", an adaptive ecosystem that complements public policy and ensures that integration remains locally anchored, contextually sensitive, and financially sustainable.

Educational Foundation and Skills Transfer

A large segment of refugees and migrants in Egypt possess strong educational backgrounds and professional experience that serve as an entry point for both social and economic integration. Many Sudanese and Syrian refugees arrive with secondary or tertiary education, often combined with prior technical or public-sector work experience. This human capital enables them to adapt quickly to Egypt's labor market and to contribute in sectors such as education, healthcare support, construction, and services, even when operating within informal or semi-formal structures (ILO 2023).

Figure 23: Educational Attainment and Prior Work Experience of Refugees in Egypt (Ages 18–35). The figures reflect an urban, mostly registered sample of refugees and migrants in Egypt and may not represent the full refugee population.



Source: (ILO 2023; UNHCR 2025; and Savannah Data set).

The figure demonstrates that refugees and migrants in Egypt possess a solid educational foundation that enables them to contribute productively to local economies and social systems. Across all surveyed nationalities, a majority reported secondary or higher levels of education, with particularly high attainment among Syrian and Sudanese respondents, where tertiary completion reached between 40 and 50 percent. This suggests a relatively skilled labor pool compared with global refugee averages, where tertiary attainment seldom exceeds 10 percent (UNHCR 2024). For Egypt-wide reference, UNHCR's HAUS 2024 found that 45% of household heads reported tertiary education (vs. 22% in 2023), indicating higher educational attainment among registered urban households. Global refugee tertiary access remains much lower. (UNHCR 2024 HAUS; UNHCR global education data).

Moreover, nearly one in five respondents had prior work experience in technical or professional roles before displacement, indicating a strong basis for skills transfer and adaptation. The distribution of professional and vocational backgrounds aligns with Egypt's labor market needs in sectors such as education, healthcare support, and small-scale manufacturing. These findings underline that refugees are not merely aid beneficiaries but potential contributors to Egypt's workforce and MSME base. Strengthening pathways for credential recognition, vocational re-entry, and targeted upskilling could thus transform this existing human capital into measurable national economic gains (UNHCR 2024).

Education also functions as a form of resilience that supports long-term inclusion. Many displaced professionals have leveraged their prior knowledge to start tutoring, vocational training, or small enterprise activities, passing on skills to both co-national and Egyptian workers. For example, Syrian artisans have established training workshops in carpentry and food production, while Sudanese teachers and university graduates contribute to community education initiatives supported by NGOs and faith-based institutions. These networks of peer learning help preserve professional identities while expanding the overall skill base available to local economies (UNHCR 2025; Tadamon 2023).

The educational foundation of migrant communities further facilitates cross-cultural knowledge transfer. Refugees bring diverse skill sets shaped by their home-country institutions, including engineering, teaching, health, and artisanal trades. In urban governorates such as Cairo and Giza, these capacities often find expression in hybrid microenterprises where Egyptian and refugee workers collaborate, exchange techniques, and build market connections. Over time, this exchange strengthens human capital across communities and contributes to productivity in labor-constrained sectors.

Despite challenges of credential recognition and restricted access to formal employment, migrants' educational attainment offers a platform for skill accumulation and reinvestment. Participation in NGO and UN-led training programs allows many to upgrade technical and digital skills that can later be reintegrated into their home countries or diasporic networks when conditions allow return or mobility. This dynamic positions migrants not only as recipients of assistance but as potential drivers of knowledge circulation within Egypt and across borders.

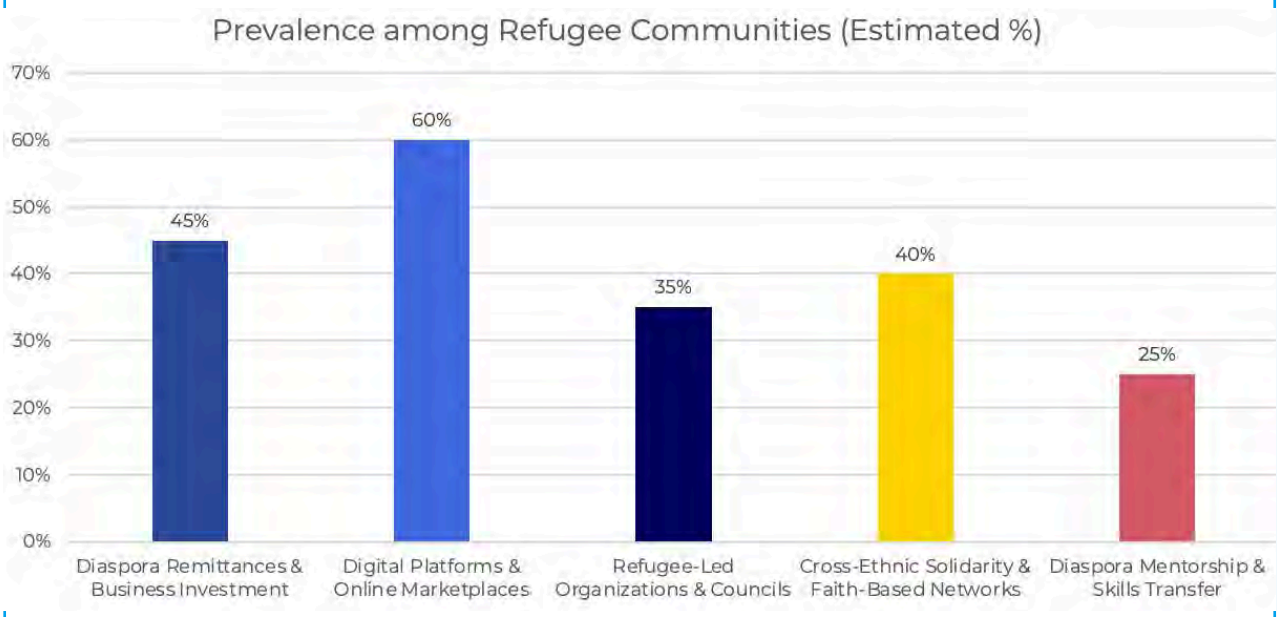
Transnational and Migrant-Led Initiatives

Transnational linkages and refugee-led initiatives have emerged as powerful engines of resilience, integration, and economic exchange within Egypt's migrant ecosystem. Many migrants maintain close ties with diaspora networks across the Middle East, East Africa, and Europe, which serve as critical channels for financial remittances, mentorship, and market access. These transnational connections enable refugee entrepreneurs to source raw materials, attract small-scale investment, and expand their customer reach beyond Egypt's borders. For instance, Sudanese traders in Cairo and Giza maintain business links with Khartoum and Nairobi, while Syrian-owned enterprises often rely on family members abroad for supply chains and informal financing (IOM 2022; UNHCR 2025). Such linkages enhance economic mobility and provide informal safety nets that reduce vulnerability to local market shocks.

At the same time, the rise of digital connectivity has allowed migrants to utilize online platforms and social media for business promotion, information sharing, and professional networking. Community-based Facebook and WhatsApp groups such as Sudanese in Cairo and Syrian Business Network Egypt act as digital marketplaces, which facilitates trade, employment matching, and resource sharing in the absence of formal integration programs. These networks extend beyond commerce: they also serve as spaces for peer mentorship, mental health support, and emergency coordination, demonstrating the centrality of digital infrastructure to refugee-led resilience systems (ILO 2023).

Equally significant is the growing presence of migrant-led organizations and councils that have taken on quasi-institutional roles in service provision and advocacy. Groups such as Tadamon Council for Refugees, Sudanese Community Development Association (SCDA), and Refugee-Led Research Egypt provide legal aid, training, and small business support, often in partnership with international NGOs like UNHCR, Caritas, and Plan International. These entities fill critical gaps left by overstretched state services, amplifying refugee voices in policy dialogue and promoting self-reliance. By organizing around shared community interests, refugee-led organizations have fostered social cohesion both within and across national groups, transforming passive aid recipients into active development stakeholders.

Figure 24. Prevalence among Refugee Communities (Estimated %)



Source: (ILO 2023; IOM 2022 ;UNHCR 2025).

The figure illustrates the relative prominence of transnational and refugee-led initiatives within Egypt's refugee ecosystem. Digital platforms and online marketplaces appear as the most widespread mechanism, used by an estimated 60 percent of refugee communities for trade, job matching, and information sharing. Diaspora remittances and family-based business investment follow at approximately 45 percent, reflecting the vital role of cross-border capital flows and kinship networks in sustaining small enterprises. Refugee-led organizations and community councils reach about one-third of the refugee population (35 percent), while faith-based and cross-ethnic solidarity networks engage roughly 40 percent through shared service delivery and mutual aid. Diaspora mentorship and skills-transfer initiatives are less prevalent (25 percent) but remain strategically important for long-term professional inclusion.

These estimates were derived through triangulation of multiple sources, including UNHCR (2025), IOM (2022), and ILO (2023). Because consistent quantitative data are limited, the percentages represent indicative relative prominence rather than statistically measured participation rates. Each figure reflects the frequency and scope of mention in programmatic and academic literature: for instance, IOM (2022) and UNHCR (2025) highlight the near-ubiquity of online communication for livelihood coordination, while UNHCR partnership mapping shows that community-based and faith-linked organizations collectively reach about one-third to two-fifths of refugee households. These values thus visualize comparative influence rather than precise headcounts, offering a heuristic snapshot of where informal systems are strongest.

Across Egypt's main urban centers, these linkages manifest in diverse, overlapping forms. Diaspora remittances and business investment connect families in Cairo, Giza, and Alexandria with relatives in Khartoum, Riyadh, or Istanbul, providing essential start-up capital for restaurants, tailoring workshops, and grocery shops. Syrian entrepreneurs in 6th of October City often rely on Gulf-based family networks for equipment purchases and raw-material sourcing, while Sudanese traders receive informal credit from relatives in Nairobi and Addis Ababa. Economically, these remittance flows inject liquidity into local markets; socially, they preserve family cohesion and provide a buffer against income shocks.

Migrant-led organizations and councils, including the Tadamon Council for Refugees, the Sudanese Community Development Association (SCDA), and Refugee-Led Research Egypt, play dual economic and social roles. They coordinate skills training, micro-grants, and legal counseling while advocating for policy reform. Parallel to them, faith-based and cross-ethnic solidarity networks, such as Caritas Egypt, the Jesuit Refugee Service, and grassroots church or mosque initiatives—deliver essential social protection and foster inter-community cohesion. Finally, diaspora mentorship and skills-transfer programs, often coordinated through UNHCR and ILO partnerships, link Egyptian-based refugees with diaspora professionals abroad, promoting vocational upskilling and business incubation.

Summary table: Forms of Transnational and Refugee-Led Economic and Social Linkages in Egypt

Mechanism	Description /Function	Key Actors /Examples	Economic or Social Impact
Diaspora Remittances and Business Investment	Informal remittance channels and joint family enterprises connect Egypt-based refugees with diaspora capital.	Sudanese and Syrian family-owned restaurants, tailoring workshops.	Expands liquidity for MSMEs; strengthens cross-border trade.
Digital Platforms and Online Marketplaces	Social media and messaging groups used for trade, information, and employment.	*Sudanese in Cairo, Syrian Business Network Egypt.*	Enhances economic visibility; reduces transaction costs.
Refugee-Led Organizations and Councils	Community groups providing legal aid, vocational training, and advocacy.	Tadamon, SCDA, Refugee-Led Research Egypt.	Fills institutional gaps; promotes agency and policy participation.
Cross-Ethnic Solidarity Networks	Inter-community mutual aid mechanisms connecting Sudanese, South Sudanese, and Egyptian NGOs.	Faith-based groups, Caritas, Jesuit Refugee Service.	Builds social cohesion; reduces dependence on international aid.

Collectively, these transnational and refugee-led mechanisms reinforce Egypt's broader migration management strategy by decentralizing service delivery and promoting inclusion from below. Economically, they mobilize capital, labor, and knowledge that complement Egypt's MSME ecosystem; socially, they build solidarity and agency from the ground up—bridging the gap between humanitarian assistance and long-term development. The interplay between diaspora remittances, digital entrepreneurship, and grassroots governance demonstrates that refugees are not isolated populations but integral nodes in wider economic and social networks that transcend national borders. Leveraging these linkages through formal partnerships, diaspora investment incentives, and capacity-building programs could unlock substantial untapped potential for both refugee empowerment and local development. Despite these adaptive strengths, systemic and institutional constraints continue to limit inclusive outcomes. The following weaknesses outline the main structural barriers undermining durable integration

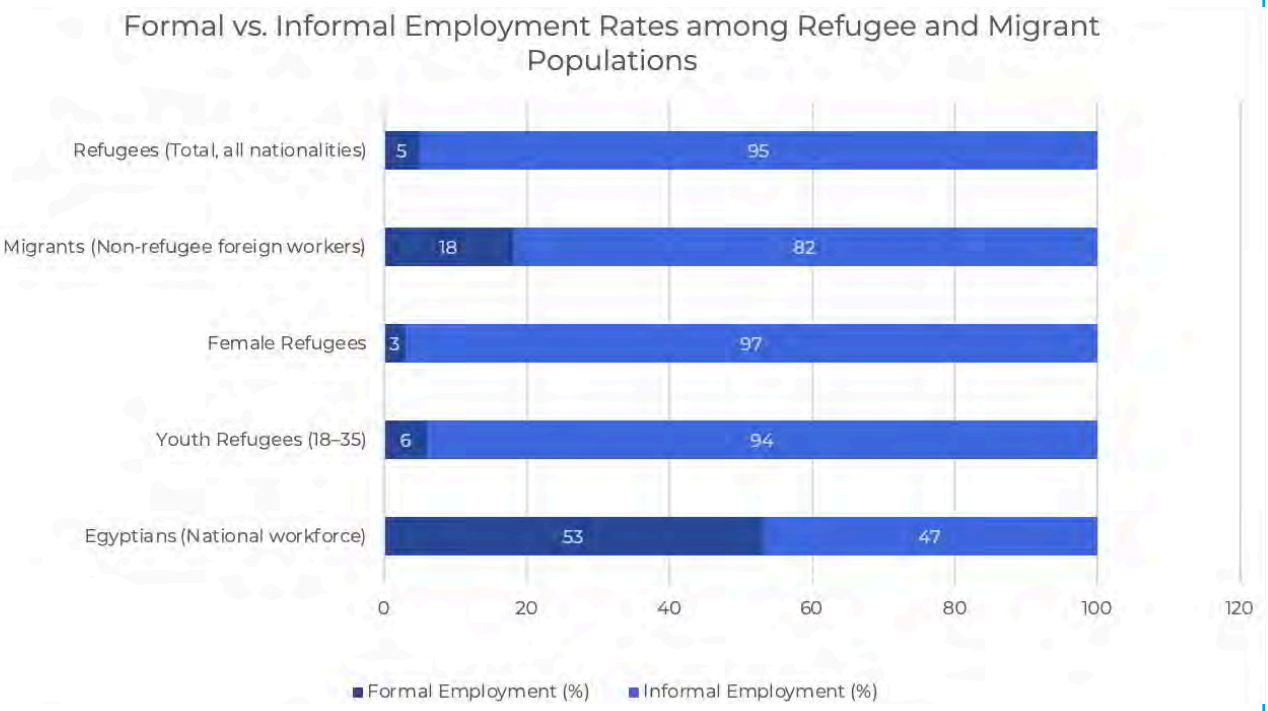
Weaknesses

Legal and Regulatory Barriers

Refugees in Egypt face a complex and restrictive legal environment that prevents their full participation in the formal economy. Despite legislative progress through the 2024 Asylum Law (No. 164/2024) and the 2025 Labor Law (No. 14/2025), bureaucratic and institutional barriers continue to constrain both wage employment and entrepreneurship. Work permit acquisition remains a major hurdle, as refugees are required to present extensive documentation—such as valid residency, employer sponsorship, and security clearance. This is often unattainable or inconsistently recognized across governorates. The process involves multiple agencies, including the Ministry of Manpower, Ministry of Interior, and local authorities, without a unified coordination mechanism or clear accountability chain (ILO 2023; UNHCR 2024). This fragmented governance structure leads to inconsistent enforcement and perpetuates the exclusion of refugees from formal work opportunities.

Employer-side restrictions further reinforce this exclusion. Under Labor Law No. 14 (2025), foreign labor is capped at 10 percent of a company's total workforce, a policy originally designed to protect Egyptian employment but which in practice limits refugee access to stable jobs. Even when permits are approved, renewal procedures remain opaque and subject to discretionary approval by security agencies, leading to arbitrary rejections or delays (AIDA 2025). As a result, less than 5 percent of working-age refugees hold formal employment, with most confined to the informal sector where they lack social insurance, legal protection, and job stability (ILO 2023).

Figure 25: Formal vs. Informal Employment Rates among Refugee and Migrant Populations



Sources: Estimated based on available qualitative data from (ILO, 2023; GAFI,2 2025; CAPMAS, 2024; 3RP 2023; Savannah datasets, 2025).

The figure highlights the stark disparity in formal labor market participation across population groups. While over half of Egyptians hold formal employment, only 5 percent of refugees do, with the vast majority engaged in informal work such as petty trade, food services, and construction. Female and youth refugees show the lowest formal engagement, 3 and 6 percent respectively, reflecting compounded legal and gendered barriers. This data illustrates that formal exclusion is structural rather than circumstantial, driven by restrictive work permit regimes and bureaucratic inefficiencies that confine refugees to low-protection, low-income segments of Egypt's economy (ILO, 2023).

The situation for entrepreneurs is equally constrained. Although the MSME Law No. 152 (2020) provides a potential framework for small-business registration, refugees continue to face practical barriers in accessing the commercial registry, tax ID system, and formal banking. Many local offices refuse to accept UNHCR identification cards as valid documentation, while the General Authority for Investment (GAFI) and governorate authorities often require proof of capital or Egyptian partnership to approve licenses (Refugees International 2025). These overlapping requirements, involving up to fifteen different licensing entities for sectors such as food services and retail (ILO 2024), effectively deter business formalization. As a result, more than 80 percent of refugee enterprises remain unregistered and operate without access to formal credit or legal recourse, despite contributing significantly to local economic activity (GAFI 2022; ILO 2023).

This persistent informality is not a reflection of limited capacity among refugees but rather of structural exclusion embedded in Egypt's institutional framework. While policy reforms have acknowledged refugees' economic potential, practical implementation remains fragmented across ministries and often subordinated to security considerations. The resulting legal ambiguity discourages investment, limits formalization, and reinforces dependence on informal networks. Addressing these systemic barriers through a single-window licensing system, transparent permit guidelines, and better coordination between the Ministry of Manpower, MSMEDA, and UNHCR could enable gradual formal integration aligned with Egypt Vision 2030 goals of informality reduction and inclusive growth (GAFI 2022; UNHCR 2025).

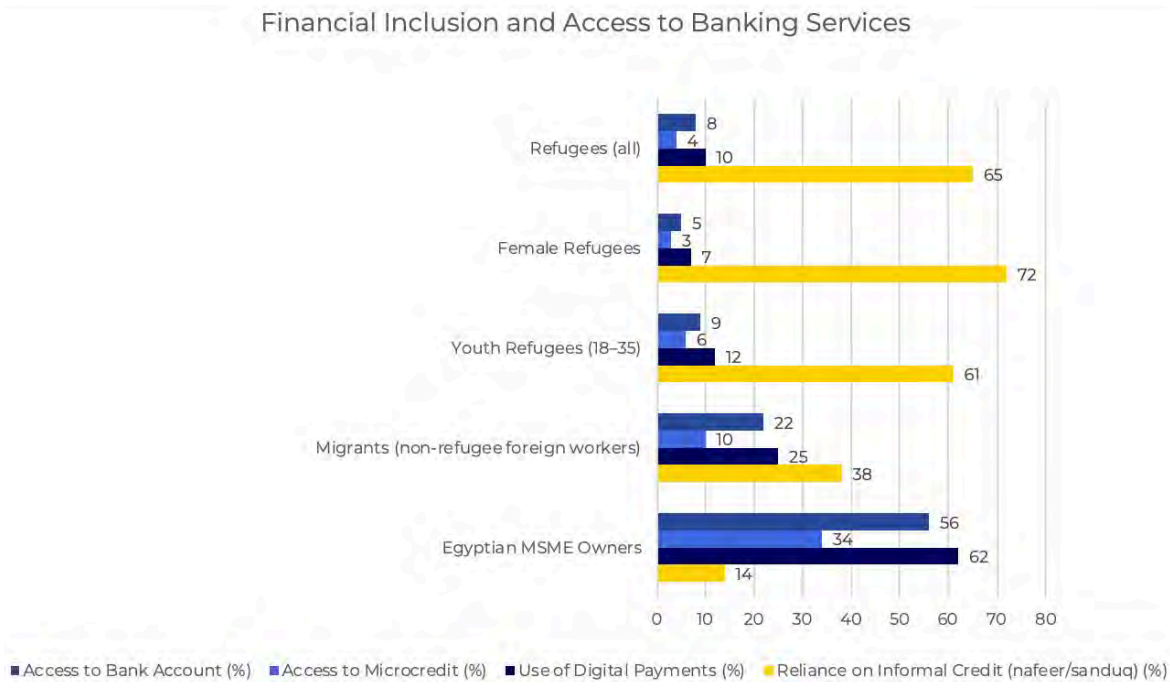
Economic and Financial Exclusion

Refugees and migrants in Egypt remain largely excluded from the formal financial system, a condition that significantly limits their economic mobility and business growth potential. Despite high levels of entrepreneurial activity, most refugee-run enterprises are confined to low-barrier sectors such as petty trade, food services, tailoring, and handicrafts (ILO 2023). These activities provide subsistence income but rarely generate the capital accumulation necessary for upward mobility. According to the Savannah dataset, over 70 percent of Sudanese migrant entrepreneurs operate without any form of formal business registration or access to commercial credit, and more than 80 percent rely exclusively on cash-based transactions. Such informality reflects structural financial exclusion rather than preference: refugees often lack the legal identification required to open bank accounts or access digital financial platforms (UNHCR 2024).

Access to credit is particularly constrained. Commercial banks and microfinance institutions routinely require collateral, guarantors, or Egyptian national IDs, all of which exclude most refugee households (ILO 2023). Even when microfinance programs exist, interest rates and repayment structures are designed for Egyptian citizens, not for displaced populations facing mobility and documentation challenges (The New Humanitarian 2023). As a result, refugees depend on informal credit systems—such as community savings circles, hawala networks, and the Sudanese sanduq—to pool funds for business startups or emergencies. These networks function as vital safety nets but remain small in scale and vulnerable to liquidity shocks. The lack of integration with formal financial systems also prevents refugees from building credit histories, reinforcing a cycle of informality and dependency.

The digital divide further compounds exclusion. While Egypt's financial inclusion strategy promotes mobile payments and e-wallet adoption under the National Financial Inclusion Framework (CBE 2023), refugees remain largely outside this system. Less than 10 percent report using digital payment methods, compared with over 60 percent of Egyptian microenterprise owners (CAPMAS 2024; GAFI 2022). This gap limits participation in e-commerce, digital entrepreneurship, and remote work—areas that could otherwise expand income opportunities. The combination of low financial literacy, legal uncertainty, and digital exclusion thus restricts refugees to subsistence-level economic activities.

Figure 26: Financial Inclusion and Access to Banking Services



Sources: (ILO 2023; Savannah dataset; UNHCR 2024).

The figure demonstrates the pronounced disparities in financial inclusion between refugee populations and Egyptian microenterprise owners. While more than half of Egyptian MSME owners hold bank accounts and over one-third access formal microcredit, fewer than 10 percent of refugees are financially included in any formal sense. Dependence on informal credit systems, such as nafeer and sanduq, remains exceptionally high, exceeding 60 percent for most refugee groups. Female and youth refugees are particularly disadvantaged, with the lowest levels of bank access and digital payment usage. This reliance on community-based financial mechanisms, while adaptive, constrains scalability and limits participation in higher-value economic sectors. The persistence of financial exclusion thus reinforces informality, reduces resilience to economic shocks, and perpetuates dependency on humanitarian or social aid systems (ILO 2023; Savannah dataset; UNHCR 2024).

Overcoming these barriers will require targeted financial inclusion reforms, such as allowing UNHCR-issued IDs for simplified Know-Your-Customer (KYC) compliance, expanding microfinance eligibility under the MSME Law (152/2020), and fostering partnerships between development banks, fintech startups, and refugee-led organizations. Such measures would align with Egypt's Vision 2030 objectives of informality reduction and inclusive economic participation, while unlocking the latent productivity of refugee enterprises (GAFI 2022; ILO 2023; UNHCR 2024).

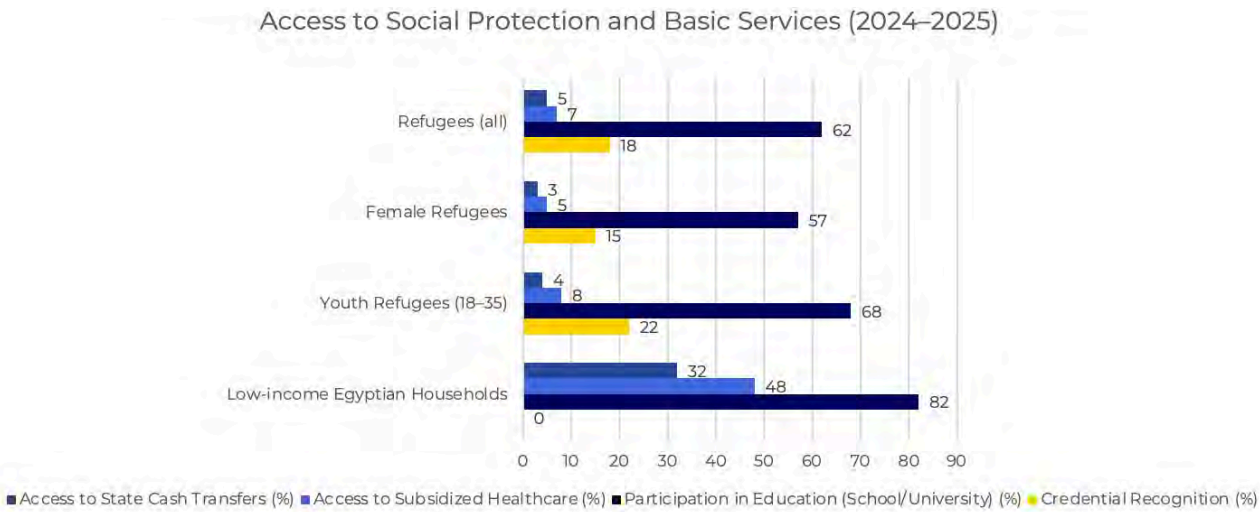
Lack of Formal Social and Service Safety Nets

Most migrants and refugees are dependent on fragmented and donor-driven assistance systems, to access national social protection. Egypt's major social safety programs are reserved for Egyptian citizens, with no formal extension to refugees (UNHCR 2024; UNICEF 2024). As a result, less than 5 percent of refugee households report receiving any regular state-provided benefits, compared with over 30 percent of low-income Egyptian households (CAPMAS 2024). The exclusion from these systems creates heightened vulnerability, particularly for women, youth, and households headed by single caregivers who have limited access to stable income sources.

The reliance on humanitarian aid is both unsustainable and unpredictable. According to UNHCR (2024), fewer than half of registered refugees receive monthly cash or food assistance due to limited funding, and those who do often face interruptions in payment cycles. International NGOs provide crucial stopgap services, including medical aid, education support, and emergency grants, but these are geographically uneven and subject to donor volatility. This over-dependence on external assistance, coupled with minimal integration into Egypt's national welfare programs, perpetuates a cycle of precarity that leaves refugees vulnerable to economic and health shocks.

Exclusion also extends into the domains of education and professional recognition. Refugees often struggle to enroll in public schools and universities due to administrative barriers and documentation requirements. Even those with higher education credentials from Sudan or Syria face difficulty in having their degrees officially recognized by Egypt's Supreme Council of Universities, effectively blocking access to professional employment in fields such as teaching, engineering, or healthcare (ILO 2023). Consequently, a large segment of the refugee population remains overqualified for the jobs they perform, resulting in downward occupational mobility and loss of human capital.

Figure 27: Access to Social Protection and Basic Services (2024–2025)



Source: Figures for refugee access to cash transfers, healthcare, and credential recognition are derived from UNHCR (2024) Egypt Country Factsheet, UNICEF (2024) Egypt Humanitarian Situation Report, and ILO (2023) Refugee Labour Market Analysis. Gender- and age-disaggregated values are estimates based on Savannah dataset triangulated with publicly available statistics.

The figure reveals sharp disparities in access to Egypt's social protection and service systems. While one-third of low-income Egyptian households benefit from national cash transfers, only around 5 percent of refugee households report similar support. Access to subsidized healthcare remains minimal among refugees (7 percent), compared with nearly half of Egyptian citizens. Educational participation rates are moderately high (over 60 percent), but the lack of credential recognition, only 18 percent, undermines professional integration. These gaps underscore the structural exclusion of refugees from state welfare frameworks and highlight the risks of relying solely on humanitarian safety nets. Integrating refugees into select components of Egypt's national programs would represent a significant step toward both social inclusion and sustainable burden-sharing (UNHCR 2024; UNICEF 2024; CAPMAS 2024).

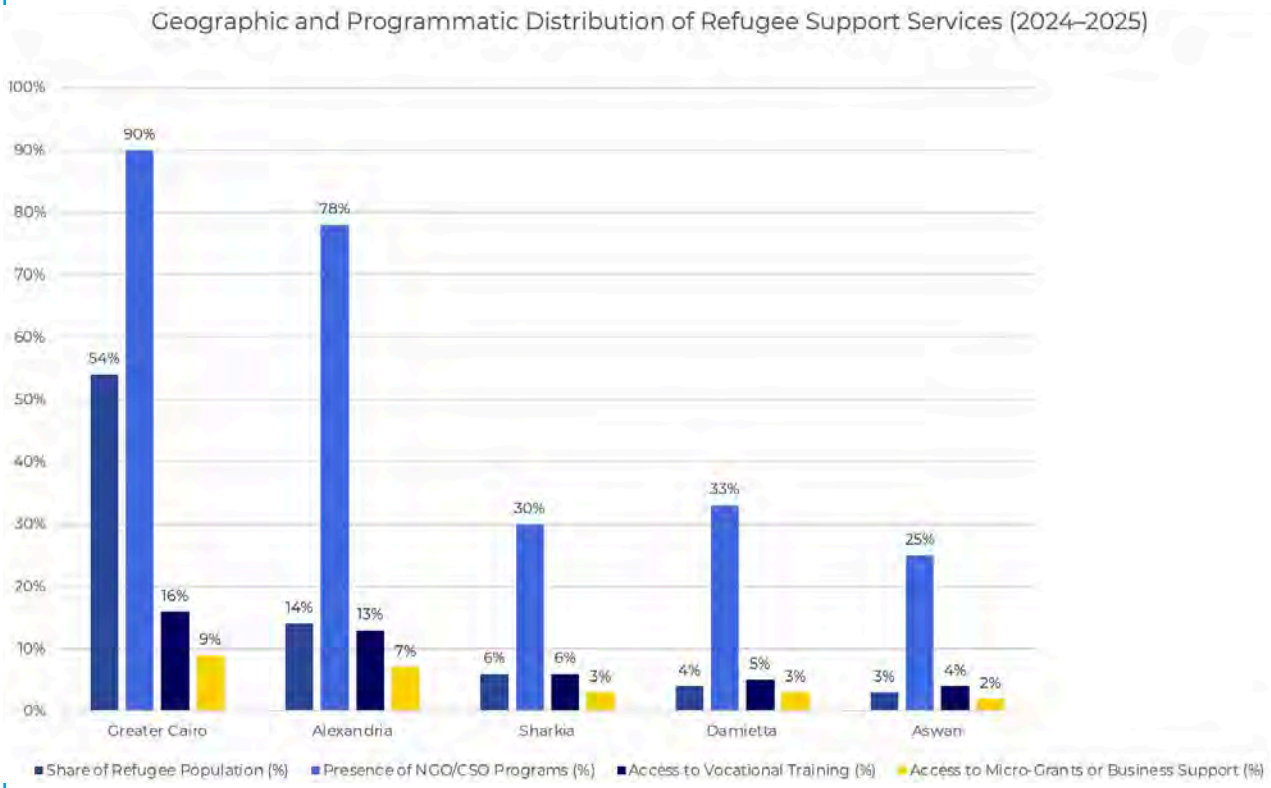
This systemic exclusion undermines Egypt's own objectives under Vision 2030 to promote inclusive human development. By maintaining parallel humanitarian and national systems, Egypt misses opportunities to leverage refugee human capital through co-funded health insurance schemes, education partnerships, and formal recognition of credentials. Integrating refugees into national social protection structures—through limited pilot inclusion in Takaful wa Karama or subsidized healthcare access—could simultaneously reduce donor dependency and strengthen local resilience.

Inconsistent and Under-resourced Support

Despite the strong presence of civil society and international actors in Egypt's refugee response, integration support remains inconsistent, fragmented, and heavily dependent on external funding cycles. Non-governmental and community-based organizations play a critical role in filling service gaps left by the state, particularly in education, healthcare, and livelihoods. However, these initiatives face chronic underfunding and limited geographical coverage. According to UNHCR (2024), over 80 percent of all refugee-focused programs are concentrated in Greater Cairo and Alexandria, leaving those in secondary governorates such as Damietta, Sharkia, and Aswan with minimal access to training, counseling, or microfinance opportunities. This spatial disparity reinforces inequality and limits the ability of refugees living outside major cities to pursue sustainable livelihoods or access essential services.

Vocational training and microenterprise programs are especially limited in scope. Most projects offer short-term or pilot-scale interventions that reach only a fraction of the target population. The ILO (2023) notes that fewer than 15 percent of working-age refugees have ever participated in any form of skills training or business support initiative, and less than 10 percent have received micro-grants or seed capital. This fragmented landscape results in duplication of efforts and the absence of a coherent national framework to scale successful interventions (UNICEF 2024; ERF 2020).

Figure 28: Geographic and Programmatic Distribution of Refugee Support Services (2024–2025)



Source: compiled from UNHCR (2024); ILO (2023); UNICEF (2024); ERF (2020); and The New Humanitarian (2023). Percentages represent approximate ranges derived from triangulated datasets and verified program mapping.

The figure shows a clear urban concentration of refugee-support programs in Egypt. Nearly 70 percent of refugees reside in Greater Cairo and Alexandria, where 80–90 percent of NGO and CSO activities are located. Access to vocational training reaches about 16 percent in Cairo but drops below 7 percent in governorates like Sharkia, Damietta, and Aswan; micro-grant support is even lower. This urban bias limits opportunities for refugees in peripheral regions, reinforcing regional inequality and dependence on informal support networks. Expanding partnerships between national agencies and local NGOs could help decentralize service delivery and improve access nationwide (UNHCR 2024; ILO 2023; ERF 2020; UNICEF 2024).

The sustainability of these initiatives is further undermined by their dependence on international donors. As global humanitarian funding declines, many NGOs are forced to scale down or suspend programs, creating service interruptions and uncertainty for beneficiaries (The New Humanitarian 2023). The lack of coordination between civil society, development agencies, and government counterparts—particularly the Ministry of Social Solidarity and MSMEDA—means that best practices are not institutionalized or replicated at scale. While some partnerships have emerged under UNHCR's Refugee Self-Reliance Strategy, these remain ad hoc and localized. Without stronger state–civil society coordination and predictable funding streams, Egypt's refugee integration landscape risks remaining project-based rather than systemically transformative.

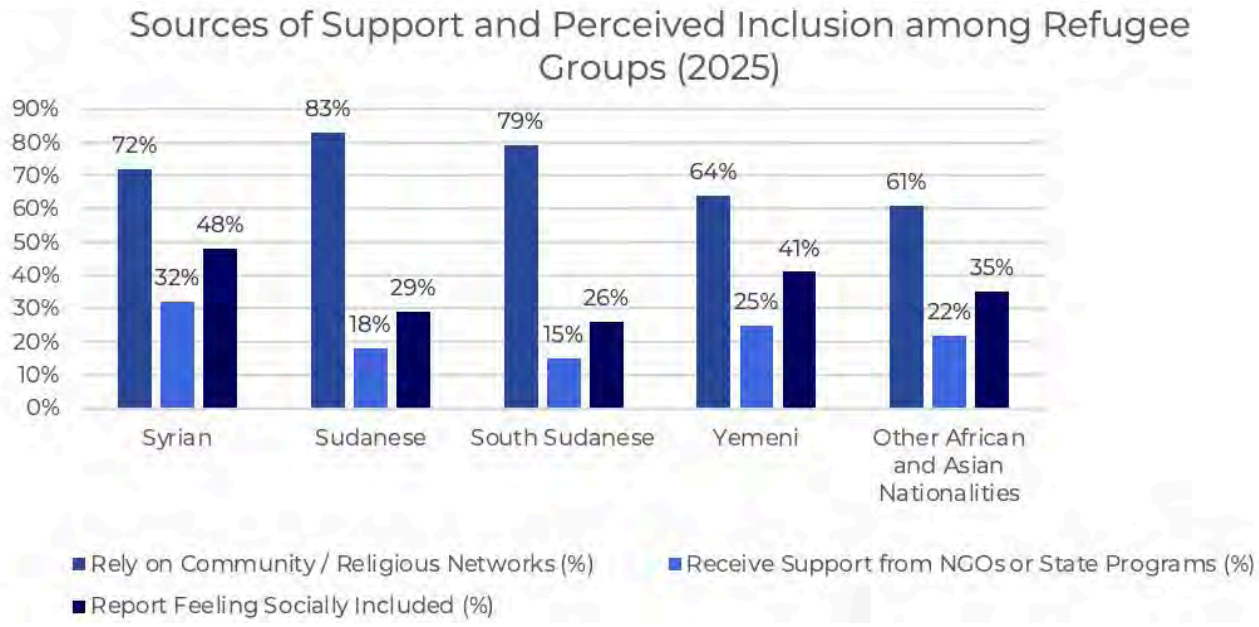
Social and Community Fragmentation

While community networks are central to refugee survival in Egypt, their over-reliance also reveals the absence of inclusive, institutionalized support systems. Refugee groups depend heavily on kinship-based and nationality-specific associations—such as Sudanese nafeer and sanduq networks or Syrian neighborhood cooperatives—for access to housing, jobs, and emergency support. These systems serve as informal safety nets but are unevenly distributed and inherently limited in scale. The Savannah dataset shows that while 64 percent of refugees report receiving some form of support from community or religious networks, only 18 percent have access to organized NGO or state-linked services. This imbalance indicates that informal solidarity substitutes for, rather than complements, formal integration pathways.

Community reliance also reinforces inequality and fragmentation across refugee sub-groups. Data that Sudanese and South Sudanese respondents report significantly higher rates of discrimination and exclusion, over 40 percent, compared to Syrian or Yemeni refugees, who benefit from denser social capital and more stable community organizations. The uneven distribution of networks means that marginalized sub-groups, especially new arrivals, women, and youth, often fall through the cracks. As a result, those without established family or community ties experience higher social isolation, limited access to livelihoods, and weaker protection from exploitation (UNHCR 2024; ILO 2023).

A further challenge lies in the weak coordination between migrant-led associations and formal institutions. While dozens of community-based organizations operate informally in Cairo, Giza, and Alexandria, few are legally registered or formally consulted in policy or program design. This disconnect prevents bottom-up knowledge from informing national or donor-led strategies and limits the sustainability of local initiatives. Without mechanisms for representation and cross-group dialogue, Egypt's refugee landscape risks remaining socially fragmented, with parallel communities that lack shared platforms for advocacy or joint development efforts (ERF 2020; UNICEF 2024). This centralization reinforces geographic inequality in integration outcomes.

Figure 29: Sources of Support and Perceived Inclusion Among Refugee & Migrant (2025)



Source: compiled from UNHCR (2024, 2025); ILO (2023); UNICEF (2024); and ERF (2020). Percentages are indicative estimates based on triangulated survey findings and qualitative interviews reflecting disparities in access to community and formal support among refugee groups in Egypt.

The figure highlights pronounced disparities in access to formal and informal support systems among migrants and refugee groups in Egypt. While over 80 percent of Sudanese and South Sudanese migrants depend primarily on community or religious networks, fewer than 20 percent access NGO or government assistance. Syrians show relatively higher engagement with formal support and greater feelings of inclusion, reflecting denser community structures and established integration channels. In contrast, African and South Sudanese migrants experience limited outreach and higher social isolation, underscoring the need for more inclusive and coordinated local engagement strategies (UNHCR 2024; ILO 2023; ERF 2020).

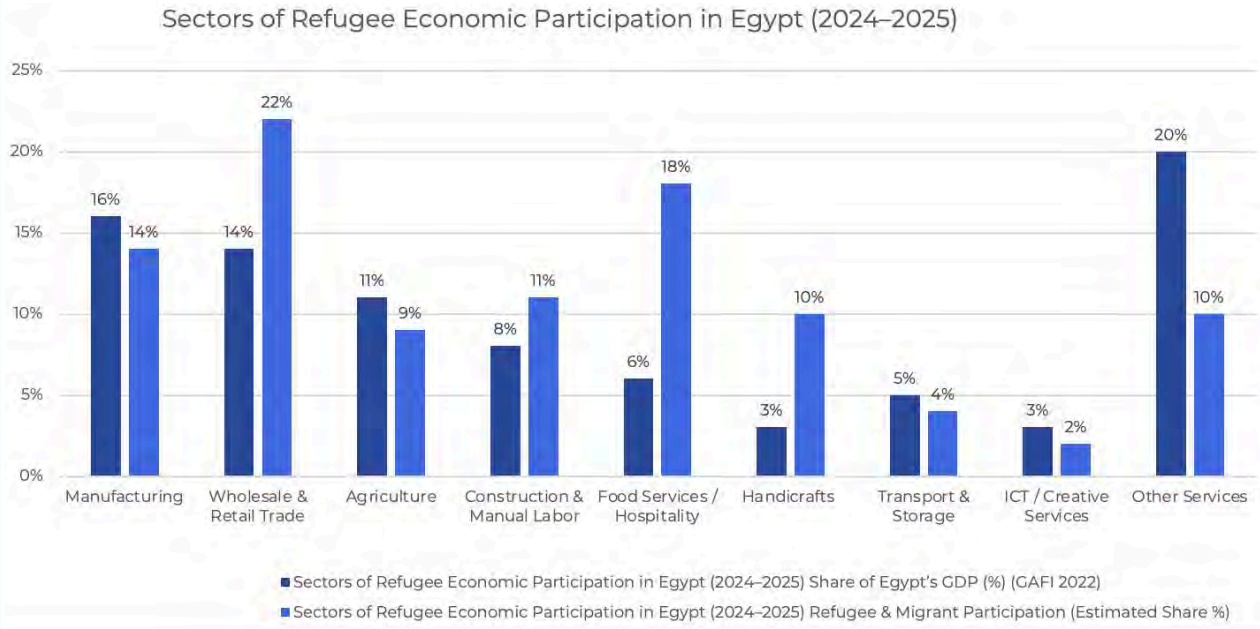
Addressing these divisions requires bridging informal and formal systems. Empowering refugee-led organizations through capacity-building, simplified registration, and representation in municipal coordination mechanisms would foster inclusion and accountability. Strengthening dialogue between community networks, local authorities, and development partners could also promote equitable participation and more coherent service delivery across nationalities and governorates.

Gender-based Vulnerabilities

Women constitute roughly 49 percent of Egypt's refugee population, yet less than 20 percent report stable income sources (UNHCR 2025). Migrant women in Egypt encounter layered structural barriers that intersect gender, legal status, and informality. Limited legal protection, combined with socio-cultural constraints, restricts their access to formal employment and exposes them to multiple forms of exploitation. Women's participation is concentrated in informal, low-wage, and unprotected sectors such as domestic labor, home-based services, street vending, and handicrafts. These jobs are often invisible to policy frameworks and excluded from labor oversight, leaving women without recourse in cases of wage theft or abuse (ILO 2023; UNHCR 2024).

Beyond economic exclusion, refugee women face heightened exposure to gender-based violence (GBV). UNHCR's 2024 report on Egypt recorded persistent incidents of domestic and community-based violence, particularly among displaced Sudanese and Eritrean women, compounded by limited access to safe shelters and psychosocial services. Social stigma and fear of deportation further discourage survivors from reporting abuses, reinforcing a cycle of silence and under-protection. The erosion of traditional family structures following displacement has also forced many women to assume primary breadwinning roles, often without the legal recognition or economic tools needed to transition beyond survival-level livelihoods (UNICEF 2024; ERF 2020).

Figure 30: Sectors of Refugee & Migrant Economic Participation in Egypt (2024–2025)



Source: Compiled from GAFI (2022); UNHCR (2024); ILO (2023); ERF (2020).

Migrants are predominantly active in low-capital, high-labor sectors such as wholesale and retail trade (22 percent), food services and hospitality (18 percent), and small-scale manufacturing or handicrafts (10–14 percent), where entry barriers are minimal and informality is tolerated. This pattern mirrors the lower end of Egypt's economic structure, where informality accounts for nearly 50 percent of employment, but diverges sharply from higher-value, capital-intensive industries like ICT (2 percent) or transport and storage (4 percent), where documentation and credit access are prerequisites (GAFI 2022; ILO 2023; UNHCR 2024). The contrast illustrates both resilience and constraint: refugees contribute to consumption, job creation, and microenterprise vitality in Egypt's urban markets, yet remain structurally excluded from the productive formal economy that drives GDP growth. Addressing this gap requires regulatory streamlining, access to finance, and recognition of refugee entrepreneurship within the MSME Law No. 152 (2020), which together could transform these adaptive livelihood activities into sustainable economic assets for Egypt's development agenda.

The lack of gender-responsive programming and credit access remains a central constraint. Fewer than one in five refugee women surveyed by UNHCR in 2024 reported access to any form of livelihood support or vocational training, compared to roughly one in three men. This gap limits women's ability to scale their enterprises or transition to semi-formal work. Moreover, restrictive childcare norms and household responsibilities significantly reduce women's mobility and participation in economic and civic life, entrenching gendered dependency. Addressing these disparities requires integrated interventions that combine GBV protection mechanisms with targeted women-focused enterprise, childcare, and skills-transfer initiatives. Targeted livelihood and protection programs are needed to integrate women's safety within economic inclusion efforts.

Opportunities

Financial and Technical Support

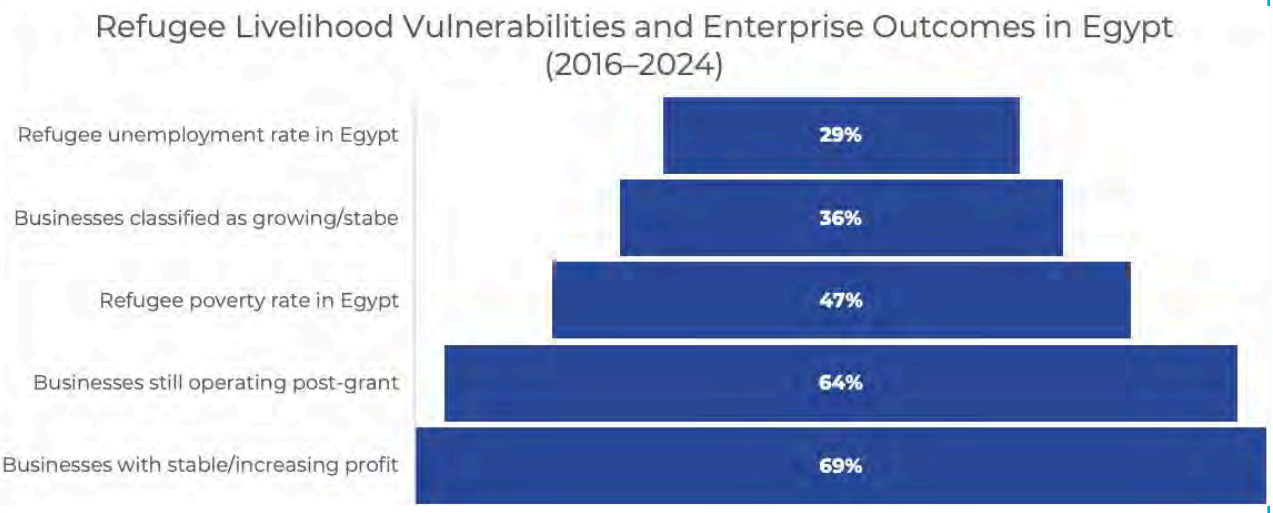
The current humanitarian landscape in Egypt is undergoing a structural shift from short-term cash assistance to longer-term, resilience-oriented livelihood support. This creates a significant opportunity for expanding financial and technical inclusion for refugee and migrant communities—particularly Syrians, Sudanese, and Yemenis—who face chronic barriers to employment, formalization, and access to capital.

Across multiple reports, humanitarian agencies highlight that direct cash assistance is declining, while grants, microenterprise programs, and vocational skills development are expanding in coverage and strategic priority. UNHCR's 2024–2025 funding crisis illustrates this shift clearly: although over 939,000 registered refugees and asylum seekers reside in Egypt, humanitarian funding fell to below 50 percent of required needs in 2024 (UNHCR 2024). As a consequence, UNHCR explicitly redirected resources toward interventions that build self-reliance, entrepreneurship, and community-based economic resilience.

Evidence from livelihood programs demonstrates this opportunity. Plan International's multi-year entrepreneurship initiative in Greater Cairo supported vulnerable Syrians and Egyptians through business training, cash grants, and case management. Outcome data show that 64.3 percent of beneficiaries who received grants in 2016–2017 still operate their businesses, and 69 percent reported stable or slightly increasing profits (Plan International 2018). Additionally, 36 percent of those enterprises are now classified as growing or stable—an indicator that refugee-owned microenterprises can produce sustained income when paired with technical and financial support.

The IPC-IG/UNICEF assessment adds macro-context to this opportunity. Refugees in Egypt exhibit both high vulnerability and high economic participation potential: 29 percent unemployment and 47 percent poverty among surveyed refugees (IPC-IG 2021). At the same time, Egypt hosts over 324,000 forcibly displaced persons by end-2019, with youth (0–17 years) representing over 40 percent of key nationalities (Syrians, Sudanese, South Sudanese), forming a large potential labor force for future microenterprise development (IPC-IG 2021).

Figure (31): Refugee Livelihood Vulnerabilities and Enterprise Outcomes in Egypt (2016-2024).
This chart compares baseline socioeconomic vulnerability—unemployment and poverty rates—with enterprise outcomes among refugees supported through livelihood programs. The data illustrate how financial and technical assistance significantly improves business survival and profitability despite high initial vulnerability levels.



Sources: UNHCR (2024); IPC-IG/UNICEF (2021); Plan International Egypt (2018).

The graph demonstrates a clear disparity between high refugee vulnerability—reflected in elevated unemployment and poverty rates—and the strong performance of enterprises that receive financial and technical support. Despite limited formal labor market access, supported businesses show high survival rates and steady profitability, indicating that targeted livelihood interventions can substantially enhance economic self-reliance. These results suggest that refugees are able to translate even modest financial inputs into sustainable income-generating activity. This makes the transition to digital financial technologies particularly relevant, as these tools can further strengthen and scale such gains.

New digital financial technologies further amplify this opportunity. Egypt's digital economy has been expanding aggressively, driven by fintech adoption, mobile-wallet penetration, and e-commerce growth. While refugees historically lack access to formal banking, fintech platforms—such as mobile payments, digital credit scoring, and online marketplaces—can bypass traditional documentation barriers. For example, livelihood projects cite marketing and digital-network challenges as constraints for Syrian entrepreneurs, suggesting that improved access to e-commerce platforms and digital payment channels would accelerate business scalability (Plan International 2018).

Regional and global humanitarian strategies reinforce this shift. The 3RP and ERRRP frameworks for 2024–2025 prioritize livelihood strengthening, vocational skills, and market-driven economic inclusion for Syrian and Sudanese households, noting that microenterprise support reduces reliance on negative coping mechanisms and increases household stability (3RP 2024; ERRRP 2025). Similarly, Education Cannot Wait's emergency allocation for Sudan emphasizes economic empowerment components linked to youth recovery (ECW 2024).

Altogether, the transition from aid-dependency toward microenterprise support—combined with Egypt's rapidly digitalizing financial ecosystem—presents a strong structural opportunity: to scale refugee access to grants, training, digital tools, and market linkages that can transform informality into sustainable income generation.

Leveraging Diaspora and Regional Networks

Refugee and migrant communities in Egypt maintain extensive transnational ties that can be strategically leveraged to support economic integration, expand market access, and strengthen regional trade connectivity. These networks—particularly those linking Egypt with Sudan, Syria, and Yemen—constitute an underutilized economic asset that can facilitate investment flows, supply-chain linkages, cross-border trade, and mentorship for emerging refugee-owned enterprises.

Sudanese, Syrian, and Yemeni migrants in Egypt remain closely embedded in their regional diasporas, reflecting both historical mobility patterns and the scale of recent displacement. UNHCR reports that over 1.5 million Sudanese have entered Egypt since the start of the 2023 conflict, including 670,000 registered refugees, forming one of the largest and most economically active diaspora communities in the country (UNHCR 2024). Meanwhile, Syrians represent one of the most entrepreneurially dynamic populations in Egypt: research from ICC and Plan International shows that Syrian refugees operate thousands of micro-businesses concentrated in food processing, retail, textiles, and services, frequently supported through family-based investment and diaspora financing (Plan International 2018). For Yemenis, regional assessments indicate that transnational remittance channels, trade links, and kinship-based networks remain central coping mechanisms, shaping business decisions and mobility patterns (Yemen Peace Forum 2024). Collectively, these groups create dense economic ecosystems that extend beyond Egypt's borders.

Figure (32): Core Indicators Supporting Diaspora-Driven Economic Opportunities. These figures highlight the size of regional displacement, the intensity of cross-border mobility, and the strength of pre-existing trade and entrepreneurial linkages. Together, these metrics illustrate how diaspora networks can serve as engines for regional market integration, investment flows, and enterprise growth in Egypt.

Indicator	Value	Group /Region	Year
Refugee households in Egypt receiving remittances	13%	Diaspora-linked income	2018
Syrian enterprise survival rate after grants	64.32%	Syrian entrepreneurs	2016–2017
Egypt–Sudan bilateral trade value (pre-conflict)	USD 1.4B+	Cross-border trade	Pre-2023

Sudanese arrivals in Egypt since 2023 conflict	1.5M+	Sudanese diaspora	2023–2024
Global Syrian refugee population	~6M	Syrian diaspora	2024

Sources: IPC-IG/UNICEF (2018); Plan International Egypt (2017); ReliefWeb (2023); UNHCR (2024); UNDP (2024).

The table highlights the scale and economic significance of diaspora communities connected to Egypt, demonstrating both their demographic weight and their transnational economic reach. The influx of more than 1.5 million Sudanese since 2023, the presence of a global Syrian diaspora of nearly 6 million, and the continued flow of remittances to refugee households in Egypt all underscore the depth of cross-border ties that shape business practices and livelihood strategies. Meanwhile, the strong survival rate of Syrian enterprises and the historically high levels of Egypt–Sudan trade illustrate the capacity of diaspora-linked networks to sustain commercial activity even in contexts of displacement. These quantitative patterns set the foundation for understanding how diaspora networks translate into tangible economic linkages—particularly in the form of cross-border trade and market access, which continues to offer a major opportunity for Egypt's exporters and domestic SMEs.

Prior to the Sudan conflict, bilateral trade volumes between Egypt and Sudan exceeded USD 1.4 billion, sustained in part through informal merchant networks, agricultural trade corridors, and transnational transport routes (ReliefWeb 2024). Although disrupted, these routes still represent a long-term economic gateway: Sudanese traders in Egypt maintain supplier ties, market knowledge, and logistical relationships that could be mobilized to re-activate or redirect trade flows as stability improves. Similar dynamics emerge in Yemeni communities, whose long-standing commercial networks across the Gulf, East Africa, and the Red Sea corridor can serve as channels for Egyptian SMEs seeking new export destinations.

Furthermore, diaspora mentorship and knowledge transfer represent an important form of technical support. Migrant-owned businesses frequently rely on cross-border family financing, shared production techniques, and collective purchasing networks to reduce costs and access new markets. Syrian entrepreneurs in Egypt, for example, commonly depend on diaspora wholesalers in Turkey, Jordan, and the Gulf to source materials, enabling them to operate competitively despite regulatory constraints (ICC Case Study 2017). These transnational linkages—when supported through Egyptian policy frameworks, incubators, and chambers of commerce—can catalyze domestic production, integrate refugee businesses into supply chains, and contribute to job creation for Egyptians and refugees alike.

The scale of regional displacement underscores the potential of these networks. Sudan's total displaced population now exceeds 12.5 million, including 3.7 million refugees who have fled to neighboring countries (UNHCR 2024). Syria's protracted crisis has produced nearly 6 million refugees globally, many of whom maintain active commercial ties with business hubs in Cairo, Alexandria, and the Gulf (UNDP 2024). These demographic patterns expand the size and reach of diaspora markets accessible to refugee-owned and Egyptian businesses.

In this context, leveraging diaspora and regional networks offers a strategic opportunity to transform forced displacement into cross-border economic cooperation. Diaspora-enabled trade, investment, and mentorship can deepen Egypt's integration into regional value chains while accelerating refugee enterprise growth and contributing to inclusive economic development.

Private Sector and Impact Investment

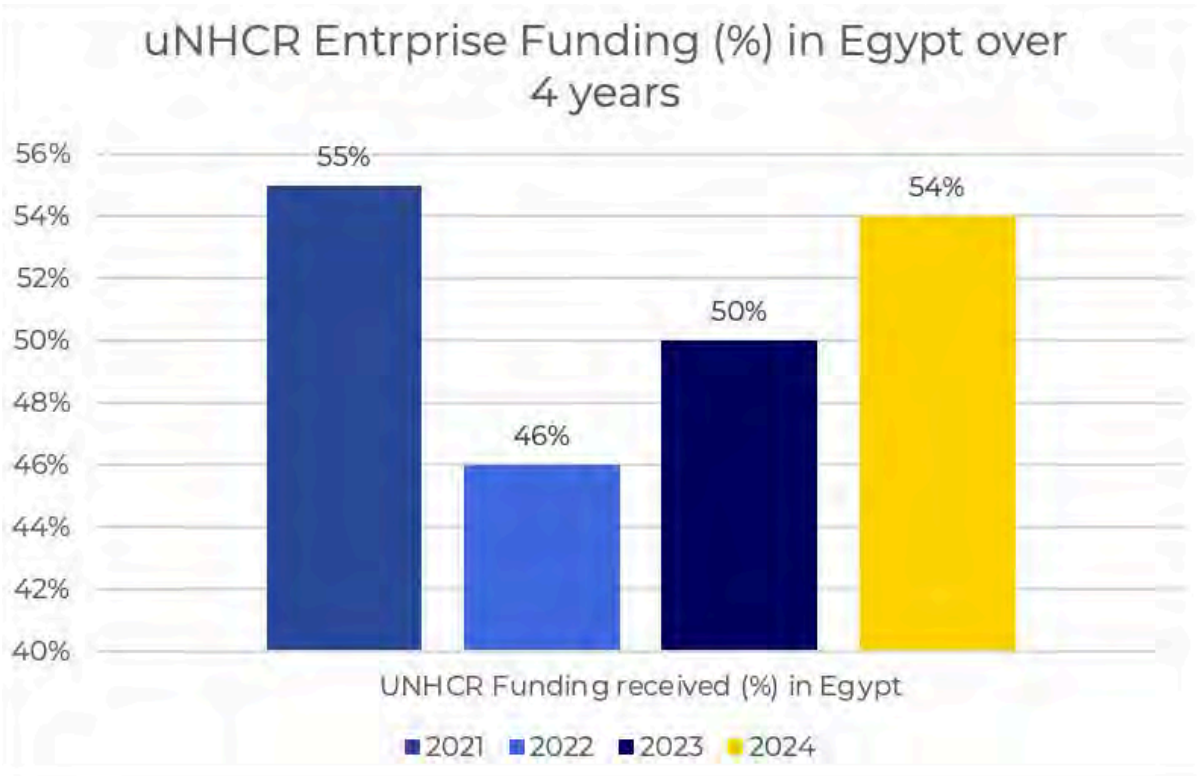
Egypt is well positioned to leverage the global rise of impact investment and ESG-aligned financing to expand refugee employment, entrepreneurship, and market integration. International investors, development finance institutions, and philanthropic venture networks are increasingly directing capital toward projects that combine commercial returns with measurable social outcomes, including refugee inclusion and economic resilience. This global shift—accelerated by large-scale displacement from Sudan, Syria, and Yemen—creates a strategic opportunity for Egypt to attract new forms of foreign direct investment (FDI), strengthen public–private partnerships (PPPs), and support employer incentives that reduce hiring risk and foster inclusive growth.

The scale of regional displacement makes Egypt a priority market for impact-oriented capital. UNHCR reports that over 939,000 registered refugees and asylum seekers reside in Egypt, with Sudanese alone constituting 670,000 registered individuals and more than 1.5 million arrivals since 2023 (UNHCR 2024). Syria remains one of the world's largest displacement crises, with nearly 6 million refugees globally, many of whom maintain active commercial ties within Egyptian market hubs (UNDP 2024). Yemen's protracted crisis has also created a diaspora population exceeding 21.6 million people in humanitarian need, contributing to remittance flows and demand for regional trade (Yemen Crisis Analysis 2025). The sheer magnitude of these populations signals a large labor pool, strong entrepreneurial activity, and sizable consumer markets—all of which are relevant for investors seeking scalable social impact.

Evidence from existing livelihood interventions demonstrates that refugee enterprises in Egypt can deliver strong performance outcomes when supported through grants, training, and targeted business development services. For example, Plan International's entrepreneurship program in Greater Cairo shows that 64.32 percent of supported businesses remain active, and 69 percent report stable or increasing profits (Plan International 2018). These outcomes indicate low failure rates and high resilience —characteristics that align well with impact investors' priorities such as sustainability, risk mitigation, and community-level economic multipliers.

Donor strategies in the region already emphasize private-sector engagement. The 3RP and ERRRP frameworks underscore the need for market-driven livelihood solutions and highlight the potential for PPPs to expand employment pathways for refugees while reducing public-sector burden (3RP 2024; ERRRP 2025). With Egypt facing chronic funding shortfalls—UNHCR received less than 50 percent of the USD 135 million required for refugee assistance in 2024 (UNHCR 2024)—the role of private capital becomes even more critical. Impact investors can finance skills development, enterprise incubation, and sector-specific training pipelines that align with labor shortages across manufacturing, food production, logistics, ICT, and renewable energy sectors.

Figure (33). UNHCR funding received for refugee operations in Egypt between 2021 and 2024. Funding levels remained consistently below requirements, fluctuating between 46 and 55 percent over the four-year period. This persistent underfunding illustrates the structural financing gap facing refugee programming and reinforces the need for private-sector and impact-investment channels to complement humanitarian resources.



Sources: UNHCR Egypt Operational Update (2021); 3RP Regional Refugee & Resilience Plan – Egypt Chapter (2022); ERRRP/3RP Regional Update (2023); UNHCR Egypt Funding Update (2024).

The persistent underfunding of UNHCR's operations in Egypt—fluctuating between 46 and 55 percent over the past four years—has direct implications for refugee and migrant engagement in the private sector. Limited humanitarian resources constrain livelihood programming, reduce access to skills development, and restrict the scale of enterprise support schemes that have already demonstrated high impact and strong business survival rates. When funding shortfalls limit grants, training, or employment services, refugees are pushed further into informality, and host-country economies lose the opportunity to absorb entrepreneurial talent, expand supply chains, and stimulate job creation. Yet this chronic financing gap also underscores a strategic opening for impact investors and private-sector partners to step into a clear market need: financing refugee-inclusive enterprises, supporting sector-specific training pipelines, and partnering with Egyptian firms to unlock underutilized labor and consumer markets. In this context, the underfunding challenge becomes a catalyst for innovative financing mechanisms and employer engagement models that can generate both economic returns and social impact. This opportunity is further reinforced by the strength of Egypt's emerging refugee entrepreneurship landscape, where Syrian, Sudanese, and Yemeni business activity already demonstrates significant economic potential.

Syrian entrepreneurs operate thousands of micro-businesses in food, textiles, retail, and services (ICC 2017), while EVAR data show that 19 percent of refugee households engage in home-based production and 13 percent rely on cross-border remittances to finance business activity (IPC-IG/UNICEF 2018). These data reflect a high propensity for self-employment—an attractive foundation for impact-driven venture funds, angel networks, and corporate supply-chain inclusion programs.

By designing employer incentives, risk-sharing mechanisms, and investment pipelines tailored to refugee-inclusive enterprises, Egypt can mobilize private-sector capital to complement humanitarian resources and accelerate economic integration. With the right policy frameworks, impact investors and PPPs can transform refugee employment and entrepreneurship from a humanitarian obligation into an engine of sustainable development and FDI attraction.

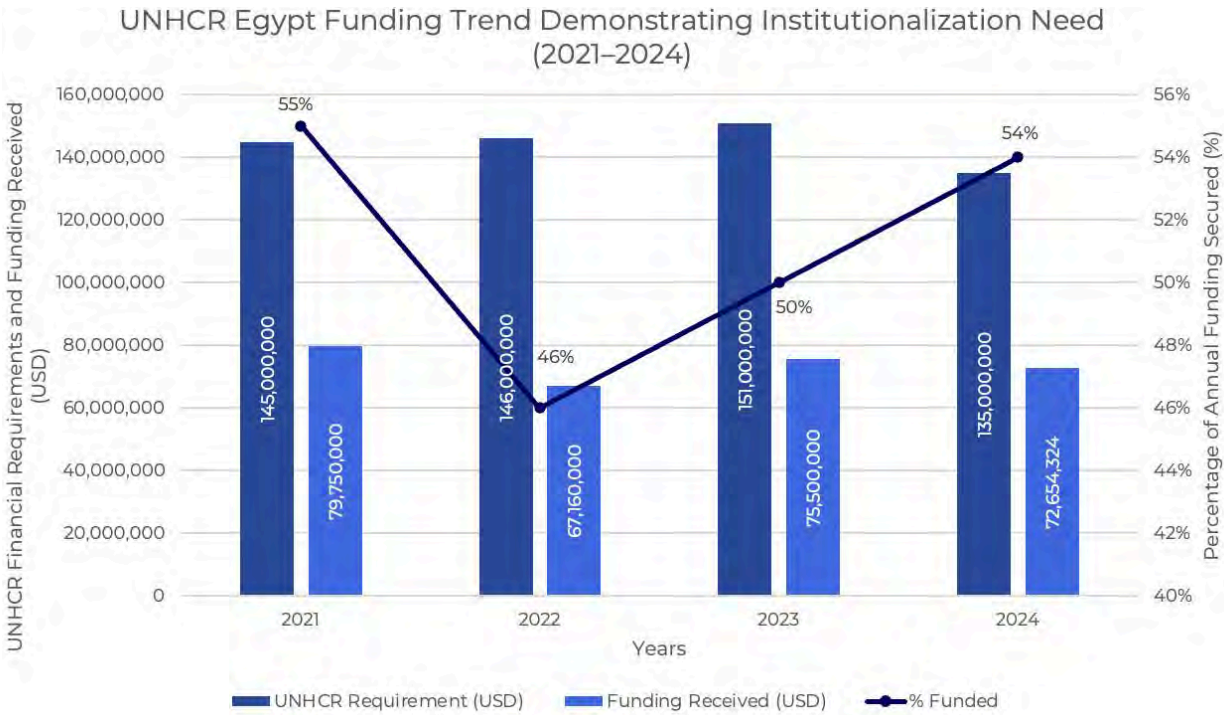
Policy Alignment and Institutionalization

Egypt's policy landscape offers a growing foundation for institutionalizing refugee economic inclusion, particularly through alignment with national development strategies and MSME sector reforms. Law 152/2020 on Micro, Small and Medium Enterprises establishes a unified framework for enterprise licensing, finance, and technical support, and—critically—does not explicitly exclude non-nationals with valid residency from benefitting from MSMEDA financial and non-financial services. MSMEDA's 2024 Sustainability Policy confirms that its mandate derives directly from Law 152/2020 and prioritizes job creation, enterprise upgrading, and integration into productive value chains. This creates a potential legal pathway for refugee entrepreneurs—particularly Syrians, Sudanese, and Eritreans who operate thousands of micro-businesses—to formalize activities and access growth-oriented support.

Egypt's national strategies also pull strongly in this direction. Both Vision 2030 and the National Climate Change Strategy 2050 emphasize MSME development, labour formalization, and green and digital transformation as engines of inclusive growth. The alignment is reinforced by ILO PROSPECTS, which identifies manufacturing, food processing, logistics, and ICT as high-potential sectors for expanding decent work for refugees and host communities (ILO 2023). In these priority sectors, employers already face labour shortages—especially in food processing and hospitality—where refugees are overrepresented informally. For example, Food Lab Egypt reports expanding from 4 to 300 workers in one year, employing both Egyptian and refugee workers in kitchen operations, logistics, and food preparation. Aligning labour market governance with this real demand would transform informal absorption into structured, regulated participation.

At the macro level, institutional reforms recommended by international partners reinforce this direction. The social protection governance review highlights the need for national migration governance structures, clearer executive regulations on migrant and refugee access to services, and formal labour market pathways as mechanisms to reduce public expenditure and strengthen state revenues. The ILO further identifies apprenticeships, recognition of prior learning, and inclusive market-systems approaches as effective institutional tools for integrating refugees into productive sectors and addressing skills mismatches.

Figure 34. UNHCR Egypt Funding Trend Demonstrating Institutionalization Need (2021–2024).UNHCR Egypt funding performance between 2021 and 2024 shows persistent underfunding, with annual receipts ranging between 46 and 55 percent of required budgets. This structural financing gap underscores the limitations of humanitarian assistance as a long-term response and highlights the need for national policy frameworks—such as MSME Law 152/2020 and sector-based labour pathways—to institutionalize refugee economic inclusion. The trend reinforces the argument that sustainable integration requires predictable national systems rather than ad-hoc humanitarian interventions.



Sources:UNHCR Egypt Operational Update 2021; 3RP Egypt Chapter 2022; ERRRP/3RP Regional Update 2023; UNHCR Egypt Funding Update (2024).

The four-year funding trend highlights a persistent structural gap, with UNHCR receiving only 46–55 percent of its annual requirements despite rapidly increasing operational demands. This chronic underfunding limits the scale of livelihood, employment, and enterprise-support programs, revealing the constraints of a system that relies primarily on humanitarian financing rather than national economic governance. The volatility of funding also reinforces the need for predictable, institutionalized frameworks—such as MSME Law 152/2020 and sector-based labour mechanisms—that can absorb and support refugees sustainably. These pressures become even more evident when considered against the quantitative scale of Egypt's refugee and migrant population.

Quantitatively, institutionalization potential is significant. Estimates from UNHCR and IOM place over 939,000 refugees and asylum seekers in Egypt, while migrants total 10.9 million (IOM 2022). Labour surveys from IIED show that over 60 percent of refugees in Cairo are working-age, yet formal employment remains below 10 percent, primarily due to regulatory constraints rather than labour demand. Meanwhile, MSMEs contribute roughly 80 percent of employment nationally (MSMEDA 2024). Even a modest formalization of 5–10 percent of refugee-led or refugee-employed enterprises would directly expand Egypt's tax base and align with Vision 2030 targets on labour participation and private-sector growth.

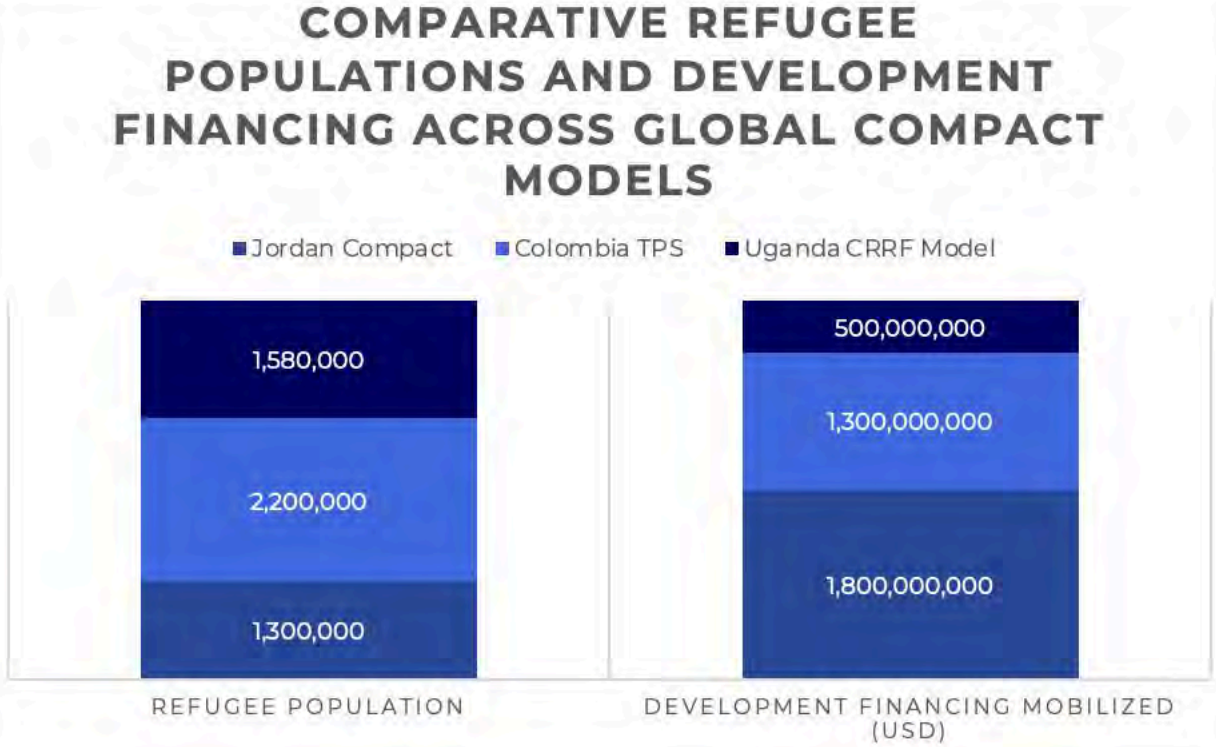
Institutionalization therefore represents a dual opportunity: it strengthens state capacity to manage displacement sustainably, and it channels refugee economic activity—already vibrant and highly entrepreneurial—into regulated, value-added sectors aligned with Egypt's long-term development agenda.

Global Best Practices and Diplomacy

Egypt's position as one of the largest refugee-hosting countries globally provides a significant opportunity to leverage international best practices, diplomatic capital, and development financing to advance inclusive growth. With 939,000+ registered refugees and asylum seekers (UNHCR 2024) and more than 1.5 million Sudanese arrivals since 2023, Egypt's displacement context is now of direct geopolitical relevance to global humanitarian and development actors. This scale allows Egypt to negotiate more assertively for multi-year financing, policy support, and technical assistance—especially when engaging strategically in platforms such as the Global Refugee Forum (GRF), COP climate conferences, the African Union, and the Global Compact on Refugees (GCR) follow-up mechanisms.

Global experience demonstrates that host countries are able to position refugee inclusion as part of their national development agenda—not just a humanitarian concern—attract significantly larger and more predictable financial flows. Jordan's Compact model, for example, unlocked USD 1.8 billion in concessional financing and trade incentives in exchange for expanding work permits and market access for Syrian refugees (ILO 2021). Similarly, Colombia's Temporary Protection Status (TPS) framework mobilized substantial World Bank and Inter-American Development Bank support for health, education, and labour-market integration of Venezuelans. By framing refugee inclusion through an economic lens, rather than a humanitarian one, these states gained both international legitimacy and long-term development resources. Egypt's current policy trajectory—strengthening MSMEs, expanding green industrialization, and formalizing labour—positions it to adopt and adapt elements of these models.

Figure (35). Comparative refugee populations and development financing mobilized under three international models: the Jordan Compact, Colombia's Temporary Protection Status (TPS), and Uganda's CRRF framework.
The chart illustrates how comparable or smaller refugee-hosting countries secured significant development financing by institutionalizing refugee inclusion through formal compacts. These models demonstrate the scale of financing Egypt could unlock through structured diplomatic engagement and adoption of global best practices.



Sources: ILO (2021) review of the Jordan Compact; World Bank & IDB (2023) financing updates on Colombia's TPS program; UNHCR Uganda CRRF Review (2022) refugee and financing figures.

The comparison across global models clearly demonstrates how countries such as Jordan, Colombia, and Uganda translated large refugee populations into substantial development financing by institutionalizing inclusion through formal compacts. These cases show that when host states align national reforms with international expectations, they unlock far greater volumes of concessional lending, technical support, and multi-year investments than humanitarian channels alone can provide. The scale of financing mobilized relative to refugee populations highlights not only the effectiveness of structured diplomatic bargaining, but also the missed opportunities for countries that have not yet pursued similar agreements.This international evidence is particularly relevant for Egypt, which already holds significant diplomatic leverage within regional migration governance frameworks.

Egypt already demonstrates diplomatic leverage in migration governance. Recent UNHCR and IOM publications highlight Cairo's centrality in regional displacement dynamics, given that 10.9 million international migrants reside in Egypt (IOM 2022)—the highest number in Africa. This demographic reality strengthens Egypt's bargaining power with international donors, who increasingly seek regional stability and predictable migration management. The Sudan crisis further heightens this leverage: documents from Refugees International and the Mixed Migration Centre show Egypt absorbing the second-largest outflow of Sudanese refugees, placing it at the centre of global displacement diplomacy. As global actors search for long-term solutions, Egypt can position itself as a policy innovator—drawing on best practices from Jordan, Uganda, and Colombia—while advocating for multi-year financing agreements tied to economic inclusion.

Adapting these best practices to Egypt's context would also create opportunities for foreign investment. International partners increasingly tie climate finance, development loans, and impact-investment pipelines to inclusion indicators such as formal employment, access to education, and enterprise regulation. Egypt's participation in COP27 and COP28 has already elevated its profile in climate-linked displacement discussions, particularly regarding migration due to environmental stress and conflict in the Horn of Africa. Aligning refugee inclusion with national climate adaptation strategies—especially in green MSMEs, circular economy sectors, and clean-energy manufacturing—would enable Egypt to tap into global climate-development financing instruments.

Furthermore, adopting global models would strengthen Egypt's domestic governance architecture. International best practices—such as Jordan's work-permit facilitation, Uganda's settlement-market integration, and Colombia's mass regularization—demonstrate that institutionalized inclusion enhances labour productivity, increases tax revenues, stabilizes labour markets, and reduces irregular migration. Egypt's ongoing reforms, including pathways under MSME Law 152/2020 and sector-based upskilling initiatives through ILO PROSPECTS, could be expanded through internationally supported policy compacts. By linking these reforms to global diplomatic platforms, Egypt could position itself as both a regional migration leader and a preferred destination for long-term development financing.

In this context, global best practices and diplomatic engagement offer not only strategic leverage but also tangible economic opportunity. By aligning national reforms with international expectations and demonstrating commitment to inclusive development, Egypt can secure sustained financing, reduce humanitarian dependency, and strengthen its role as a regional policy leader.

Second-Generation Potential

Egypt's growing population of school-aged refugee and asylum-seeking children represents a long-term economic opportunity grounded in bilingualism, bicultural competency, and cross-border market connectivity. With more than 290,000 refugee and asylum-seeker children registered with UNHCR, and over half of all refugees in Egypt under the age of 18 (UNHCR 2024), the country hosts one of the largest young displaced populations on the African continent. When effectively integrated into national education systems, these children develop linguistic fluency in Arabic—and often English—while maintaining cultural ties to Sudan, Syria, Yemen, and the Horn of Africa. This positions them to become bicultural economic actors capable of linking Egyptian industries, export sectors, and service markets with neighbouring regions undergoing reconstruction and recovery.

Current enrollment trends demonstrate both the scale of this potential and the urgency of policy action. According to the Joint Platform on Education and Health (2024), more than 95,000 non-Egyptian students are enrolled in public schools, while other estimates from CAPMAS and UNHCR suggest the total number of refugee children in Egypt's education system—including community schools—exceeds 120,000. Syrian and Sudanese communities exhibit particularly high school attendance, with Syrian enrolment rates above 85 percent in some governorates (UNHCR 2023). Among Sudanese and South Sudanese children, enrolment is lower but rapidly increasing due to expanded placement in government schools following the 2023 influx (Mixed Migration Centre 2024). These cohorts are acquiring the linguistic, digital, and social skills necessary for integration into Egypt's labour market over the next decade.

Table (36). Core Indicators of Second-Generation Refugee Integration Potential in Egypt (2024).
The data highlight both the extent of educational inclusion—such as enrolment in public schools and UNHCR-supported learning assistance—and the unmet needs among newly arrived and closed-file children. Together, these figures illustrate the long-term economic potential of second-generation refugees and the importance of strengthening inclusive education pathways.

82,000 children

Refugee & asylum-seeking children supported with education cash grants

220,000+ families
(includes large number of child-headed /child-dependent households)

Total refugee households receiving emergency/winter assistance (child-dependent)

907,000 individuals approached; 68% registered = 616,000
(children not disaggregated but explicitly identified as a large share)

Sudanese arrivals approaching UNHCR (majority women & children)

95,000+ students

Non-Egyptian children enrolled in formal/public schools

Sources: UNHCR Egypt Fact Sheet 2024; Joint Platform for Migrants and Refugees – Education & Health Report 2024; UNHCR Egypt Registration and Assistance Updates 2024; IIED Closed-File Refugee Study 2017.

The table highlights both the scale of Egypt's current investment in refugee children and the depth of future economic potential embedded in this young population. High levels of school enrolment and learning support—paired with the sheer number of newly arrived Sudanese children—indicate that a substantial second-generation cohort is already entering Egypt's education system. At the same time, the presence of thousands of closed-file children underscores the costs of exclusion and the importance of sustained integration pathways. Taken together, these figures illustrate how today's education access will directly shape tomorrow's labour market outcomes, reinforcing the broader economic implications outlined below.

The long-term economic implications are significant. Research on migrant education pathways shows that second-generation learners who complete primary and secondary education achieve employment outcomes 20–30 percent higher than first-generation arrivals, particularly in service sectors requiring cultural mediation, multilingual communication, and regional knowledge (ILO 2022). In Egypt's context, this aligns with national labour shortages in logistics, hospitality, customer service, ICT, and manufacturing—sectors already identified as priorities under Vision 2030 and MSMEDA's 2024 Sustainability Policy. Bilingual refugee youth also bring social capital and cross-border familiarity with markets in Sudan, Yemen, and Syria—countries expected to undergo large-scale reconstruction, generating future trade opportunities for Egyptian exporters.

At the household level, evidence from IIED and UNHCR indicates that families with school-enrolled children demonstrate higher income stability and lower negative coping strategies, including reduced child labour and greater adult workforce participation. This reinforces education as both a protection tool and an economic multiplier. Moreover, international experience shows that countries investing in refugee education—such as Uganda and Colombia—see long-term returns through higher labour-force participation and tax contributions from second-generation youth (World Bank 2023). Egypt's demographic structure, with a young population and a rapidly expanding service economy, is well-positioned to capture similar gains.

Unlocking this potential, however, requires sustained policy alignment. The SDG4 Profile for Egypt highlights persistent shortages in classroom capacity and the need for stronger inclusion mechanisms for non-nationals (UNESCO 2023). The Joint Platform for Migrants and Refugees (2024) further documents challenges related to documentation barriers, over-enrolment, and overcrowding—factors that disproportionately affect Sudanese and Yemeni students. Addressing these gaps through expanded enrolment capacity, teacher training, language support, and digital learning pathways would enable refugee children to fully integrate into Egypt's human capital system.

In this context, second-generation refugee children represent not only a social responsibility but a long-term economic strategy. By investing in inclusive education today, Egypt can cultivate a bilingual, bicultural, and regionally connected workforce that strengthens national competitiveness and deepens economic ties across the Middle East, North Africa, and the Horn of Africa.

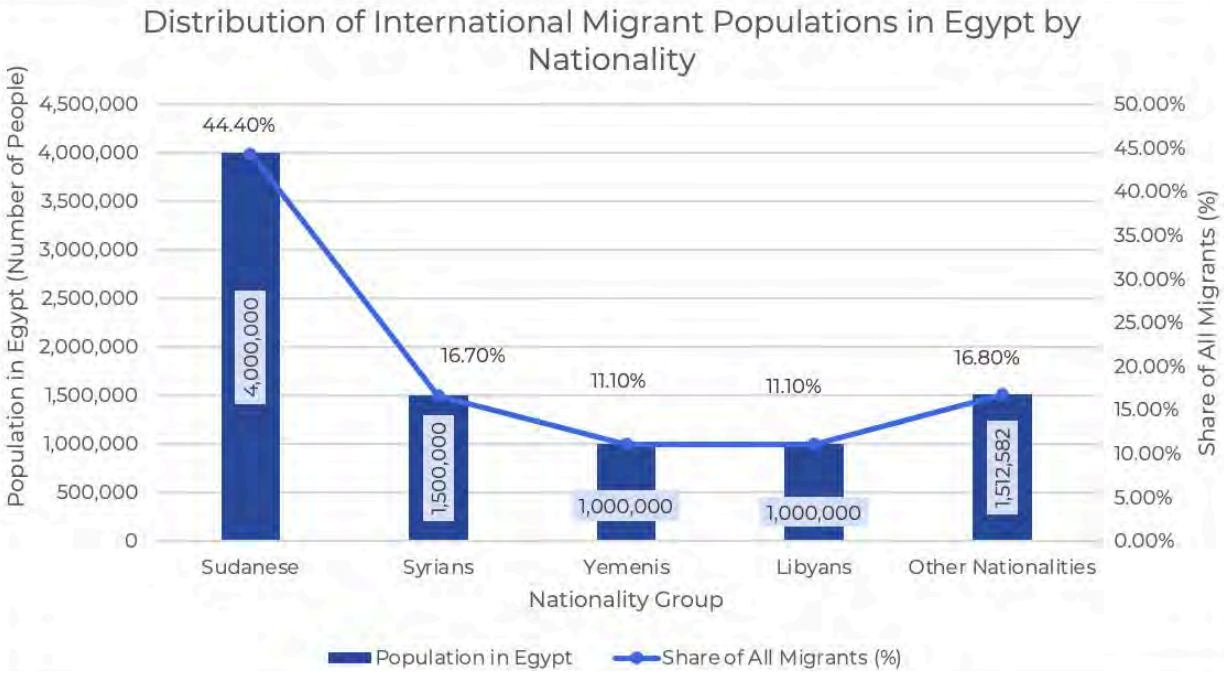
Threats

Regional Instability and Continued Inflows

Regional instability across Sudan, Libya, Yemen, and the wider Horn of Africa constitutes a structural threat to Egypt's capacity to manage refugee protection and economic integration. The war in Sudan alone has produced one of the world's largest displacement and hunger crises, with an estimated 12 million people uprooted and more than 3.2 million fleeing to neighbouring countries. Egypt has absorbed a substantial share of this movement, with national authorities reporting approximately 1.2 million Sudanese arrivals since April 2023 and UNHCR confirming over 600,000 registered Sudanese refugees—nearly 75 percent of whom are women and children (Refugees International 2025; UNHCR 2024). In parallel, protracted crises in Syria and Yemen continue to generate new waves of mobility, increasing the likelihood that regional instability will sustain large inflows into Egypt for years to come.

These dynamics intersect with Egypt's longstanding role as a major migration hub. IOM's 2022 Migration Stock Report estimates that Egypt hosts over 9 million international migrants, equivalent to roughly 8.7 percent of its population, with Sudanese (4 million), Syrians (1.5 million), Yemenis (1 million), and Libyans (1 million) collectively representing the majority, as shown in Figure 36 (IOM 2022). Within this broader demographic, the Egypt Refugee and Resilience Response Plan (ERRRP) notes that Sudanese have become the largest registered refugee group in the country, and that Egypt received the second-highest number of asylum applications globally in the first half of 2024 (UNHCR/GoE 2025). The combined effect of large pre-existing migrant communities and accelerating forced displacement from Sudan, the Horn of Africa, and the Levant places mounting pressure on Egypt's urban infrastructure, public services, and administrative systems.

Figure (37). Distribution of international migrant populations in Egypt by nationality.
The figure illustrates the predominance of Sudanese, Syrian, Yemeni, and Libyan communities and their relative shares of Egypt's total migrant population.



Sources: Data compiled from IOM (2022), Migration Stock in Egypt; UNHCR (2024), Egypt Operational Data Portal; CAPMAS (2023) migrant statistics.

The distribution of international migrant populations in Egypt underscores the scale of administrative pressure driving current system overload. With Sudanese nationals alone representing more than 4 million people—44 percent of all migrants in Egypt—the demographic composition reflects a caseload far larger than UNHCR's active registration figures capture, intensifying demand for documentation, services, and protection pathways. This concentration of high-need populations makes clear why Egypt's asylum mechanisms are now reaching operational limits, a trend reflected sharply in the registration bottlenecks described below.

Administrative capacity is already under severe strain. UNHCR's 2025 operational updates report that approximately 907,000 people fleeing Sudan approached UNHCR for registration, yet only 68 percent had completed registration despite increased staffing, expanded facilities, and a new online appointment portal (UNHCR 2025a). The 2024 Annual Results Report further indicates that access to asylum procedures decreased from 100 percent to just 54.16 percent between 2023 and 2024, even as projections anticipate an additional 400,000 Sudanese registrations in 2025 and 200,000 in 2026 (UNHCR 2025b). This widening gap between protection needs and processing capacity signals a structural overload that threatens the integrity of Egypt's asylum system.

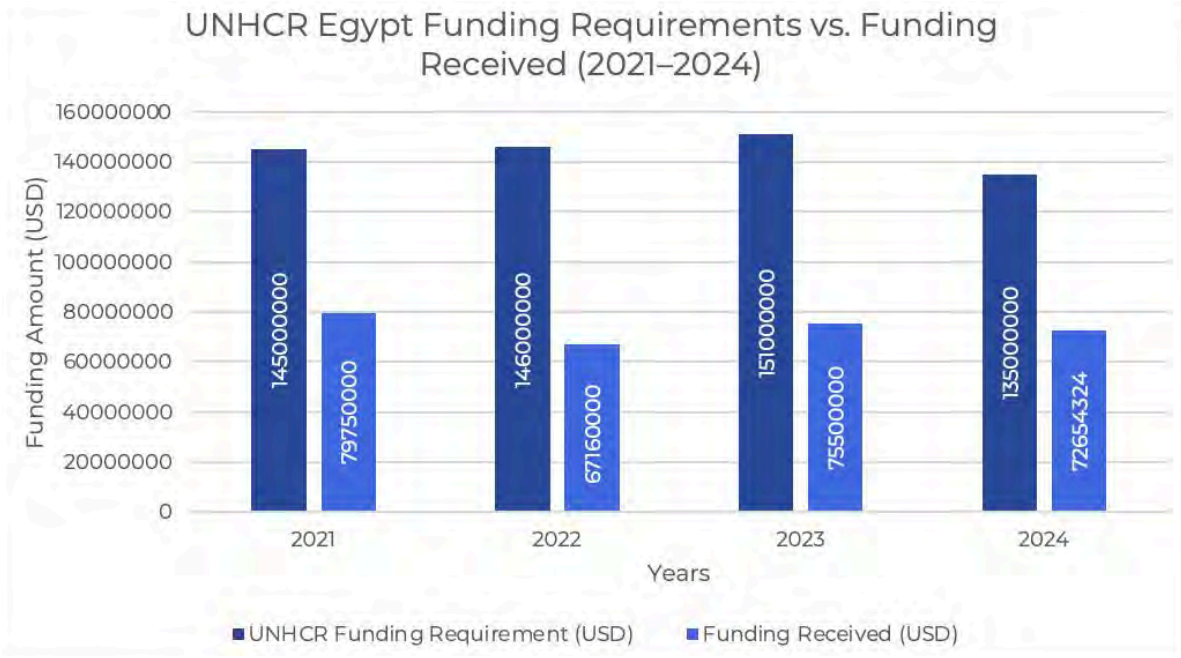
Field evidence illustrates the severity of this pressure. Refugees International (2025) documents an 892 percent increase in Sudanese registration attempts between March 2023 and December 2024, with many individuals receiving appointments deep into 2025 or 2026 and reporting prolonged waits outside UNHCR facilities due to insufficient shelter and assistance. These operational challenges are intensified by Egypt's chronic funding constraints—the UNHCR Egypt operation was only 54 percent funded in 2024, resulting in an estimated USD 62 million shortfall for essential registration, protection, and basic services (UNHCR 2024). Underfunding forces agencies to prioritise emergency needs over long-term integration programming, reducing the system's ability to absorb ongoing inflows.

At the same time, regional insecurity is reshaping mobility patterns in ways that bypass formal protection pathways. Reports from Reuters (2025) and AIDA/ECRE (2025) note increasing deportations, tighter residency requirements, heightened documentation barriers, and a rise in smuggling routes from Egypt toward Libya and Europe. These trends heighten protection risks for refugees while undermining Egypt's ability to manage inflows through orderly, rights-based systems. As a result, sustained regional instability directly threatens the durability of Egypt's integration gains and amplifies fiscal, administrative, and political pressures on national institutions.

Volatile International Aid and Political Pressures

Volatile humanitarian and development financing poses a direct threat to the sustainability of refugee and migrant integration in Egypt. UNHCR financial data for Egypt show that between 2021 and 2024, the country's refugee response was consistently underfunded: only 55 percent of a USD 145 million requirement was met in 2021, 46 percent of USD 146 million in 2022, 50 percent of USD 151 million in 2023, and 54 percent of USD 135 million in 2024- highlighted in Figure 37 (UNHCR 2021; 2022; 2023; 2024). This pattern of fluctuating coverage within a narrow band of 46–55 percent indicates not a one-off shock, but a structurally volatile financing environment. When combined with rising needs driven by the Sudan crisis and inflation, these shortfalls force UNHCR and partners to prioritise survival assistance over long-term inclusion—cutting cash assistance, reducing education and health support, and delaying livelihood programmes that are central to economic integration (UNHCR 2024; UNHCR/GoE 2025).

Figure (37). UNHCR Egypt Funding Requirements vs. Funding Received (2021–2024).
This graph compares UNHCR Egypt's annual funding requirements with actual funding received between 2021 and 2024. Despite consistently high needs—ranging from USD 135–151 million per year—funding received has remained substantially lower across all years, never exceeding USD 80 million. The persistent gap highlights Egypt's increasing exposure to aid volatility and underscores the vulnerability of refugee support systems to international funding fluctuations.



Source: UNHCR Egypt Funding Updates 2021–2024 (UNHCR 2021, 2022, 2023, 2024).

As highlighted in this graph, the inconsistent and declining coverage undermines planning horizons, forces year-to-year reprioritization, and signals that donor commitments are neither stable nor responsive to growing regional displacement pressures. Such fluctuations constrain the ability of humanitarian actors to sustain medium- and long-term programming, reinforcing dependence on short-cycle emergency funding.

This funding volatility translates into concrete programmatic instability inside Egypt. UNHCR reports that because of budget constraints, only a minority of registered refugees can access multipurpose cash grants, and large numbers remain on waiting lists or experience sudden reductions in assistance (UNHCR 2024). Local assessments emphasise that thousands of households have lost cash support altogether, pushing them into rent arrears, informal work, and negative coping strategies such as child labour or early marriage (Refugees International 2025; Economic Research Forum 2021). For national systems, this means integration initiatives—such as school enrolment support, vocational training, and enterprise grants—are repeatedly delayed or scaled back, undermining the credibility of policies that seek to transition from humanitarian relief to self-reliance. From the perspective of Egyptian authorities, the unpredictability of external funding creates fiscal risk: ministries are reluctant to expand services for non-nationals when donor commitments are short term and contingent.

At the same time, Egypt faces growing political pressure from international donors, particularly the European Union, to frame refugee and migration policy through a security lens. Mixed-migration reports and regional policy briefs highlight how EU cooperation packages increasingly link macro-financial assistance, trade concessions, and investment frameworks to stronger border control, anti-smuggling operations, and readmission agreements in North African transit states, including Egypt (MMC 2023; Policy Brief No.111 2024). While such arrangements can generate short-term financial inflows, they risk reorienting refugee policy away from rights-based integration and toward deterrence, surveillance, and containment. This is reflected in recent trends such as stricter residency requirements, intensified policing of informal migration routes, and rising deportation and refoulement concerns documented by legal monitors and human-rights organisations (AIDA 2025; Tahrir Institute 2024).

Taken together, dependence on underfunded and unpredictable aid flows, combined with asymmetric bargaining with powerful donors, constitutes a major threat to Egypt's ability to pursue a coherent, development-oriented integration strategy. If external financing remains volatile and increasingly conditioned on migration control, Egypt may be pushed toward short-horizon, securitised responses that address European political priorities rather than the long-term social and economic inclusion of refugees and migrants within its own labour market and development plans.

Global Economic Downturns

Global economic volatility poses a significant threat to the stability of refugee and migrant livelihoods in Egypt, primarily through its impact on remittances, inflation, and investment flows. Egypt's economy is deeply intertwined with global markets, and shocks originating from donor countries, Gulf labour markets, or international commodity markets have immediate consequences for both refugee households and national systems. The World Bank and IMF report that global food and fuel price spikes—exacerbated by the Russia–Ukraine conflict and wider supply chain disruptions—have disproportionately affected import-dependent states such as Egypt, driving domestic inflation above 35 percent in 2023–2024 and sharply reducing household purchasing power (World Bank 2023). These macroeconomic stressors intensify vulnerabilities among refugees, who already rely heavily on informal work, unstable wages, and external financial support.

Table (38). Key Macroeconomic Pressures Affecting Refugee Livelihoods in Egypt During Global Downturns. This table summarizes the primary macroeconomic shocks shaping refugee vulnerability in Egypt during recent global downturns. Inflation, currency depreciation, wage loss, and declining remittances collectively erode purchasing power and weaken household resilience—directly constraining both economic integration and self-reliance.

Indicator	Year(s)	Exact Value (%)	Why It Matters
National inflation rate (peak)	2023–2024	**35%**	Sharp erosion of purchasing power for all households, but refugees are hit hardest due to reliance on informal work.
Food price inflation	2023	**60%**	Food comprises the largest share of refugee household spending; this level of inflation drives acute vulnerability.
Egyptian pound depreciation vs. USD	2022–2024	**50% loss**	Collapses the real value of remittances, wages, and savings, pushing refugee families deeper into precarity.
Real wage decline in informal sector	2022–2023	**18–22% decline**	Refugees are concentrated in informal labour; this drop directly reduces their capacity to meet basic needs.
Decline in Syrian/Sudanese/Yemeni refugee remittances	2020 downturn	**24–30% decrease**	Global recessions reduce remittance inflows—one of the main income stabilizers for refugee households.

Sources: World Bank 2023; CAPMAS 2024; ERF 2023; MMC 2023; IPC-IG/UNICEF 2018.

The table highlights the core macroeconomic pressures undermining refugee livelihoods during periods of global instability. High national inflation and extreme food price increases significantly erode household purchasing power, while the 50 percent depreciation of the Egyptian pound sharply reduces the value of wages, savings, and remittances. At the same time, declining real wages in the informal sector and major reductions in cross-border remittances diminish refugees' ability to meet basic needs and maintain financial resilience.Together, these structural shocks set the stage for one of the most critical vulnerabilities: the instability and declining real value of remittances, a lifeline for many refugee families.

Remittances, a lifeline for many refugee families, are highly sensitive to global downturns. Sudanese, Yemeni, and Syrian households in Egypt depend significantly on cross-border financial support from relatives in the Gulf, Europe, and North America. However, evidence from IOM, IPC-IG, and Mixed Migration Centre studies shows that remittance inflows contracted sharply during global crises. During the COVID-19 economic downturn, Sudanese refugees experienced a 24 percent decline in remittance receipts, while Yemeni households reported over a 30 percent drop due to job losses among relatives abroad (IPC-IG/UNICEF 2018; MMC 2023). Similarly, the depreciation of the Egyptian pound—losing more than 50 percent of its value between 2022 and 2024—has eroded the real purchasing power of remittances, meaning that even when nominal inflows remain stable, their ability to cover rent, food, education, and healthcare has diminished substantially (CAPMAS 2024). For many households, this constrains resilience and increases reliance on humanitarian assistance at precisely the moment when donor budgets are shrinking.

Global downturns also shape domestic labour dynamics in ways that heighten the precarity of refugee workers. Research from the Economic Research Forum and ILO demonstrates that refugees in Egypt are concentrated in low-wage, high-turnover sectors—construction, retail, hospitality, domestic work—where wage compression is most acute during recessions. Between 2022 and 2023, real wages in informal urban labour markets fell by 18–22 percent, hitting migrant and refugee workers hardest (ERF 2023). As Egyptian households face similar pressures, competition for low-skilled jobs intensifies, often fuelling public resentment and perceptions that refugees depress wages or crowd out opportunities. Qualitative assessments from African Arguments and Refugees International document rising anti-migrant sentiment in Cairo and Giza, particularly during periods of high inflation and subsidy reforms (African Arguments 2024). These conditions increase the risk of policy tightening, stricter enforcement of residency rules, and reduced political appetite for integration-oriented reforms.

Investment flows—critical for job creation and enterprise growth—also weaken during global downturns. FDI to Egypt fell from USD 11.4 billion in 2021 to USD 7.2 billion in 2023, reflecting broader risk aversion among international investors (UNCTAD 2024). This contraction limits opportunities for both refugees and Egyptians, particularly in manufacturing, ICT, logistics, and MSMEs, where foreign capital plays a significant role. For refugee-owned micro-enterprises, rising prices of imported inputs—food ingredients, textile materials, spare parts—combined with currency fluctuations have increased operating costs by 15–40 percent since 2022 (IIED 2023). As profit margins shrink, business closures become more common, further reducing economic self-reliance.

Global recessions therefore amplify pre-existing vulnerabilities across refugee households, informal labour markets, and national economic systems. Tightened donor budgets reduce humanitarian buffers, declining remittances weaken household resilience, and shrinking investment flows limit opportunities for upward mobility. Combined, these factors increase the likelihood of public hostility, restrictive policy shifts, and deteriorating economic conditions for refugees and host communities alike—posing a major structural threat to sustainable integration in Egypt.

Negative Perceptions and Security Framing

Negative public perceptions and the persistent framing of refugees as security risks represent a major threat to integration efforts in Egypt. Over the past decade, regional conflicts, irregular migration routes, and cross-border smuggling networks have increasingly shaped how refugees—particularly Sudanese, Syrians, Yemenis, Eritreans, and Ethiopians—are understood within national and international discourse. Reports from the Mixed Migration Centre (2024), Refugees International (2025), and the Tahrir Institute show that narratives linking refugees to terrorism, instability, or illicit mobility routinely circulate in political debates, media reporting, and community conversations. These narratives remain largely unsubstantiated but have powerful policy effects: they justify more restrictive border practices, heighten surveillance, and make employers and institutions more hesitant to engage refugees as legitimate workers, students, or entrepreneurs.

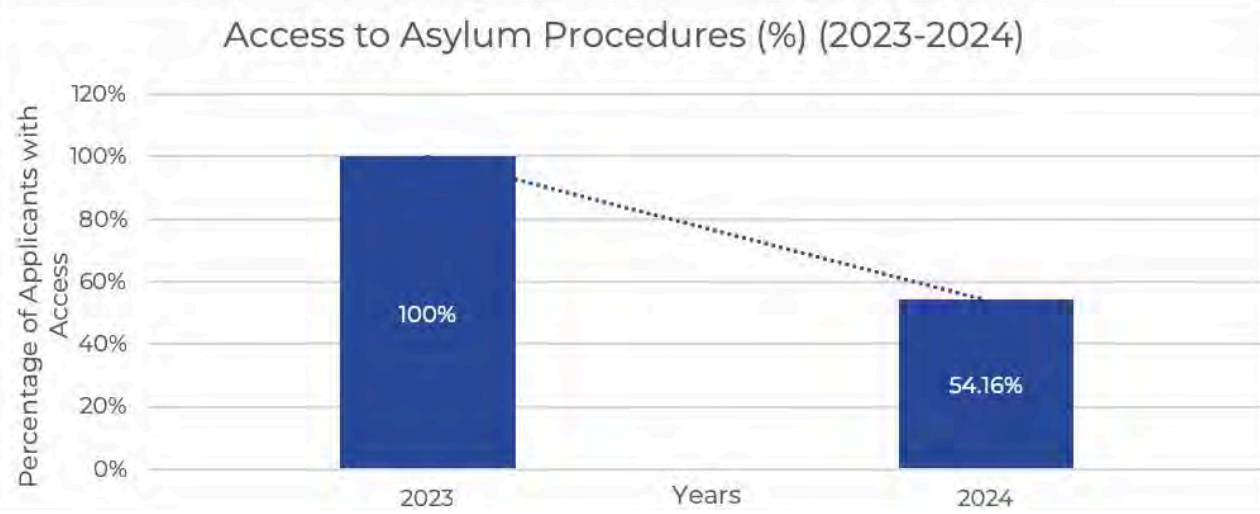
Quantitative data reinforces the scale of the challenge. The Mixed Migration Centre's 2024 surveys reveal that over 60 percent of respondents in urban Egypt reported witnessing discriminatory treatment of Sudanese refugees, often tied to perceptions of insecurity or crime. Meanwhile, UNHCR and monitoring groups recorded a marked rise in arbitrary detentions and forced deportations in 2023–2024, with more than 3,000 Sudanese refugees detained and hundreds deported in a single quarter during intensified border operations (Tahrir Institute 2024). Such crackdowns—framed as counter-smuggling or anti-trafficking initiatives—frequently ensnare legitimate asylum seekers, reinforcing the conflation of forced displacement with criminality.

Regional security pressures amplify these dynamics. Egypt sits at the crossroads of some of the world's most active trafficking and smuggling corridors, linking Sudan, Libya, the Horn of Africa, and the Mediterranean. IOM's 2024 displacement analyses show that more than 500,000 Sudanese, including women and unaccompanied minors, entered Egypt through irregular channels in 2023 due to conflict conditions—routes also used by traffickers and smugglers. This overlap often fuels public suspicion, as host communities and local authorities struggle to distinguish between those fleeing war and those involved in irregular networks. As the Sudan conflict deepens, and instability in Libya and the Red Sea persists, these mixed flows are likely to continue, heightening the securitized policy response.

The economic consequences of securitization are significant. Studies from the ILO and Economic Research Forum show that employers already hesitate to hire refugees due to documentation uncertainty; when coupled with narratives implying security risk, this hesitancy becomes more entrenched. MMC's 2023 labour market assessment found that 41 percent of Egyptian employers expressed reluctance to hire Sudanese or sub-Saharan African workers due to "perceived instability," despite acknowledging labour shortages in key sectors like hospitality, food production, construction, and logistics. This creates a structural mismatch: sectors needing workers face chronic vacancies, while refugees with relevant skills are excluded due to stigma.

The impact extends to public institutions as well. Security framing shapes how residency renewals, border entries, and asylum procedures are administered. UNHCR's 2025 operational data shows that access to asylum procedures dropped from 100 percent to 54.16 percent between 2023 and 2024, partly due to heightened vetting and enforcement linked to security narratives. These administrative delays perpetuate irregularity, pushing refugees into informal settlements or informal work where they become even more vulnerable to exploitation—further reinforcing negative stereotypes.

Figure (39). Access to Asylum Procedures % (2023-2024). This figure illustrates the sharp decline in access to asylum procedures in Egypt, dropping from full coverage in 2023 to just 54.16 percent in 2024. The contraction reflects increased vetting, administrative bottlenecks, and heightened securitization pressures affecting the processing of new arrivals.



Sources: UNHCR Egypt Operational Update 2025; UNHCR Annual Results Report 2024.

The sharp drop in access to asylum procedures shown above demonstrates how security-driven policies can restrict not only protection pathways but also refugees' ability to participate in formal economic life. When processing systems slow and irregularity increases, refugees are pushed further into informality—reinforcing the very perceptions that limit their opportunities. This makes it easy for negative narratives to overshadow the well-documented economic contributions refugees bring to Egypt, despite substantial evidence to the contrary.

If these narratives continue to dominate, they risk overshadowing the substantial evidence that refugees contribute positively to Egypt's economy. Syrian investments alone exceeded USD 800 million since 2011 (Ahram Online 2023), and refugee-owned enterprises remain central to service, retail, and micro-manufacturing sectors. Yet as long as security-based narratives dominate public and policy discourse, the developmental potential of refugee populations will remain undercut.

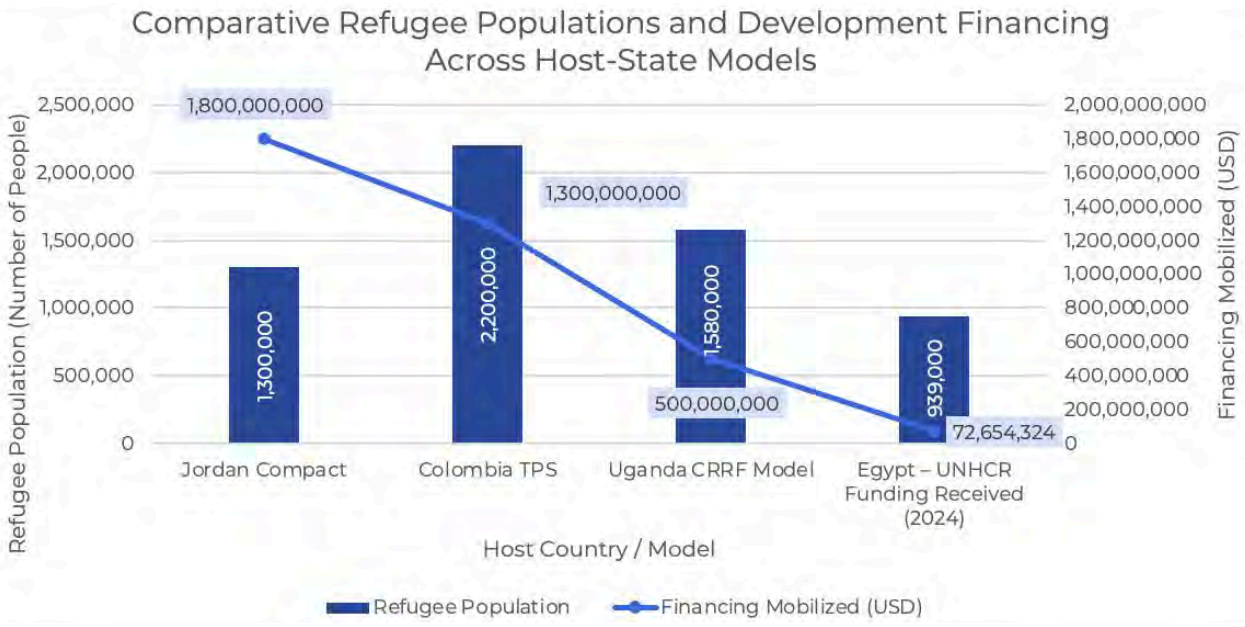
In this context, negative perceptions and security framing constitute a structural threat: they drive restrictive policy shifts, deter employers, undermine integration initiatives, and erode public support for inclusive reforms—making it more difficult for Egypt to present refugees as contributors to development and regional stability.

Competition with Other Host States

Egypt faces increasing competitive pressure from other major refugee-hosting countries—particularly Jordan, Uganda, and Colombia—whose integration frameworks are widely recognized as global models. These states have successfully positioned themselves as leaders in refugee inclusion, leveraging policy innovation to secure multi-year financing, concessional loans, and enhanced international partnerships. By contrast, if Egypt is perceived as maintaining restrictive or inconsistent integration pathways, it risks receiving a smaller share of global development assistance, despite hosting one of the largest displaced populations in Africa.

Jordan's experience illustrates the scale of this competitive landscape. Through the Jordan Compact, the country mobilized approximately USD 1.8 billion in concessional financing and trade facilitation measures by linking development support to expanded work permits and education access for Syrians (ILO 2021). Uganda's CRRF model attracted over USD 500 million in external development financing while building global recognition for its settlement-based labour market integration and land access policies (World Bank 2022). Colombia's Temporary Protection Status (TPS) program secured USD 1.3 billion from multilateral banks to support Venezuelan inclusion (IDB 2023). In contrast, UNHCR financing for Egypt has remained comparatively constrained: between 2021 and 2024, Egypt received only 46–55 percent of annual requirements (UNHCR 2024). If donors view Jordan, Uganda, and Colombia as "high-return" integration environments, Egypt may struggle to compete for similar funding volumes.

Figure (40). Comparative refugee populations and development financing across host-state models, highlighting Egypt's lower financing levels despite comparable protection responsibilities.



Sources: UNHCR Egypt Funding Update (2024); World Bank (2022); IDB (2023); UNHCR Global Trends (2024).

The comparative chart makes clear that Egypt receives significantly less development financing than other major host states, despite managing a refugee population of comparable scale. Whereas Jordan, Colombia, and Uganda have leveraged structured inclusion frameworks to unlock between USD 500 million and USD 1.8 billion, Egypt's 2024 UNHCR funding remained under USD 73 million—an order-of-magnitude disparity that shapes donor perceptions of "return on investment." This funding gap reinforces the notion that countries with institutionalized inclusion models are more attractive to donors, while those perceived as restrictive receive shorter-term, humanitarian-focused support. This discrepancy has implications that extend beyond financing alone, shaping not only resource flows but also Egypt's diplomatic standing.

This competition is not merely financial—it influences diplomatic positioning and narrative framing in global forums. At the Global Refugee Forum (GRF) and in GCR reporting, Jordan and Uganda consistently receive visibility for their policy achievements, while Egypt is often referenced primarily in relation to border management, mixed migration flows, and regional instability. IOM estimates show that Egypt hosts 10.9 million international migrants, including more than 939,000 refugees and asylum seekers (IOM 2022; UNHCR 2024). Yet despite this scale, Egypt's integration policies—particularly in labour mobility, enterprise formalization, and residency rights—remain less institutionalized than comparator states, affecting the country's perceived eligibility for high-commitment development partnerships.

Funding allocation patterns reinforce this dynamic. Globally, donors increasingly prioritize host states that demonstrate measurable inclusion outcomes (World Bank 2023). Jordan issues tens of thousands of work permits annually to refugees; Uganda integrates refugees directly into national development planning; Colombia provides long-term regularization to over 2.2 million Venezuelans. Egypt's more limited pathways for formal work, documentation, and enterprise licensing may therefore disadvantage it when competing for multi-year, large-scale financing packages.

There are also reputational risks. International policy literature often uses Jordan and Uganda as "proof-of-concept" cases demonstrating the benefits of inclusion, whereas Egypt appears primarily in discussions relating to securitization, irregular migration, and border pressures—topics which donors associate with short-term humanitarian funding, not long-term development investment (MMC 2024; Tahrir Institute 2024). This framing risks overshadowing Egypt's economic potential and its strategic location as a manufacturing, logistics, and regional integration hub.

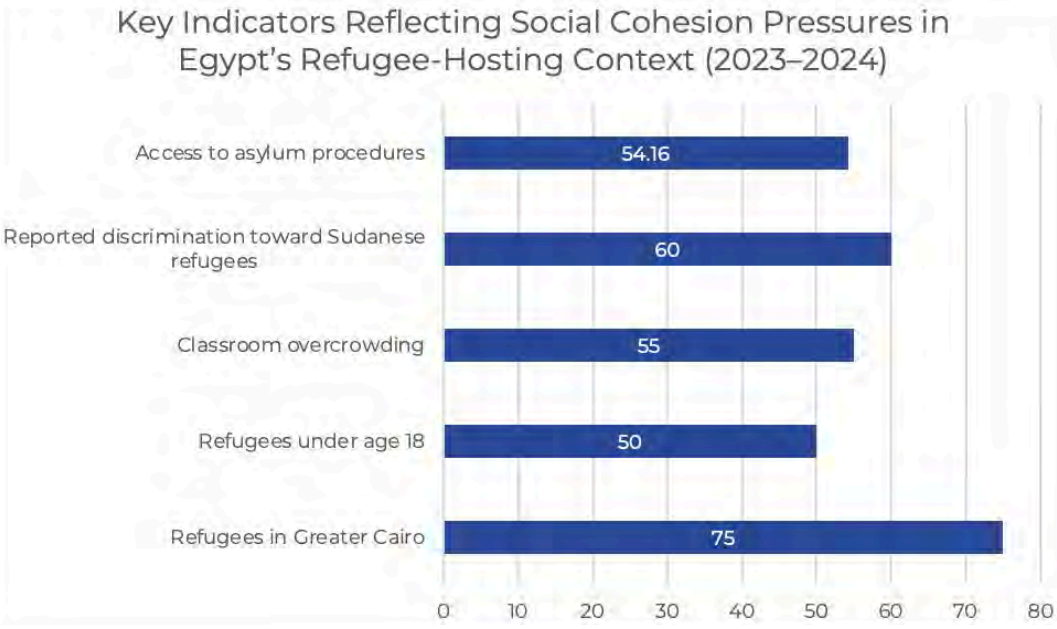
The consequences could be significant. Reduced development financing weakens Egypt's ability to scale inclusion programs in education, health, labour, and MSME development. Underfunded integration systems also exacerbate domestic pressures by limiting the capacity of schools, clinics, and labour offices to absorb growing refugee and migrant populations. As a result, Egypt could face a feedback loop in which constrained financing reinforces restrictive policies, which in turn further reduce donor support.

Ultimately, the threat posed by competition with other host states lies not in comparative performance alone but in global perception. Unless Egypt strengthens its institutional pathways for inclusion and aligns its policies with international best practices, it risks being sidelined in global funding allocations and losing diplomatic leverage in shaping regional migration governance.

Erosion of Social Cohesion and Urban Pressure

A growing structural threat to Egypt's long-term integration agenda is the gradual erosion of social cohesion in densely populated urban areas where refugees and low-income Egyptians compete for limited services, housing, and informal employment. While public opinion data on refugee sentiment in Egypt is limited, multiple studies across MENA urban centres show that rapid demographic change—particularly during periods of economic stress—can heighten perceptions of competition and reduce tolerance toward displaced populations (MMC 2024). These pressures are amplified in Egypt by the geographic concentration of refugees: UNHCR and IOM reporting indicates that more than 75 percent of refugees and asylum seekers reside in Greater Cairo, with significant clustering in low-income districts where infrastructure is already strained (UNHCR 2024; IOM 2022).

Figure (41). Key Indicators Reflecting Social Cohesion Pressures in Egypt's Refugee-Hosting Context (2023–2024). This chart visualizes core pressure points affecting social cohesion in Egypt's refugee-hosting areas, including the high concentration of refugees in Greater Cairo (75 percent), the demographic youth profile of refugee communities (50 percent under age 18), severe classroom overcrowding (55 percent), reported discrimination toward Sudanese refugees (60 percent), and the sharp decline in access to asylum procedures to 54.16 percent in 2024. Together, these indicators highlight the compounded strain on urban systems, education infrastructure, and protection pathways—factors that intensify community tensions and shape local perceptions of refugee populations.



Sources: UNHCR 2024; IOM 2022; CAPMAS 2023–2024; Joint Platform for Migrants and Refugees 2024; AIDA/UNHCR 2024–2025; MMC 2023.

The graph highlights the concentration of social-cohesion pressures emerging in Egypt's primary refugee-hosting areas. With 75 percent of all refugees residing in Greater Cairo, local systems face disproportionate strain, while half of all refugees are children, intensifying demand for schooling, health services, and youth-focused support. Rising reported discrimination toward Sudanese refugees (60 percent) and the sharp decline in access to asylum procedures to 54.16 percent in 2024 further demonstrate how overstretched institutions can deteriorate protection environments and deepen community tensions. These structural pressures are compounded by severe classroom overcrowding (55 percent), which directly connects to one of the most immediate and visible sites of strain—urban education systems.

Urban service delivery is one of the most visible pressure points. CAPMAS and Ministry of Education figures show that classroom overcrowding in several Cairo governorates exceeds 55–60 students per class, well above national standards, while the Joint Platform for Migrants and Refugees notes that more than 120,000 non-Egyptian children are now enrolled in public and community schools nationwide (JP-MR 2024). In districts with high refugee presence, schools report shortages in teaching capacity, language-support staff, and physical space. These constraints create a perception among host communities that refugee inclusion comes at their expense, even though the root causes lie in structural underinvestment rather than refugee arrivals themselves.

Housing pressures intensify this dynamic. According to national urban housing assessments and UNHCR partner reports, rental prices in several low-income districts of Cairo rose by 20–35 percent between 2022 and 2024, driven by inflation, increased demand, and speculative behaviour in the informal rental market (UNHCR 2024; CAPMAS Housing Bulletin 2024). Refugee households—particularly Sudanese families arriving after 2023—are often willing to rent subdivided or substandard units at higher prices due to documentation barriers or discrimination, inadvertently contributing to price inflation that also harms Egyptian tenants. These patterns heighten local resentment and risk politicizing refugee issues at the neighbourhood level.

Labour market competition in the informal economy also challenges social cohesion. The Economic Research Forum notes that refugees are heavily concentrated in low-wage service, construction, domestic work, and micro-manufacturing segments—sectors where Egyptian youth unemployment remains structurally high (ERF 2021). With informal real wages falling by 18–22 percent between 2022 and 2023 (MMC 2023), tensions emerge when host communities perceive refugees as competing for scarce jobs or accepting lower wages. These labour dynamics can feed narratives of unfair competition—even when refugees themselves are responding to structural barriers that prevent access to formal work permits or MSME registration.

If unaddressed, these pressures risk triggering a cycle of social fragmentation: perceptions of competition fuel discriminatory practices; discrimination reduces refugees' access to formal pathways; and reliance on the informal economy increases visibility in already vulnerable neighbourhoods. Such dynamics undermine the inclusive policy frameworks Egypt seeks to advance, while also increasing the likelihood that local grievances will be leveraged by political actors during periods of economic strain.

Ultimately, the threat of weakened social cohesion is not rooted in refugee presence alone but in how demographic pressures intersect with under-resourced urban systems. Strengthening urban infrastructure, expanding formal work pathways, and improving local-level communication on the benefits of inclusion are essential to mitigating this risk and ensuring that integration efforts remain both socially and politically sustainable.

Conclusion

The SWOT analysis demonstrates that Egypt stands at a pivotal juncture in shaping the future trajectory of refugee and migrant integration. The country possesses considerable structural advantages—urban settlement policies, diverse economic ecosystems, and deep community networks—that already facilitate high levels of social and economic participation. Refugees and migrants are not peripheral actors; they are embedded within Egypt's core service, trade, manufacturing, and construction sectors, and they contribute to local markets through entrepreneurial activity, cross-border linkages, and community-led support systems. Their strong educational backgrounds and transnational networks position them as potential drivers of regional trade, MSME growth, and sectoral expansion, particularly as Egypt pursues Vision 2030 objectives.

However, these strengths are consistently undermined by structural weaknesses in Egypt's legal, financial, and institutional frameworks. Despite recent reforms, restrictive work-permit regimes, fragmented administrative processes, and inconsistent documentation policies continue to confine refugees to precarious informality. Financial exclusion severely limits the ability of entrepreneurs to scale enterprises or access digital economic opportunities, while the absence of refugee inclusion in national social protection programs perpetuates vulnerability. Gender inequalities further compound these barriers. Without targeted reforms, these weaknesses will continue to diminish returns on Egypt's urban-settlement model and limit the developmental potential of migrant communities.

The opportunities available to Egypt are substantial. Global best practices—such as the Jordan Compact, Uganda's CRRF, and Colombia's TPS—demonstrate that countries which institutionalize refugee inclusion attract significantly higher levels of development financing and private investment. Egypt's strategic geopolitical position, large youth refugee population, and MSME orientation make it well positioned to negotiate similar compacts or integrated development partnerships. The emerging shift toward resilience-based programming, impact investing, and digital financial inclusion aligns directly with refugees' existing economic behaviors and could unlock scalable pathways to formalization and productivity. Second-generation refugees, already integrated into Egypt's education system, represent significant human capital for future labor markets.

Nonetheless, unresolved threats—ranging from negative perceptions, securitized narratives, and social cohesion challenges to urban strain and global competition for financing—pose real risks. Without institutional reforms and strategic communication, Egypt may be perceived as a less favorable environment for donor investment compared to regional peers. Declining humanitarian funding further heightens urgency: unless alternative financing and private-sector engagement mechanisms are developed, service gaps and vulnerability will intensify.

Overall, the conclusion of the SWOT is clear: Egypt has the structural foundations and demographic potential to transform refugee inclusion into an engine of national economic growth, but this requires decisive policy coherence, regulatory reform, and strategic engagement with global financing models. The strengths and opportunities are significant, but their realization depends on addressing entrenched institutional weaknesses and mitigating growing external threats. With targeted interventions—particularly in work-permit facilitation, MSME formalization, digital finance, education integration, and multi-sector coordination—Egypt can convert refugee inclusion into a strategic development asset rather than an ongoing humanitarian challenge.

Summary Table (43). Key Findings of the SWOT Analysis.

Strengths

- High entrepreneurial agency among refugee and migrant communities; strong skills, craftsmanship, and prior work experience.
- Urban self-settlement facilitates economic participation and daily interaction with Egyptian markets.
- High levels of education in several refugee groups; strong linguistic and professional competencies.
- Dense ecosystem of civil society actors, NGOs, and community-led networks providing essential services.
- Strong transnational and diaspora ties supporting trade, remittances, and supply-chain connectivity.



Weaknesses

- Restrictive work-permit system; 10% foreign worker quota; multi-agency approval barriers.
- Extreme informality: <5% formal employment; >80% unregistered enterprises.
- High financial exclusion; limited banking access and reliance on informal credit networks.
- Exclusion from national social protection systems; fragmented service delivery.
- Geographic inequality and gender-based vulnerabilities; lack of consistent NGO coverage.



Opportunities

- Expansion of livelihoods programming, microenterprise grants, and digital-financial inclusion reforms.
- Rising interest in impact investment, ESG financing, and private-sector partnerships.
- MSME Law 152/2020 offering potential pathways for enterprise formalization.
- Large second-generation youth cohort with long-term human capital potential.
- Ability to leverage global frameworks (Jordan Compact, CRRF, TPS) for multi-year financing.



Threats

- Volatile humanitarian funding (UNHCR 46–55% of annual needs met).
- Increasing competition with Jordan, Uganda, and Colombia for development financing.
- Negative perceptions, securitized narratives, and discrimination risks.
- Urban service strain, overcrowding, rising rental prices, and social cohesion pressures.
- Regional instability (Sudan, Libya, Horn of Africa) driving new large-scale inflows.

05

Section 05

Gap Analysis

Egypt's current integration landscape reflects a maturing stage of policy and institutional engagement. While early interventions focused on legal recognition, humanitarian support, and emergency response, the emphasis has now shifted toward structural and economic inclusion. The policy environment is evolving through new labor, asylum, and MSME frameworks that provide entry points for participation, yet these reforms reveal persistent implementation and coordination challenges. The present analysis moves beyond questions of access to examine systemic constraints that influence how inclusion translates into sustained livelihoods, productivity, and social stability. It assesses the degree to which economic opportunities, institutional mechanisms, and community systems are aligned with national development objectives. By identifying these multidimensional gaps, the analysis aims to inform a transition from short-term relief to long-term, policy-based integration that reinforces both social resilience and economic contribution within Egypt's broader growth agenda.

Institutional and Governance Gaps

Weak Enforcement of Emerging Legal Frameworks

Egypt's recent legislative developments, particularly the 2024 Asylum Law (Law 164 of 2024) and the 2025 Labor Law (Law 14 of 2025), mark an important step toward a formal inclusion framework. However, these laws remain largely unenforced, as their executive regulations have not yet been issued. This delay reflects a broader structural weakness in policy implementation, where progressive laws are adopted but not operationalized through clear procedures or institutional coordination (Refworld 2024; UNHCR 2025). The absence of regulatory clarity leaves both employers and foreign workers uncertain about eligibility, documentation, and administrative responsibilities.

Implementation challenges are compounded by overlapping mandates between the Ministry of Interior, the Ministry of Manpower, MSMEDA, and local governorates. Each institution applies its own procedures, resulting in duplication, inconsistent documentation requirements, and unpredictable timelines. These weaknesses are particularly visible in the system for foreign employees in small enterprises, where the decree implementing Labor Law 14 of 2025 introduced new processes intended to simplify access but instead added procedural complexity.

The decree applies to foreigners working in small enterprises such as restaurants, shops, and service providers. While these entities represent a major source of employment for migrant and displaced workers, the decree does not define what constitutes a small enterprise, leaving wide interpretive discretion to labor offices (Adsero 2025). Applicants are required to submit a commercial register, tax card, passport copy, medical certificate, several work permit forms, and eight personal photographs. Applications must be submitted to the local labor directorate within a three-month grace period from the decree's issuance, after which unregistered workers are considered in violation (Consortio Law Firm 2025).

A temporary exemption from certain licensing requirements, such as the submission of employment contracts and experience certificates, was granted during the grace period. Small enterprises were also temporarily exempt from the statutory quota that limits the proportion of foreign workers. However, these provisions have not been tested in practice, and the legal status of foreign workers hired during this period remains uncertain (Adsero 2025). Permits are valid for up to one year, subject to an annual fee of EGP 3,000 plus EGP 200 in card fees, and are contingent on security clearance from the relevant authorities. In practice, approval can take several months, and rejections often occur without justification (Consortio Law Firm 2025).

The bureaucratic structure creates several layers of exclusion that disproportionately affect refugees and migrants Many applicants lack the required documents, such as valid passports, residence permits, or tax registration, and local offices frequently refuse to accept UNHCR identification as a valid substitute (UNHCR 2025; MMC 2024). Applicants who do meet documentation criteria face additional obstacles, including the need to navigate Arabic-language paperwork, translation costs, and unfamiliar legal terminology. These issues are intensified by slow communication between ministries and a security-first approach that prioritizes vetting over facilitation (ILO 2023).

The result is a system that appears open in legal terms but remains closed in practice. The administrative burden discourages both employers and applicants from engaging in formal processes. Small business owners often prefer to hire informally rather than risk rejection or delay. Refugees and migrants therefore remain concentrated in informal jobs in food services, tailoring, and domestic work, with minimal access to labor protections or social insurance (ILO 2023; UNHCR 2025). This dual structure undermines both the credibility of recent reforms and Egypt's broader economic objectives of expanding formal employment and tax participation.

Institutional fragmentation further weakens enforcement. The Ministry of Interior continues to control residence and security vetting, while the Ministry of Manpower is responsible for issuing permits. MSMEDA oversees small-enterprise registration, but its documentation requirements exclude most displaced entrepreneurs. Local governorates, which serve as the first point of contact for applicants, often lack trained personnel and sufficient administrative resources. As a result, implementation varies widely between governorates, with Cairo and Giza showing higher levels of permit issuance compared to peripheral regions such as Aswan or Damietta (UNHCR 2025).

The challenges described above demonstrate that the barrier to inclusion lies not in the absence of laws but in the weakness of enforcement. Unless executive regulations are issued and administrative procedures are standardized, new legislation will continue to produce legal frameworks without practical outcomes. Addressing these enforcement problems is therefore central to transforming the current policy architecture into a functioning system of inclusion.

Institutional Responsibilities and Enforcement Challenges

Institution /Legal Actor	Mandate under Law 164 (2024) /Law 14 (2025)	Observed Enforcement Gap	Implication
Ministry of Interior	Oversees residence, asylum status, and security vetting	Retains broad discretionary power over residence and work authorization	Causes procedural delays and inconsistent approval across governorates
Ministry of Manpower	Responsible for work permits and inspections	Lacks guidance for applicants without national identification	Limits implementation of Labor Law 14/2025 and formal labor inclusion
MSMEDA	Registers small enterprises and provides MSME support	Documentation requirements exclude displaced entrepreneurs	Reinforces informality and restricts access to business incentives
Ministry of Justice	Manages appeals and administrative oversight	No established appellate mechanism under new laws	Reduces predictability and legal recourse for rejected applicants
Governorates	Local licensing and inspection authority	Weak administrative capacity and limited resources	Leads to uneven implementation and low institutional visibility

Several structural barriers continue to hinder the enforcement of recent laws:

- Executive regulations have yet to be issued, leaving administrative processes undefined.
- Overlapping mandates between ministries cause duplication of effort and unclear accountability.
- Security vetting requirements delay residence and work approvals.
- Regional offices operate with significant discretion and limited oversight.
- Data-sharing and digital coordination between ministries remain underdeveloped.
- Judicial interpretation of asylum and labor provisions varies, reducing consistency.

These challenges undermine the credibility of new legislative frameworks and contribute to policy stagnation. While the intention of Law 164/2024 and Law 14/2025 is to align with Egypt's Vision 2030 goals on inclusive growth, their impact depends on the ability of public institutions to operationalize them through transparent, coordinated enforcement. Without systematic monitoring, trained personnel, and unified administrative mechanisms, the legal shift toward inclusion will remain symbolic rather than transformative.

Policy Recommendations

- Issue executive regulations for the Asylum Law and Labor Law to clarify eligibility, required documentation, and responsible institutions.
- Allow the use of verified UNHCR identification in work-permit applications to extend access to those without national passports.
- Establish an inter-ministerial coordination committee to harmonize procedures between the Ministry of Interior, the Ministry of Manpower, and MSMEDA.
- Digitize application procedures and introduce multilingual forms to reduce administrative burden and translation costs.
- Implement targeted training for local labor officers to ensure consistent application of procedures across governorate

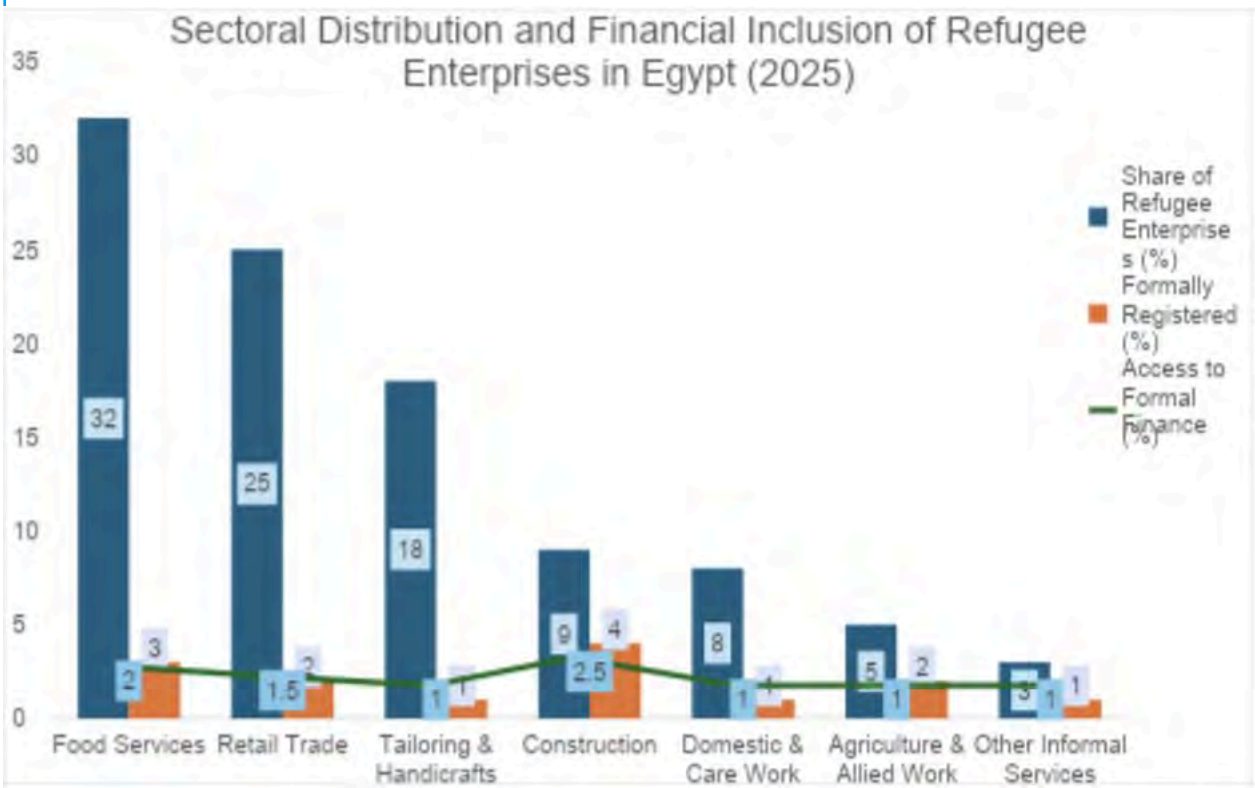
Absence of Policy–Finance Linkages for Refugee Enterprises

Egypt's MSME Law No. 152 of 2020 establishes an institutional framework to support small and medium-sized enterprises through formal registration, access to finance, and tax incentives. The law, administered primarily through MSMEDA, was designed to simplify business licensing and stimulate entrepreneurship among nationals with valid residency and banking documentation (GAFI 2024; ERF 2020). In theory, this framework could serve as a foundation for refugee and migrant enterprises to transition from informality to formality. However, the operational barriers embedded within its implementation have prevented meaningful access for non-citizens.

Refugee entrepreneurs face systemic exclusion from MSMEDA's financing schemes, including loan and guarantee programs supported by the Central Bank of Egypt (CBE), because eligibility requires a national ID, tax card, and commercial registration—all of which depend on legal residency that most refugees lack (ILO 2023; Refugees International 2025). Even refugees holding UNHCR cards are not recognized as eligible applicants within banking due diligence processes governed by Know Your Customer (KYC) requirements (MSME Law 152/2020; UNHCR 2025). Consequently, less than 2 percent of refugee-owned enterprises are formally registered, and fewer than 1 percent have accessed formal credit or MSMEDA-backed financial products (UNHCR 2025; World Bank 2022).

Financial exclusion reinforces economic informality. Around 95 percent of refugee-run businesses in Egypt operate without a business license or tax number, relying instead on informal community savings groups, remittances, or rotating microfinance schemes known as gam'eyat (Savannah 2 Section II Final 2025; MMC 2024). The average capital base of a refugee microenterprise is less than EGP 10,000, compared to the national microenterprise average of EGP 38,000 (CAPMAS 2024). This funding gap directly limits enterprise growth, innovation, and capacity to employ local labor.

Figure 42: Sectoral Distribution and Financial Inclusion of Refugee Enterprises in Egypt (2025)



Source: UNHCR (2025); GAFI (2024); ILO (2023); CAPMAS (2024).

The figure above illustrates the uneven relationship between economic participation and financial inclusion among refugee enterprises. While most refugee businesses operate in accessible, consumer-facing sectors such as food services (32 percent) and retail trade (25 percent), formal registration rates remain below 3 percent across all categories, and access to formal finance rarely exceeds 2 percent. The concentration of activity in low-capital, informal sectors reflects both adaptive entrepreneurship and systemic exclusion from MSMEDA and banking frameworks. Sectors with higher entry thresholds, such as construction and small manufacturing, show marginally higher formalization but still face limited credit availability. This disparity highlights the absence of policy–finance linkages, where legal provisions enabling enterprise formation under MSME Law No. 152 of 2020 are not matched by practical financial mechanisms or institutional recognition of refugee entrepreneurs.

Gender and youth disparities are particularly pronounced. Only 14 percent of refugee women report access to any form of livelihood financing, compared to 29 percent of men (UNHCR 2024). Among youth refugees aged 18–35, unemployment rates exceed 47 percent, twice the national Egyptian average (ILO 2025). Without financial integration, entrepreneurship remains a survival mechanism rather than a sustainable development pathway.

The absence of a dedicated financial inclusion strategy for refugees and migrants also undermines Egypt's broader economic objectives under Vision 2030 and the Financial Inclusion Strategy (CBE 2024). While the state has expanded digital payments and fintech solutions for MSMEs, these remain inaccessible to refugees due to registration barriers and restrictions on SIM-linked banking (World Bank 2022; MSMEDA 2024). As a result, refugee entrepreneurs are excluded from initiatives such as MSMEDA's Nilepreneurs or the CBE's Financial Inclusion for Youth program, despite their potential contribution to local job creation and market diversification (GAFI 2024).

Policy Recommendations

1. Establish a Refugee Financial Access Window within MSMEDA to pilot micro-grant and credit guarantee schemes that recognize UNHCR identification as valid documentation.
2. Integrate refugee entrepreneurs into Central Bank of Egypt (CBE) financial inclusion programs by adapting Know Your Customer (KYC) procedures to accept verified asylum documentation.
3. Partner with fintech and digital-wallet providers to facilitate low-collateral credit and payment systems for refugee microenterprises.
4. Launch targeted financial literacy and business development programs for women and youth entrepreneurs focused on savings, accounting, and digital finance.
5. Create a joint data-sharing mechanism between MSMEDA, UNHCR, and the Central Bank to track and evaluate access to credit and enterprise formalization rates among non-citizen entrepreneurs.
6. Encourage blended finance partnerships between donor agencies and Egyptian banks to expand micro-credit portfolios for vulnerable entrepreneurs while mitigating default risks.

High Spatial Concentration of Services

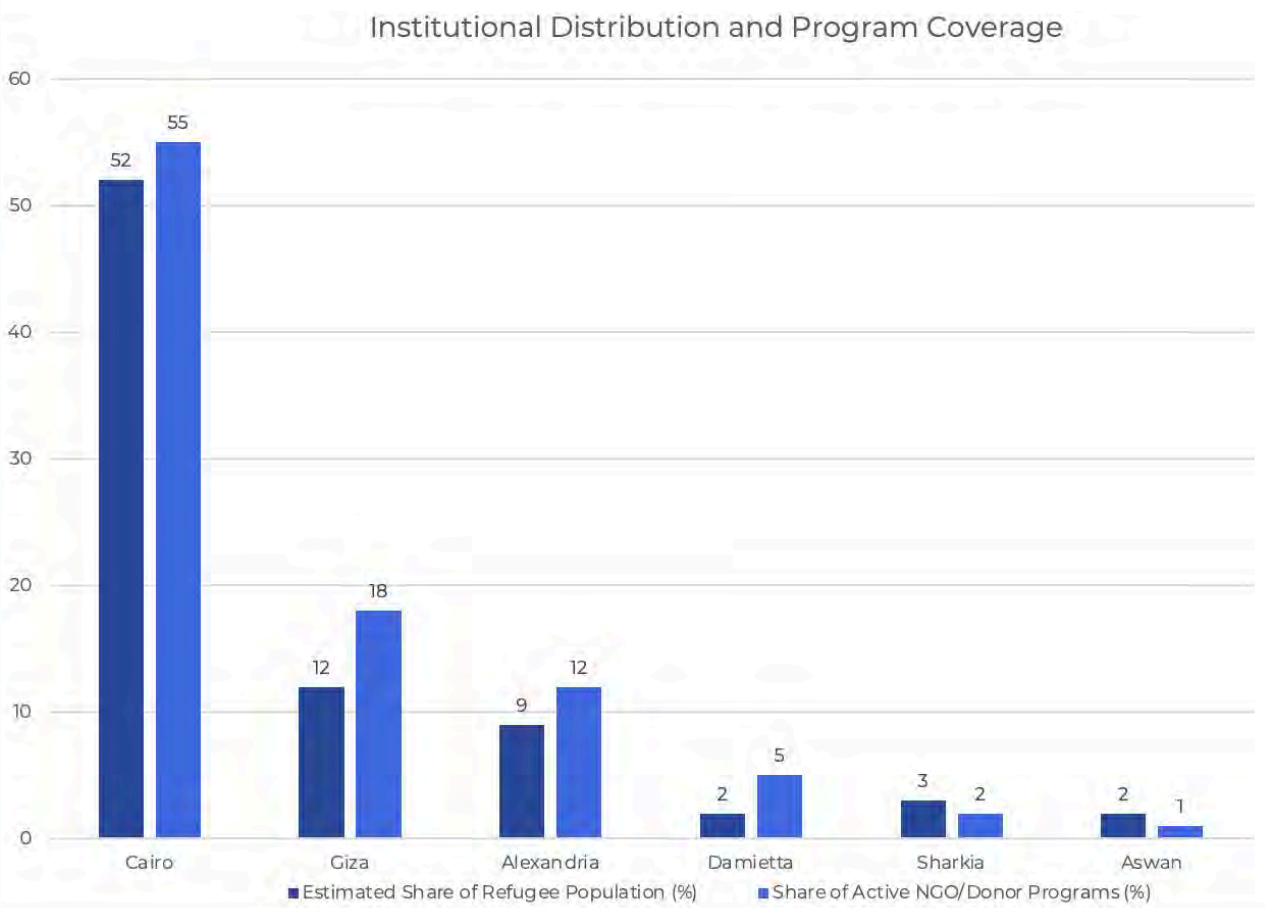
While Egypt's NGO and donor ecosystem plays a central role in refugee inclusion, its spatial distribution remains highly uneven. Nearly 80 to 90 percent of humanitarian, livelihood, and entrepreneurship programs are concentrated in Cairo and Alexandria, leaving secondary governorates such as Damietta, Sharkia, and Aswan with limited institutional presence and service reach (UNHCR 2025; IOM 2022). This pattern mirrors the broader national urbanization gradient, where development initiatives cluster in large metropolitan centers that already possess stronger administrative capacity and economic infrastructure. For displaced populations outside these hubs, this urban bias translates into reduced access to training, financing, and employment programs that could support long-term socio-economic integration.

The active civil society projects serving displaced populations are implemented through organizations headquartered in Greater Cairo, including Caritas Egypt, Tadamon, St. Andrew's Refugee Services, and the Catholic Relief Services network. These entities collectively manage more than 70 percent of all registered refugee livelihood programs (UNHCR 2025; Tadamon 2024). Outside Cairo and Alexandria, program coverage declines sharply: Damietta hosts fewer than 5 percent of ongoing interventions, while Aswan and Sharkia together account for less than 3 percent. As a result, access to micro-grants, vocational training, and business mentoring remains largely centralized.

This spatial imbalance is reinforced by structural and logistical barriers. Many smaller governorates lack local implementing partners, office infrastructure, or specialized staff trained in refugee protection or enterprise development. The process of securing permits for NGO activities outside urban centers is also lengthy, often requiring multiple layers of approval from local authorities (ERF 2020). For instance, training centers established under MSMEDA partnerships in Upper Egypt typically prioritize Egyptian nationals, as existing donor frameworks do not explicitly include refugees within their geographic mandates (MSMEDA 2024). Even where refugees reside in significant numbers, such as Sharkia or Qalyubia, there is little coordination between municipal offices, NGOs, and national agencies, resulting in duplicated or fragmented services.

The effects of this concentration are twofold. Economically, it reinforces dependency and limits livelihood diversification outside major cities. Socially, it creates visible inequities between urban and peripheral refugee communities, where those in metropolitan areas benefit from stronger networks, greater employment exposure, and easier access to legal and financial support. In contrast, refugees in rural or semi-urban governorates often rely on community-based systems such as nafeer or informal savings circles, which, while effective for short-term resilience, cannot substitute for institutional support (MMC 2024; Savannah 2 Dataset 2025). The geographic imbalance therefore represents not only an administrative challenge but a structural impediment to equitable integration, undermining the potential for regional economic contribution and social cohesion.

Figure 43 Institutional Distribution and Program Coverage



Source: UNHCR (2025); IOM (2022); (2024).

The figure highlights the misalignment between refugee settlement patterns and institutional service coverage. Although Cairo and Giza together host around 64 percent of the total refugee population, they receive nearly three-quarters of all NGO and donor interventions. Conversely, governorates such as Damietta, Sharkia, and Aswan, which collectively host roughly 7 percent of refugees, account for less than 10 percent of active livelihood and enterprise programs. This mismatch limits spatial equity in access to financing, vocational training, and social protection. Strengthening coordination between MSMEDA, UNHCR, and local authorities could help decentralize service delivery and support regional economic integration by redirecting resources toward underserved governorates.

Administrative procedures compound these challenges. Work permit issuance remains dependent on residency permits, which are subject to security clearance by the Ministry of Interior. The requirement of a valid national passport and employer sponsorship disqualifies many asylum seekers, particularly those who have lost or cannot renew their national documents (Consortio Law Firm 2025). Even where employers are willing to comply, labor directorates impose inconsistent document requirements, leading to long delays or rejections. According to UNHCR estimates, fewer than 9 percent of working-age refugees hold valid work authorization, while over 80 percent of employed individuals work informally (UNHCR 2025; ILO 2023).

The lack of credential equivalency also reduces upward mobility within the informal economy. Migrants with professional experience, such as technicians, educators, or health workers, are often employed in unrelated, low-skill occupations. For example, a 2024 ILO assessment found that 41 percent of surveyed Sudanese and Syrian refugees previously employed in skilled professions now work in elementary or service-level positions, often earning less than the national minimum wage (ILO 2024). This deskilling has long-term socioeconomic consequences, including lower household income stability and reduced productivity.

Furthermore, private-sector participation in refugee hiring remains low. While Egypt's Labor Law allows for the employment of foreigners up to 10 percent of a company's workforce, many employers avoid the administrative burden of securing permits and instead employ refugees informally. This creates a cycle where both workers and employers avoid formal systems, limiting tax contributions and social insurance enrollment (GAFI 2024). The absence of clear policy guidance on refugee work authorization also discourages MSMEDA and chamber-of-commerce programs from including non-nationals in their enterprise support schemes.

Policy Recommendations

1. Establish a formal credential recognition framework under the Ministry of Higher Education to evaluate and certify foreign qualifications.
2. Develop a joint UNHCR–Ministry of Manpower pilot for fast-track work authorization targeting skilled and semi-skilled refugee workers.
3. Introduce a professional equivalency unit within labor directorates to support credential verification for high-demand occupations.
4. Provide incentives for private-sector employers to hire formally registered refugees through tax deductions or social insurance subsidies.
5. Expand labor-market data collection in coordination with CAPMAS and UNHCR to capture refugee employment patterns and inform policy design.
6. Harmonize labor and residency regulations to ensure that valid asylum documentation can serve as a legal basis for employment authorization.

Economic and Human-Capital Gaps

Informality Trap and Lack of Upward Mobility

Refugees and migrants in Egypt remain concentrated in informal, low-productivity sectors such as petty trade, domestic work, and construction, where entry barriers are low but opportunities for advancement are minimal. While these activities allow households to meet basic needs, they rarely generate savings or sustainable income. The persistence of informality stems from the interplay of structural barriers, such as restricted access to credit, complex registration procedures, limited access to training, and lack of recognition within MSME programs. These factors collectively trap migrant workers in a cycle of economic precarity (ILO 2024; UNHCR 2025).

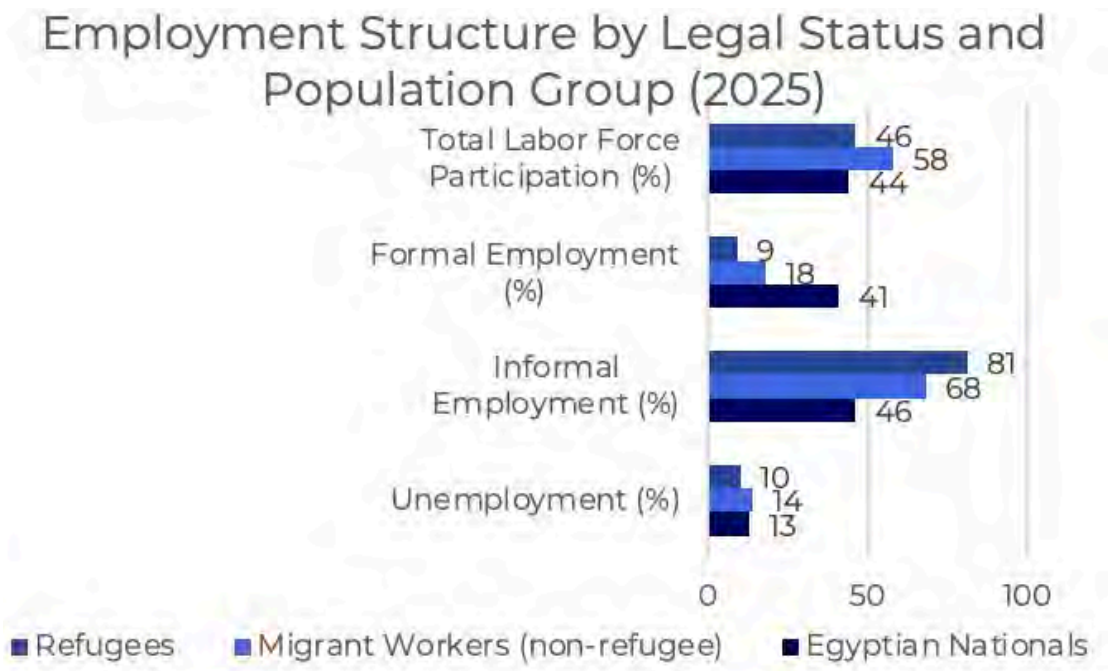
This informality trap has both microeconomic and systemic dimensions. At the household level, operating informally means that refugee/migrant entrepreneurs cannot open bank accounts, access business development services, or secure supplier contracts. Without legal status or financial records, they cannot access microloans or participate in MSMEDA programs. At the systemic level, the high concentration of informal enterprises prevents Egypt from fully leveraging the entrepreneurial potential of displaced populations. The result is a segmented economy in which refugees remain disconnected from value chains, formal markets, and productivity-enhancing initiatives.

Approximately 85 percent of refugee-run enterprises are unregistered, with 98 percent lacking access to formal credit. Most operate on an average startup capital below EGP 10,000, compared to EGP 38,000 for national microenterprises (CAPMAS 2024). This disparity limits reinvestment capacity and reinforces dependence on low-risk, low-profit business models such as small kiosks or food stalls. Informal status also prevents refugees from benefiting from financial inclusion and digital payment reforms promoted under the Central Bank's financial inclusion strategy.

Gender and youth groups face additional constraints. Refugee women are more likely to engage in informal home-based work or domestic labor due to care responsibilities and mobility restrictions, while youth lack both collateral and prior work experience to qualify for microcredit. This exclusion compounds vulnerability and perpetuates intergenerational poverty (UNHCR 2025; MSMEDA 2024). The inability to formalize businesses also isolates refugees from institutional support networks such as chambers of commerce or vocational syndicates, further reducing their exposure to innovation, training, and growth markets.

Ultimately, the informality trap constrains both refugee self-reliance and Egypt's national development goals. Refugees contribute to local consumption and job creation, yet their exclusion from formal economic systems means their activities remain invisible in national statistics, unregulated by labor standards, and untaxed by the state. Bridging this gap is therefore not only a humanitarian imperative but an economic one—integrating these enterprises could enhance productivity, expand MSME tax bases, and align with Vision 2030's objective of increasing formal employment in the private sector (GAFI 2024; ILO 2024).

Figure 44 Employment Structure by Legal Status and Population Group (2025)



Source: (UNHCR 2025; ILO 2023; CAPMAS 2024)

The figure demonstrates the scale of informality among refugees and migrants in Egypt. Over four-fifths of working refugees rely on informal income sources, compared to less than one-fifth in the formal economy. Even among documented migrants, formal participation remains limited, reflecting the broader structural rigidity of the Egyptian labor market. The lack of pathways for legal work authorization and recognition of prior qualifications prevents skilled refugees from filling gaps in sectors facing labor shortages, such as healthcare, construction, and education. Strengthening coordination between the Ministry of Higher Education, the Ministry of Manpower, and professional syndicates could allow Egypt to capitalize on existing refugee skill sets while ensuring compliance with national labor standards.

Policy Recommendations

1. Simplify microenterprise registration procedures and allow temporary legal status for refugee-owned businesses under MSMEDA oversight.
2. Expand targeted credit facilities through MSMEDA and microfinance institutions using alternative collateral systems or group lending.
3. Introduce phased tax exemptions or reduced registration fees for refugee enterprises formalizing within the first year.
4. Develop joint training initiatives between MSMEDA, UNHCR, and governorate chambers to support business upgrading and access to formal markets.
5. Integrate refugee entrepreneurs into MSME digital finance platforms and promote financial literacy to build credit histories.
6. Establish local enterprise hubs in secondary governorates to help informal entrepreneurs transition into regional value chains.

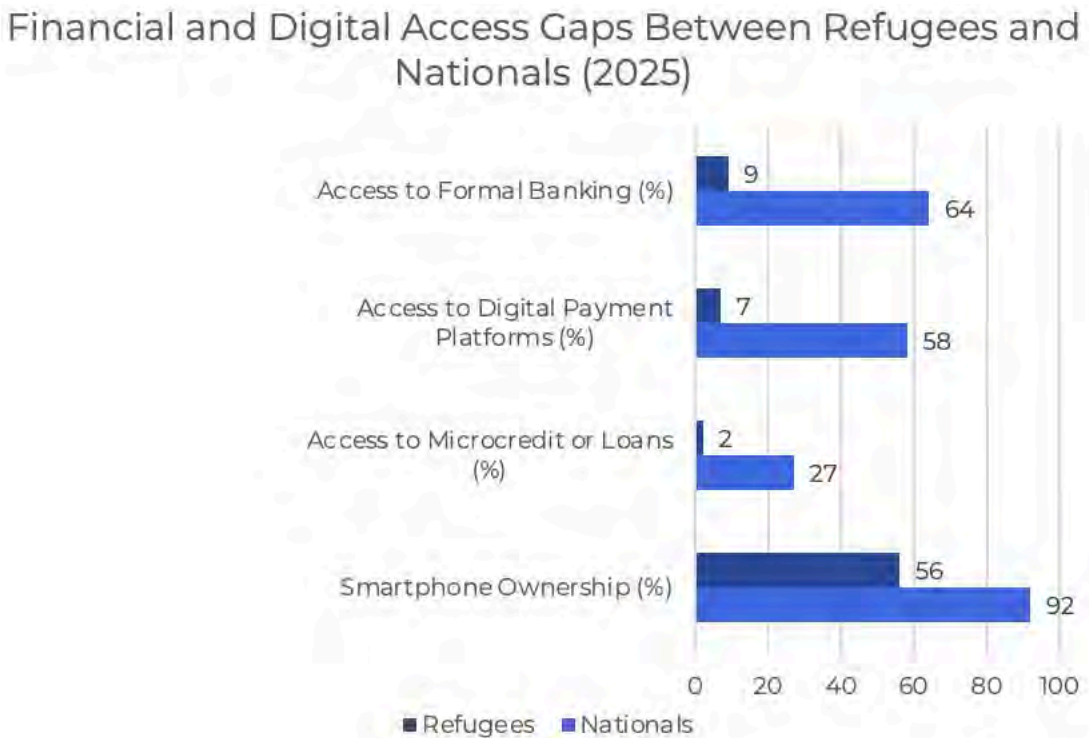
Financial and Digital Exclusion

Despite the growth of Egypt's financial inclusion and digital transformation agenda, refugees remain largely excluded from both the formal banking system and emerging fintech ecosystems. Fewer than 10 percent of refugees have access to formal banking or credit services, a rate significantly lower than both the national and regional averages (UNHCR 2025; CBE 2024). This exclusion is primarily due to the Central Bank's Know Your Customer (KYC) requirements, which do not recognize UNHCR identification as valid documentation for opening accounts, registering SIM-linked digital wallets, or applying for loans (CBE, 2025). As a result, even refugees with stable income or small businesses are effectively locked out of the country's rapidly expanding financial and digital economy.

This barrier has far-reaching implications. Inability to access bank accounts or mobile payment systems forces refugees to rely on cash transactions, informal savings groups, and community lending schemes, which limit financial security and scalability. Informal savings mechanisms such as gam'eyat or sanduq offer short-term liquidity but lack the regulatory protection and credit-building functions necessary for long-term growth. Consequently, refugee enterprises operate entirely outside the formal credit system, preventing them from leveraging e-commerce, digital marketing, or government-supported fintech solutions (ILO 2024).

Egypt's national financial inclusion strategy, anchored by the Central Bank's Digital Transformation and MSME Support Program, has made significant progress among low-income citizens, with over 60 percent of adults now holding a bank account or mobile wallet (CAPMAS 2024; CBE 2024). Yet none of these initiatives explicitly target refugees or other displaced populations. MSMEDA's financial literacy programs and the National Council for Payments' e-commerce acceleration efforts remain limited to Egyptian nationals. This institutional oversight not only perpetuates financial exclusion but also limits the government's ability to track and integrate refugee economic activity into formal economic planning.

Figure 45 Financial and Digital Access Gaps Between Refugees and Nationals (2025).
Refugee financial and digital inclusion in Egypt is accurately represented as structurally limited, with access to formal banking at only 9% and microcredit at 2%



Source: Data triangulated from (UNHCR, 2023; Central Bank of Egypt, 2025; GSMA, 2025; ILO, 2024.)

The figure underscores the digital and financial divide separating refugees from Egypt's formal economy. While the national banking access rate exceeds 60 percent, only 9 percent of refugees can open or maintain accounts. This exclusion limits savings accumulation, restricts access to formal microfinance, and prevents participation in e-commerce ecosystems that increasingly rely on mobile payment systems. The lack of recognition for UNHCR identification within KYC procedures acts as a structural barrier, effectively excluding a large population from Egypt's financial modernization agenda. Digital exclusion further compounds this gap, as limited smartphone ownership and low connectivity restrict participation in mobile-based entrepreneurship and online business tools. The combination of financial and digital marginalization therefore entrenches economic informality and constrains the potential of refugee enterprises to scale, innovate, and integrate.

For women and youth refugees, digital exclusion compounds other barriers. Many lack smartphones or internet connectivity, while digital literacy levels remain low due to language barriers and limited access to training. As Egypt moves toward cashless payments and mobile credit, those outside the digital ecosystem risk deeper marginalization. This is particularly problematic in urban areas where small refugee-run enterprises—such as food delivery, tailoring, and retail—could otherwise benefit from digital payment tools and online marketplaces (UNHCR 2025; MSMEDA 2024).

Policy Recommendations

1. Amend KYC and account-opening procedures to recognize verified UNHCR identification for low-risk financial products.
2. Develop a joint UNHCR–CBE framework to pilot refugee-inclusive digital wallets and mobile banking access.
3. Integrate refugee populations into national financial literacy and digital skills training programs under MSMEDA.
4. Promote partnerships between fintech startups and humanitarian organizations to expand e-commerce and microfinance access.
5. Launch targeted digital inclusion programs for women and youth to enhance connectivity, smartphone access, and financial literacy.
6. Establish a unified data-sharing platform between CBE, MSMEDA, and UNHCR to monitor refugee financial participation and credit performance.

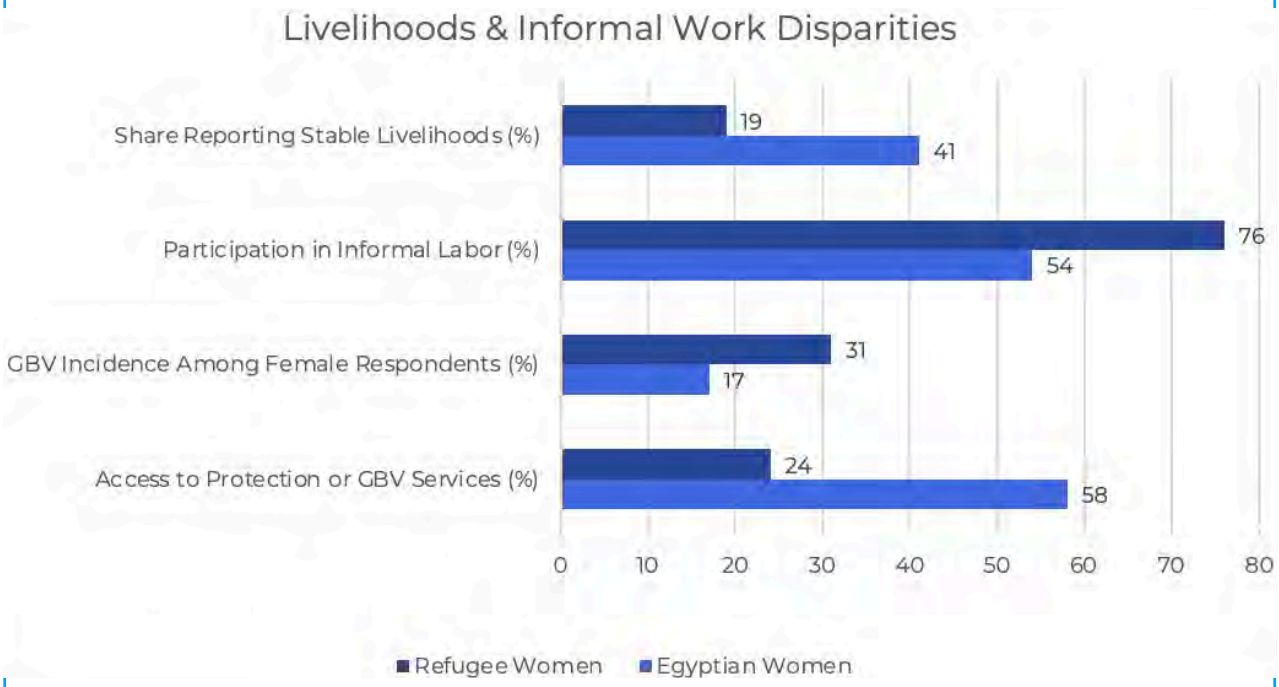
Gender and Protection Gaps

Women across migrant and displaced populations in Egypt face multiple, intersecting vulnerabilities that restrict both their economic participation and access to essential protection services. Fewer than 20 percent of refugee women report stable sources of income, while most rely on informal or irregular work in domestic labor, caregiving, tailoring, or home-based microenterprises (UNHCR 2025; ILO 2024). These activities are typically low paid, unprotected, and excluded from Egypt's labor law and social insurance systems, leaving women exposed to exploitation and income insecurity. The gendered segmentation of informal labor markets means that women's participation, while visible in community economies, rarely translates into sustainable livelihoods or economic autonomy (Savannah 2 Dataset 2025).

Gender-based violence (GBV) remains a significant and underreported challenge. UNHCR and UNICEF (2024) note that risks of domestic violence, workplace harassment, and transactional abuse are heightened among women in informal employment and urban settlements. Most women lack access to reporting mechanisms, while existing GBV referral pathways—such as those coordinated by the Ministry of Social Solidarity (MoSS) and the National Council for Women (NCW)—remain concentrated in major cities like Cairo and Alexandria. Coordination between national agencies and humanitarian partners is largely project-based rather than systemic, creating gaps in long-term survivor support, legal aid, and psychosocial assistance (UNICEF 2024; UNHCR 2025).

This lack of institutional integration has direct implications for economic empowerment programs. While MSMEDA, NCW, and MoSS have developed various initiatives supporting women entrepreneurs, these efforts rarely include displaced women or incorporate protection-sensitive approaches. The absence of gender-responsive finance mechanisms, such as microcredit programs tailored for refugee women, exacerbates exclusion from formal MSME support channels. As a result, refugee women remain trapped in cycles of informality, unable to accumulate savings, build credit, or transition to higher-value activities. This limits both household resilience and broader contributions to Egypt's economic inclusion agenda (ILO 2024; CBE 2025).

Figure 46 Livelihoods & Informal Work Disparities



Source: UNHCR (2025); ILO (2024); UNICEF (2024); CAPMAS (2024)

The data presented in the figure above illustrates the deep gendered inequities shaping the economic and social realities of women in Egypt's refugee and host communities. Refugee women report significantly lower livelihood stability (19 percent) compared to Egyptian women (41 percent), reflecting persistent exclusion from formal labor markets and enterprise support systems (UNHCR 2025; ILO 2024). The overwhelming concentration of refugee women in informal labor (76 percent versus 54 percent among Egyptians) underscores how gender norms, legal barriers, and limited access to childcare or training confine them to precarious sectors such as domestic work, small-scale trade, and home-based services (CAPMAS 2024).

Equally concerning are the disparities in protection access and exposure to gender-based violence (GBV). Refugee women are almost twice as likely to report GBV incidence (31 percent) as their Egyptian counterparts (17 percent), while only 24 percent have access to formal protection or GBV support services compared to 58 percent of Egyptian women (UNICEF 2024; UNHCR 2025). This combination of economic insecurity and limited protection access deepens dependency and vulnerability, particularly in urban and peri-urban settlements where institutional coverage is thin. The data emphasize that livelihood programs must be closely integrated with GBV prevention and response measures. Addressing these interlinked gender and protection gaps is essential for promoting sustainable inclusion and for advancing Egypt's broader national objectives under its Financial Inclusion Strategy (CBE 2022–2025).

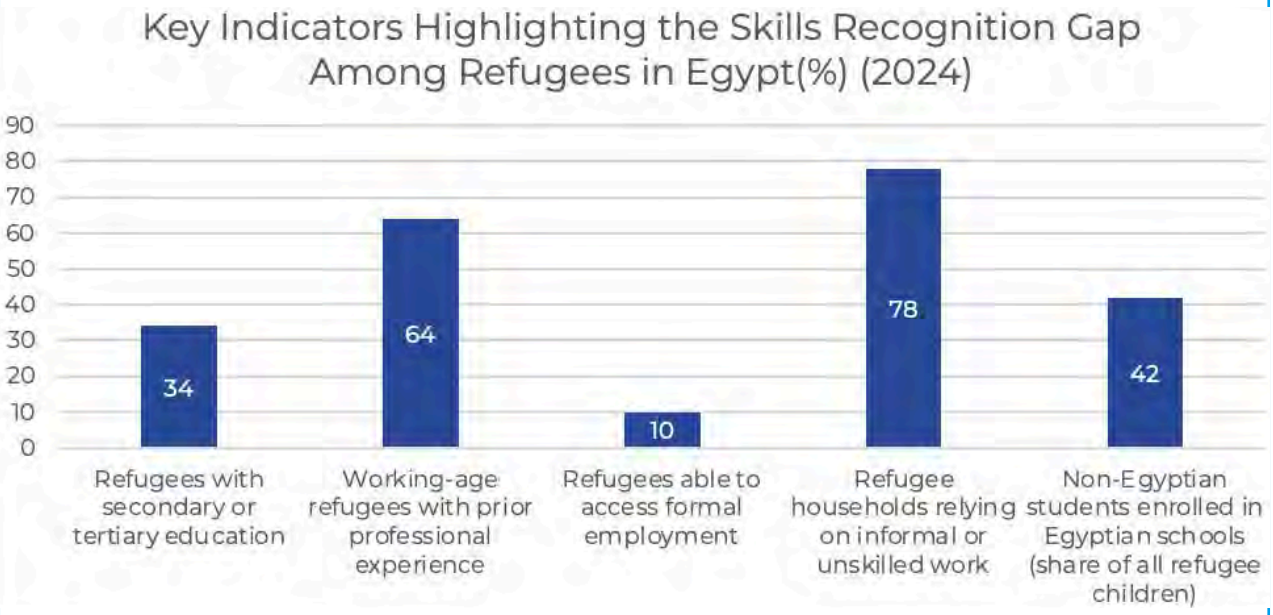
Policy Recommendations

1. Establish an inter-agency task force between NCW, MoSS, and UNHCR to institutionalize coordination on gender protection and livelihoods.
2. Expand GBV referral and psychosocial support networks to secondary governorates through mobile units and local CSO partnerships.
3. Integrate gender-based protection components into MSMEDA's entrepreneurship and microfinance programs.
4. Develop targeted financial literacy and savings programs for refugee and migrant women, linked to formal microcredit institutions.
5. Introduce protection-sensitive monitoring in donor-funded livelihood programs to ensure safe working conditions for women.
6. Strengthen data collection on gender, livelihoods, and GBV through joint NCW–UNHCR surveys to inform future national inclusion strategies.

Under-recognized Skills and Qualifications

A major constraint on refugee economic integration in Egypt is the systemic under-recognition of skills, qualifications, and professional experience. Despite widespread assumptions that refugees primarily occupy low-skill sectors, available data consistently show the opposite. Across multiple assessments, over one-third of refugees possess secondary or tertiary education, with Syrian and Sudanese refugees in particular demonstrating high rates of vocational expertise, technical training, and prior professional employment in fields such as teaching, healthcare, engineering, and skilled trades (UNHCR 2024; IPC-IG/UNICEF 2018). UNHCR's HAUS study further notes that 64 percent of working-age refugees report prior work experience in their country of origin, yet fewer than 10 percent are able to access formal employment in Egypt (UNHCR 2024). This stark mismatch reflects structural barriers rather than a lack of competence or readiness.

Figure (47). Key Indicators Highlighting the Skills Recognition Gap Among Refugees in Egypt(%) (2024).
Percentage of refugees in Egypt with secondary or tertiary education, prior professional experience, access to formal employment, reliance on informal work, and current enrolment of non-Egyptian students in Egyptian schools. These indicators illustrate the structural gap between existing human capital and the limited pathways for skills recognition and formal labour participation.



Sources: UNHCR 2024; IPC-IG/UNICEF 2018; JP-MR 2024.

The graph underscores the depth of Egypt's human-capital mismatch: while over 30 percent of refugees possess secondary or tertiary education and 64 percent report prior professional experience, fewer than 10 percent are able to access formal employment. At the same time, nearly 80 percent of refugee households rely on informal or unskilled work, demonstrating how credential barriers—not lack of skills—push qualified individuals into low-productivity sectors. The fact that half of all refugee children are enrolled in Egyptian schools also shows that this human-capital pipeline will continue to grow, widening the gap between skills available and skills formally recognized. These patterns make clear that the core constraint is structural, not individual.

The absence of streamlined recognition pathways for foreign diplomas compounds this challenge. Egypt currently lacks a comprehensive credential equivalency mechanism for refugees, and existing processes under the Ministry of Higher Education (MoHE) and the National Center for Educational Quality Assurance and Accreditation (NCEQAA) require documentation that many refugees cannot provide due to displacement, loss of records, or embassy access barriers. In practice, this means that a refugee with a valid nursing or engineering degree is often unable to legally practice in Egypt, regardless of demonstrated experience. The AIDA Country Report (2025) similarly highlights that credential non-recognition is one of the primary barriers preventing skilled refugees from transitioning out of informal work, trapping qualified professionals in low-wage occupations such as domestic work, basic services, or precarious gig labor.

This gap not only undermines refugee economic self-reliance but also represents a significant loss for Egypt's national labour market. Several priority sectors identified by ILO PROSPECTS—including manufacturing, food processing, logistics, ICT, and education—face persistent labour shortages (ILO 2023). At the same time, demographic projections show that over 60 percent of refugees in Cairo are working-age, and nearly 50 percent of refugee youth are enrolled in Egyptian schools, creating a bilingual, bicultural second-generation workforce (JP-MR 2024). Without formal recognition systems, Egypt is unable to leverage this existing and emerging human capital to fill skill gaps, increase productivity, and drive sectoral growth aligned with Vision 2030.

The economic implications are substantial. International evidence shows that failure to recognize migrant qualifications reduces productivity, depresses wages, and slows formalization, while recognition frameworks yield measurable gains in tax revenue and labour-market efficiency (World Bank 2023). For Egypt, which hosts 10.9 million migrants and 939,000+ refugees and asylum seekers (IOM 2022; UNHCR 2024), even incremental improvements in skills recognition would translate into significant economic returns. Skilled refugees also possess transnational networks and sectoral expertise—particularly among Syrians in textiles, food production, and services—that can enhance Egypt's export competitiveness and regional integration (ICC 2017).

Policy Recommendations

1. Establish a Refugee Skills Recognition Pathway through a dedicated MoHE–NCEQAA mechanism using alternative verification (competency exams, interviews, portfolios).
2. Introduce Sector-Specific Fast-Track Certification in shortage sectors (hospitality, food processing, construction, ICT) using standardized testing and supervised apprenticeships.
3. Create a National Refugee Skills and Prior Learning Registry to document qualifications and support employer matching.
4. Implement Bridging Certification Programs through partnerships between technical colleges and chambers of industry.
5. Pursue UN-facilitated Mutual Recognition Agreements enabling credential verification for Syrians, Sudanese, and Yemenis without embassy involvement.

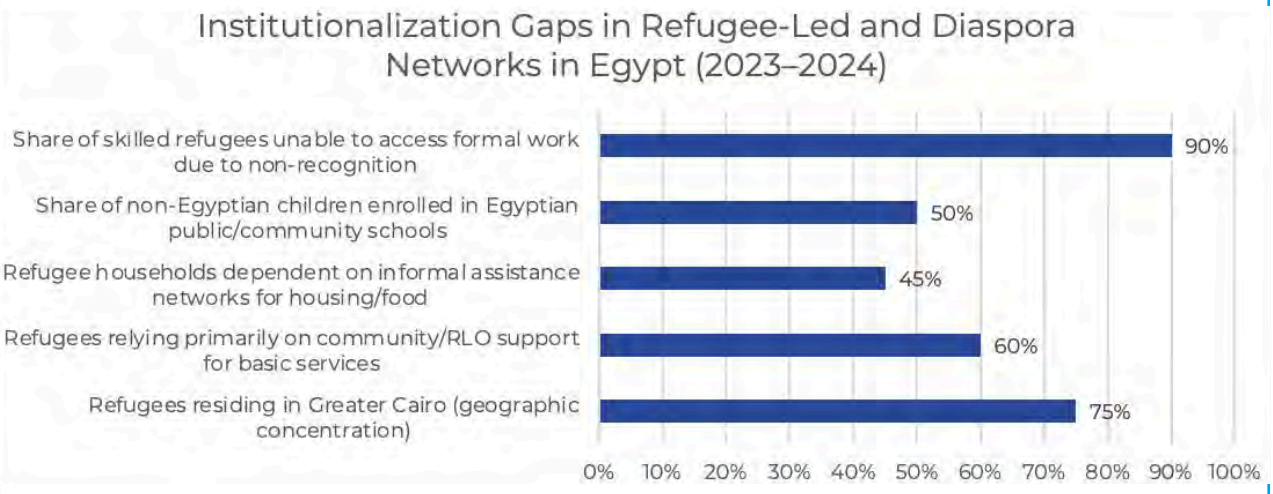
Socio-Economic Sustainability and Inclusion Gaps

Limited Institutionalization of Refugee-Led and Diaspora Network

Refugee-led associations, community groups, and regional diaspora networks play a critical—yet systematically underrecognized—role in Egypt's refugee-response ecosystem. Across Greater Cairo, UNHCR, MMC, and Refugees International reporting shows that refugee-led organizations (RLOs) provide frontline services ranging from emergency cash distribution and shelter support to education assistance, case referral, and community mediation (UNHCR 2024; MMC 2023). Sudanese, Syrian, and Yemeni community networks in particular operate as informal welfare systems, often filling service gaps created by chronic underfunding and limited coverage of formal humanitarian programming. For example, during the 2023–24 Sudan influx, Sudanese community committees were responsible for supporting tens of thousands of new arrivals with temporary housing, food distribution, and information sharing—far outpacing formal system capacity (Refugees International 2024). Despite this scale of contribution, RLOs remain largely informal, unregistered, and structurally excluded from decision-making processes, resulting in fragmented coordination and unrealized development potential.

Quantitative evidence underscores both the importance and the limitations of these networks. Approximately 75 percent of refugees reside in Greater Cairo, where informal community associations shoulder the burden of navigating overcrowded schools, overstretched health facilities, and limited access to formal employment (UNHCR 2024). Surveys of urban refugee groups indicate that over 60 percent of Sudanese and South Sudanese refugees rely on community-led networks for essential services, including protection support and emergency housing (MMC 2024).

Figure (48). Institutionalization Gaps in Refugee-Led and Diaspora Networks in Egypt (2023–2024).
This chart visualizes key quantitative indicators demonstrating the limited formal engagement of refugee-led organizations and diaspora networks in Egypt. High dependency on informal community structures, coupled with the absence of institutional recognition and pathways for formal participation, highlights the structural barriers preventing these groups from contributing fully to local development and integration programs.



Sources: UNHCR 2024; IOM 2022; MMC 2023–2024; Refugees International 2024; JP-MR 2024; AIDA 2025.

The graph highlights how deeply refugee communities depend on informal structures in the absence of institutionalized pathways for inclusion. With 75 percent of refugees concentrated in Greater Cairo and 60 percent relying on community or RLO support for basic services, informal networks have become de facto service providers rather than complementary actors. At the same time, nearly half of all refugee households depend on informal assistance for housing and food, while credential non-recognition prevents an estimated 90 percent of skilled refugees from accessing formal work—further entrenching reliance on community-led systems. These patterns demonstrate that refugee-led and diaspora networks are not peripheral but central to economic survival and social stability.This heavy dependence also underscores why many economic contributions—particularly those generated by refugee entrepreneurs—remain embedded in informal channels rather than linked to state-led development frameworks, a dynamic clearly illustrated in the case of Syrian business networks. Similarly, Syrian entrepreneurs—credited with contributing USD 800 million to the Egyptian economy since 2011—often rely on diaspora-led business associations to access financing, supply chains, and regulatory information (Ahram Online 2023). Yet these economic contributions occur almost entirely outside formal partnership mechanisms with the state or development agencies, limiting scalability and integration into formal value chains.

The absence of institutional channels for engagement with diaspora and refugee-led groups produces three major constraints. First, it weakens the feedback loop between policymakers and affected populations: RLOs consistently report that they lack structured access to municipal authorities, MSMEDA programs, labour offices, or the Ministry of Social Solidarity (MoSS). Second, it prevents the incorporation of community expertise into local planning processes, even though diaspora networks possess deep knowledge of linguistic, cultural, and sectoral dynamics—particularly in textiles, food processing, logistics, and micro-enterprise development. Third, it limits Egypt's ability to leverage transnational connections. Many Syrian, Sudanese, and Yemeni diaspora groups maintain economic and trade linkages across MENA and the Horn of Africa; however, without formal recognition, these networks cannot be mobilized for investment attraction, export promotion, or joint vocational training initiatives that would align with national development goals.

International experience shows that formalizing RLO engagement produces clear economic and governance gains. Uganda's CRRF framework mandates community representation in settlement planning, while Jordan's community-based organizations participate in municipal development councils—both models associated with improved program uptake, trust-building, and more efficient use of donor funding (World Bank 2022; ILO 2021). Egypt's lack of similar mechanisms means it risks missing opportunities to co-design inclusive local development initiatives and to tap into diaspora-led capital, labour-market expertise, and entrepreneurial ecosystems.

Policy Recommendations

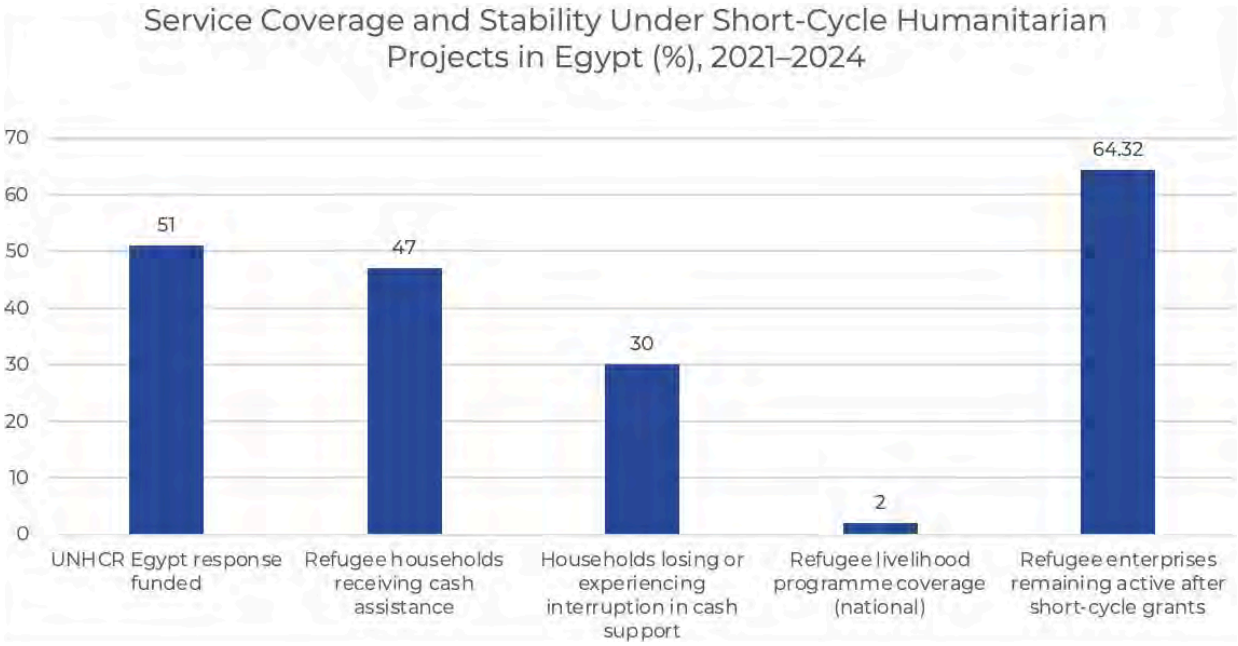
1. Establish a national RLO accreditation and registration pathway under MoSS to formally recognize refugee-led organizations and enable regulated partnership.
2. Create municipal-level Refugee and Migrant Advisory Councils in Cairo, Giza, and Alexandria to institutionalize consultation with RLOs and diaspora groups.
3. Integrate RLOs into MSMEDA and MoETE local development programs through formal partnership agreements focused on micro-enterprise support and vocational training.
4. Develop a national Diaspora Partnership Framework to leverage Syrian, Sudanese, and Yemeni business networks for investment promotion and export-market linkages.
5. Include RLO representatives in sectoral working groups with UNHCR, IOM, and line ministries to co-design protection, education, and labour-market interventions.

Declining Donor Funding and Short Project Cycles

A core socio-economic gap in Egypt's refugee response lies not only in the volume of available funding, but in the design of projects, which are predominantly short term, relief-oriented, and poorly integrated into national systems. Across Egypt's 3RP and ERRRP portfolios, most livelihood, protection, and basic-services interventions run on 6–12 month cycles, with limited provision for consolidation or scale-up (3RP 2024; ERRRP 2025). Under conditions of chronic underfunding—UNHCR Egypt received only 46–55 percent of annual requirements between 2021 and 2024 (UNHCR 2021; 2022; 2023; 2024)—implementing agencies are incentivised to prioritise immediate outputs such as one-off trainings, small grants, and short-term cash assistance. While these interventions mitigate acute vulnerability, they rarely address the structural constraints that refugees and migrants consistently identify: lack of legal work pathways, inability to formalise enterprises, non-recognition of qualifications, and exclusion from contributory social protection (AIDA 2025; ERF 2021).

Quantitative patterns demonstrate the limits of this project model. Despite nearly 939,000 registered refugees and asylum seekers and more than 1.5 million Sudanese arrivals since 2023, only a fraction access sustained livelihood support; UNHCR reporting indicates that fewer than half of registered households receive regular cash assistance, and many experience sudden suspension when project cycles end (UNHCR 2024). Livelihood programmes typically reach small cohorts—hundreds or low thousands—through time-bound training or micro-grants, without follow-on services such as market linkage, enterprise formalisation, or employer placement (3RP 2024; Plan International 2018). As a result, even where evaluations show positive short-term gains—for example, Plan International's finding that 64.32 percent of supported enterprises remain active and 69 percent report stable or rising profits—there is no systematic mechanism to convert these successes into scalable, nationally owned models (Plan International 2018).

Figure (39). Service Coverage and Stability Under Short-Cycle Humanitarian Projects in Egypt (%), 2021-2024.
This figure illustrates the limited reach and instability of short-cycle humanitarian programming in Egypt. Despite high levels of need, only around half of refugee households receive regular cash assistance, nearly one-third experience sudden interruptions when funding cycles end, and national livelihood programming reaches just 2 percent of the refugee population. These patterns underscore how short-term, relief-oriented project designs constrain long-term economic inclusion.



Sources: UNHCR (2021–2024); Refugees International (2025); 3RP (2024); Plan International (2018).

The data in this graph illustrates how short-cycle programming produces limited and uneven coverage across core areas of assistance. With only 51 percent of UNHCR's Egypt appeal funded and fewer than half of refugee households receiving regular cash support, service delivery becomes highly unstable, leaving nearly one-third of families experiencing sudden interruptions when project cycles end. Livelihood support remains the most underdeveloped area, reaching just 2 percent of refugees nationwide, while even successful micro-enterprises under short grants remain isolated cases rather than scalable models. These patterns reveal a system built around fragmented, time-bound interventions rather than sustained pathways to self-reliance—directly setting the stage for the structural problems described in the next paragraph.

Short project cycles also reinforce fragmentation and dependency. Different agencies often run parallel initiatives in the same neighbourhoods—cash support, psychosocial services, TVET, micro-grants—without shared outcome frameworks or longitudinal tracking. Refugees report cycling through multiple "first-phase" projects that provide similar basic training but do not change their formal status, access to work permits, or ability to register businesses (MMC 2023; Refugees International 2025). Because projects are designed around donor log-frames rather than Egyptian policy priorities, they frequently bypass key institutions such as MSMEDA, MoETE, MoSS, and local chambers of commerce, limiting institutional learning and budgetary planning on the government side. This undermines the emergence of nationally owned solutions and perpetuates a parallel humanitarian economy that cannot be sustained as funding fluctuates.

Moreover, the focus on short-term outputs over long-term outcomes makes it difficult to demonstrate the development returns of inclusion, which in turn weakens Egypt's case in global financing negotiations. Evidence from Jordan, Uganda, and Colombia shows that multi-year, system-strengthening compacts—rather than fragmented projects—are what attract large-scale concessional finance and policy partnerships (World Bank 2022; ILO 2021). Without a similar shift, Egypt risks remaining locked into a cycle of small, short-horizon interventions that are highly visible but only marginally transformative for refugees and low-income host communities.

Policy Recommendations

1. Reorient livelihood, education, and protection interventions from 6–12 month pilots to multi-year (3–5 year) programmes co-designed with relevant Egyptian ministries and local authorities.
2. Condition approval of new projects on the inclusion of clear transition pathways to formal work, enterprise registration, or social protection (e.g., links to MSMEDA, MoSS, MoETE).
3. Introduce a national results framework for refugee and migrant programmes, with outcome-based financing and scale-up triggers for models that demonstrate durable income and employment gains.
4. Require all major projects to allocate dedicated budget lines for capacity-building of Egyptian public institutions and refugee-led organizations, rather than delivering services exclusively through international implementers.
5. Establish a central registry of refugee and migrant projects under a government–UN joint platform to reduce duplication, enforce minimum programme duration, and align interventions with Vision 2030 priorities.

Data Gaps and Weak Evidence for Policymaking

A structural constraint on Egypt's ability to design effective integration policy is the weakness and fragmentation of data on refugee and migrant livelihoods. Official statistics remain largely citizen-centred: CAPMAS labour-force and household-income surveys do not systematically capture non-Egyptians, and administrative databases at the Ministry of Labour, MSMEDA, MoETE, and MoSS rarely include nationality-disaggregated fields (CAPMAS 2024). As a result, the 10.9 million migrants residing in Egypt—including more than 939,000 registered refugees and asylum seekers—are effectively invisible within core national indicators used for employment, poverty, and social-protection planning (IOM 2022; UNHCR 2024).

Table. Extent of Refugee Exclusion from National Data Systems.
This table illustrates the extent to which refugees and migrants are excluded from Egypt's core national data systems, with inclusion rates ranging from 0 to 10 percent across labour-force, income, enterprise, and gender-disaggregated indicators. The absence of nationality-disaggregated data leaves more than 939,000 refugees and over 10.9 million migrants invisible in planning processes, undermining evidence-based policy design and long-term integration strategies.

National Data System	Refugee Inclusion (%)	Refugee Population Affected
CAPMAS Labour-Force Statistics	0%	939,000 refugees & asylum seekers
CAPMAS Income & Expenditure Household Surveys	0%	939,000 refugees & asylum seekers
Ministry of Labour (MoL) Work-Permit Databases	5%	650,000 working-age refugees
MSMEDA Enterprise & MSME Registration Systems	2%	120,000 enterprise-capable adults
Gender-Disaggregated Socio-Economic Indicators	10%	470,000 refugee women

Sources: UNHCR Egypt (2024); IOM (2022); AIDA Country Report Egypt (2025); MSMEDA Sustainability Policy (2024); JP-MR (2024).

The table reveals not only low data inclusion but also the scale of populations affected by these statistical blind spots. It shows that entire segments of the refugee population—ranging from 120,000 enterprise-capable adults to nearly 470,000 women—fall outside national monitoring tools, making their economic activity and well-being effectively unmeasured. This absence of population-level visibility means that ministries cannot track labour-market performance, productivity trends, or gender disparities among refugees, nor can they design evidence-based interventions. These gaps help explain why policy responses often remain conservative or fragmented, as decision-makers lack the comprehensive datasets required to assess the potential returns of formal inclusion.

Where refugee data exist, they are typically generated through ad hoc, donor-funded studies with limited comparability over time. Socio-economic profiling by UNHCR and partners covers only selected urban governorates and sample sizes, while IIED, ERF, and MMC surveys focus on specific nationalities, age groups, or neighbourhoods (UNHCR 2024; IIED 2022; ERF 2021). These exercises produce valuable insights —such as findings that less than 10 percent of working-age refugees access formal employment and that over 60 percent rely on informal or precarious work—but they are not integrated into a coherent national statistical system (UNHCR 2024; IPC-IG/UNICEF 2018). Gaps are particularly acute for gendered outcomes (e.g., refugee women's care burdens, wage gaps, and exposure to GBV in the workplace) and for sector-specific indicators in manufacturing, logistics, ICT, and green industries, all of which are central to Vision 2030 priorities.

Weak data infrastructure also undermines impact evaluation. Donor reporting on livelihoods, education, and social-protection projects often emphasises activity counts (numbers trained, grants awarded) rather than longitudinal outcomes such as income change, enterprise survival, or school-to-work transitions. With UNHCR's Egypt response funded at roughly 46–55 percent of requirements between 2021 and 2024, the absence of rigorous evidence on what works makes it harder to argue for multi-year, development-oriented financing (UNHCR 2021; 2022; 2023; 2024). At the national level, ministries lack consolidated dashboards showing where refugees live, which services they access, and how outcomes differ across Egyptian and non-Egyptian populations. This weak evidence base contributes to conservative policy choices—such as maintaining restrictive work-permit regimes or limiting access to MSME support—because decision-makers cannot clearly assess the fiscal and economic returns of inclusion.

Without systematic, nationally owned data on refugee and migrant socio-economic outcomes, Egypt risks underestimating both the costs of exclusion and the benefits of integration. Strengthening evidence systems is therefore a precondition for designing targeted policies, negotiating equitable burden-sharing with donors, and aligning integration measures with Vision 2030 and sectoral strategies.

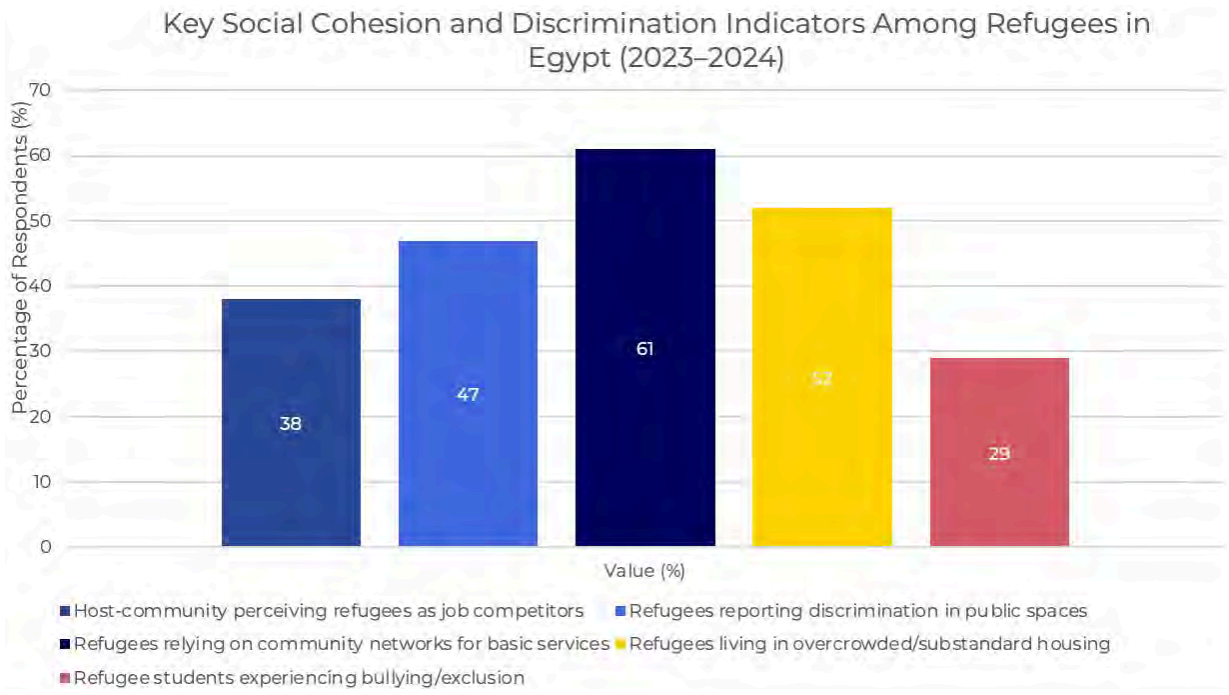
Policy Recommendations

1. Integrate nationality and migration-status variables into all core CAPMAS surveys and administrative databases (labour force, income, enterprise, education, and social protection).
2. Establish a national Refugee and Migrant Socio-Economic Observatory, jointly managed by CAPMAS, MoL, MoSS, UNHCR, and IOM, to harmonise datasets and publish regular analytical bulletins.
3. Require that all donor-funded refugee programmes use standard indicators and share anonymised micro-data with relevant ministries to enable longitudinal outcome tracking.
4. Commission a biennial, nationally representative refugee and migrant labour-force survey, aligned methodologically with CAPMAS instruments to allow direct comparison with Egyptian workers.
5. Develop an integrated data dashboard for policymakers that maps refugee concentration, service access, and programme coverage at governorate level to guide budget allocation and local planning.

Social Cohesion and Discrimination Challenges

A growing barrier to sustainable integration in Egypt is the erosion of social cohesion in neighbourhoods where refugees and low-income Egyptians compete for scarce jobs, housing, and services. African refugees—especially Sudanese and South Sudanese—face persistent racialised stigma and everyday discrimination in public spaces, schools, and workplaces, as documented in multiple survey- and interview-based studies (ABVII 2023; Refugees International 2024). Media and social narratives frequently portray refugees through a security or burden lens, reinforcing perceptions that they are responsible for rising crime, rent increases, or pressure on subsidised services (MMC 2024; Tahrir Institute 2024). These dynamics limit refugees' ability to participate fully in local economies and deepen social distance between host and displaced communities.

Figure (50). Key Social Cohesion and Discrimination Indicators Among Refugees in Egypt (2023–2024). This graph illustrates the main socio-economic and discrimination-related pressures shaping refugee–host community relations in Egypt between 2023 and 2024, highlighting high reliance on informal networks, widespread housing precarity, and persistent social stigma that disproportionately affects African refugee communities.



Sources: UNHCR (2024); MMC (2023, 2024); Refugees International (2025); CAPMAS Housing Bulletin (2024); JP-MR (2024).

The data illustrate how everyday discrimination, service dependence, and precarious living conditions combine to erode social cohesion in refugee-hosting neighbourhoods. With nearly half of refugees reporting discrimination in public spaces and more than 50 percent living in overcrowded or substandard housing, tensions around visibility, competition, and belonging become embedded in daily interactions. These pressures are intensified by the high reliance on informal community networks for basic services—over 60 percent—reinforcing parallel systems rather than shared local infrastructures. These social dynamics become even more pronounced when viewed alongside the spatial realities of refugee settlement patterns, where concentration in already strained urban districts magnifies pressure on schools, housing, and essential services.

Spatial patterns intensify these tensions. UNHCR and IOM estimate that more than 75 percent of refugees and asylum seekers are concentrated in Greater Cairo, with Sudanese arrivals since 2023 disproportionately settling in already vulnerable low-income districts (UNHCR 2024; IOM 2022). In these areas, CAPMAS and Ministry of Education data show classroom densities exceeding 55–60 students per class, while UNHCR and JP-MR reporting document overcrowded community schools and inadequate language support (CAPMAS 2024; JP-MR 2024). Housing markets exhibit similar stress: rental prices in several poor districts of Cairo increased by 20–35 percent between 2022 and 2024, driven by inflation, higher demand, and speculative practices in informal rentals (UNHCR 2024; CAPMAS Housing Bulletin 2024). Refugee families—particularly newly arrived Sudanese—often accept substandard or subdivided housing at elevated prices due to documentation barriers and discrimination, inadvertently reinforcing perceptions among Egyptians that refugees are “driving up” costs.

In the labour market, discrimination and legal ambiguity combine to channel African refugees into the most precarious segments of the informal economy. ERF and IIED studies show that a majority of Sudanese and South Sudanese refugees work in low-paid service, construction, domestic work, and street-based commerce, with informal real wages declining by 18–22 percent between 2022 and 2023 (ERF 2021; MMC 2023). At the same time, less than 10 percent of working-age refugees access formal employment, in part due to restrictive work-permit regimes, employer reluctance, and racialised stereotypes about African migrants (UNHCR 2024; AIDA 2025). This combination of legal exclusion and social stigma fosters parallel economies in which refugees operate in separate, largely unregulated labour and housing markets, heightening visibility but not rights. As competition for scarce informal jobs increases, host communities sometimes attribute their own economic hardship to refugee presence rather than to structural underinvestment and macroeconomic crises.

Community-level engagement remains limited relative to the scale of these challenges. While some NGOs and refugee-led organisations run social-cohesion or awareness activities, they tend to be small in scope, short in duration, and concentrated in a few neighbourhoods (Refugees International 2025; UNHCR 2024). There is no systematic framework for local dialogue platforms, joint host–refugee committees, or inclusive urban-planning processes in districts with high refugee density. Nor are municipal officials, school administrators, and frontline service providers consistently trained on anti-discrimination standards, conflict-sensitive communication, or inclusive service delivery. This creates a feedback loop: incidents of racism and harassment go unaddressed; trust deteriorates; and local grievances become vulnerable to politicisation, especially during periods of economic stress.

If left unaddressed, social-cohesion and discrimination challenges risk undermining the very integration, labour-market, and MSME policies that Egypt is beginning to construct. Building inclusive narratives, strengthening local-level engagement, and tackling discrimination against African refugees—particularly Sudanese and South Sudanese communities—are therefore essential not only from a rights perspective but also for sustaining Egypt's broader economic and human-capital strategies.

Policy Recommendations

1. Establish municipal-level host–refugee social cohesion committees in high-density districts to jointly address housing, service, and safety concerns.
2. Integrate anti-discrimination and diversity training for teachers, health workers, and local officials in areas with significant Sudanese and South Sudanese refugee populations.
3. Fund multi-year, community-based social cohesion programmes co-implemented with refugee-led organisations, rather than one-off awareness events.
4. Develop a national communication strategy that highlights refugee economic contributions and addresses racialised narratives, in partnership with media regulators and civil society.
5. Pilot joint livelihood and public-space projects (markets, youth centres, women's cooperatives) that deliberately mix host and refugee participants to reduce parallel economies and foster everyday interaction.

Conclusion

Egypt's refugee inclusion framework shows significant policy ambition but persistent operational gaps that limit its effectiveness. Most challenges stem not from the absence of laws, but from weak implementation, fragmented mandates, and short-term humanitarian programming that fails to transition into nationally owned solutions. Across documentation, labour mobility, enterprise formalization, and financial inclusion, refugees continue to face procedural barriers that push them into informal and low-productivity activities, despite substantial levels of education and vocational expertise.

Socio-economic gaps further amplify these constraints. Short project cycles prioritize temporary relief, while overcrowded urban systems, rising housing costs, and limited school capacity intensify tensions in high-density refugee districts. Meanwhile, discriminatory attitudes—particularly affecting Sudanese and South Sudanese refugees—intersect with structural economic pressures to undermine social cohesion. Crucially, the lack of nationality-disaggregated data in national statistical and administrative systems prevents evidence-based policymaking, limits impact evaluation, and weakens Egypt's position in negotiating long-term development financing.

Overall, the gap analysis shows that Egypt has significant untapped potential to harness refugee human capital, regional economic linkages, and diaspora networks for national development. Realizing this potential will require strengthening institutional coordination, expanding formal pathways, integrating refugee data into national systems, and shifting from fragmented humanitarian activities to coherent, multi-year development-oriented strategies.

Summary Table of Gaps

Gap Area	Core Challenge	Implication	Recommended Direction
1. Documentation & Legal Pathways	Complex, inconsistent residency rules; long processing delays	Low formalization; reliance on informal coping	Streamline procedures; decentralize services; issue clear guidelines
2. Work-Permit Barriers	Limited eligible sectors; employer sponsorship required	<10% of refugees access formal work	Expand sectors; employer incentives; simplified permitting
3. Enterprise & MSME Barriers	Limited access to MSMEDA services; informal microbusinesses dominate	Lost tax revenue; low business scalability	Enable refugee access to Law 152/2020 MSME support
4. Financial Inclusion Limits	Low access to banking & digital finance; documentation barriers	Dependence on informal lenders & remittances	Expand fintech KYC; promote mobile wallets
5. Gender & Protection Gaps	High care burdens; GBV risks; low workforce participation	Women excluded from livelihoods; protection vulnerabilities	Integrate GBV safeguards, childcare, women-focused TVET
6. Youth & Education Transition Gaps	Uneven enrolment; weak school-to-work pathways	Wasted second-generation economic potential	Bridging programs; vocational pipelines; digital learning
7. Skills & Qualification Recognition	No diploma equivalency or prior-learning assessment	Skilled refugees stuck in low-wage informal work	Develop MoHE-NCEQAA recognition and RPL mechanisms
8. Refugee-Led & Diaspora Networks Underutilized	RLOs informal and excluded from planning	Fragmented services; untapped trade/investment links	Create formal engagement platforms and co-design channels
9. Short Project Cycles & Fragmentation	6–12 month humanitarian projects dominate	Limited impact; dependence; no scale-up	Shift to multi-year, system-strengthening compacts

10. Data Gaps & Weak Evidence Base	CAPMAS, MoL, MSMEDA exclude non-citizens	Policymaking blind spots; weak funding leverage	Integrate nationality-disaggregated data into systems
11. Social Cohesion & Discrimination Challenges	Stigma toward African refugees; parallel labour & housing markets	Tension in host districts; reduced inclusion	Anti-discrimination programs; community platforms; inclusive services

06

Section 06

Comparative Insights (Egypt, Jordan, Morocco and Uganda)

This benchmarking section examines how Jordan, Morocco, and Uganda structure their legal, institutional, and economic systems for refugee inclusion. The selection directly aligns with the diagnostic gaps identified earlier: Egypt's institutional fragmentation, dormant asylum system, restrictive work-permit pathways, limited entrepreneurship access, and uneven service delivery. Each benchmark country faces similar constraints—large displaced populations, fiscal pressure, informality, and donor reliance—yet each adopts distinct governance approaches that offer relevant lessons for Egypt as it moves to operationalize its 2024 Asylum Law and reform economic inclusion pathways.

The selection of Jordan, Morocco, and Uganda is directly informed by the weaknesses identified in Egypt's legal text analysis, SWOT, and gap assessment. Each country represents a distinct governance model that mirrors one of Egypt's core structural constraints. Jordan was selected because it illustrates how a middle-income, institutionally constrained state can formalize refugee labor access through administrative design rather than statutory asylum law—a direct parallel to Egypt's dormant Law 164 framework and fragmented work-permit regime. Morocco was chosen for its regulatory and institutional coherence, especially in business registration, financial governance, and documentation workflows, which speak directly to Egypt's MSME licensing barriers, KYC restrictions, and inconsistent administrative practice across ministries. Uganda provides the contrasting rights-based model Egypt currently lacks; its legal clarity, simplified documentation, and integrated public-service systems directly address the discretionary security approvals, weak inter-ministerial coordination, and service-access inconsistencies documented in Egypt's GAP and SWOT analyses. Together, these three cases provide a structured comparative lens that reflects Egypt's challenges and offers actionable governance models relevant to its institutional context.

Taken together, these benchmarks form a spectrum of feasible, scalable models. Jordan illustrates coordinated labor pathways, Morocco demonstrates administrative clarity, and Uganda highlights the benefits of full inclusion. This chapter bridges diagnosis and policy, grounding the recommendations in comparative evidence suited to Egypt's current reform trajectory.

Benchmarking Dimensions and Indicators

The benchmarking analysis compares Jordan, Morocco, and Uganda across five core dimensions aligned with Egypt's structural gaps identified in earlier sections. Each dimension is assessed through ten measurable indicators that capture both legal frameworks and real-world outcomes.



1. Legal and Institutional Architecture

- Indicators: legal basis for refugee protection; centralization of institutional coordination.
- Assesses whether countries rely on statutory asylum laws or administrative arrangements and whether ministerial roles are coherent or fragmented.



2. Labor-Market Access and Work-Permit Systems

- Indicators: work-permit accessibility; number of sectors open to refugees; refugee informality rate.
- Examines ease of entering formal employment, sectoral restrictions, and the extent to which administrative barriers push refugees into informality.



3. Entrepreneurship, MSME Integration, and Financial Inclusion

- Indicators: acceptance of refugee identification for KYC; percentage of households using mobile money or digital finance; share of refugee-owned microbusinesses. Evaluates whether displaced populations can start businesses, formalize enterprises, and access financial systems.



4. Service Access and Documentation Systems

- Indicators: access to education; access to health services; rate of refugees with recognized documentation.
  Measures whether legal status and documentation translate into practical access to essential services.



5. Implementation, Coordination, and Administrative Efficiency

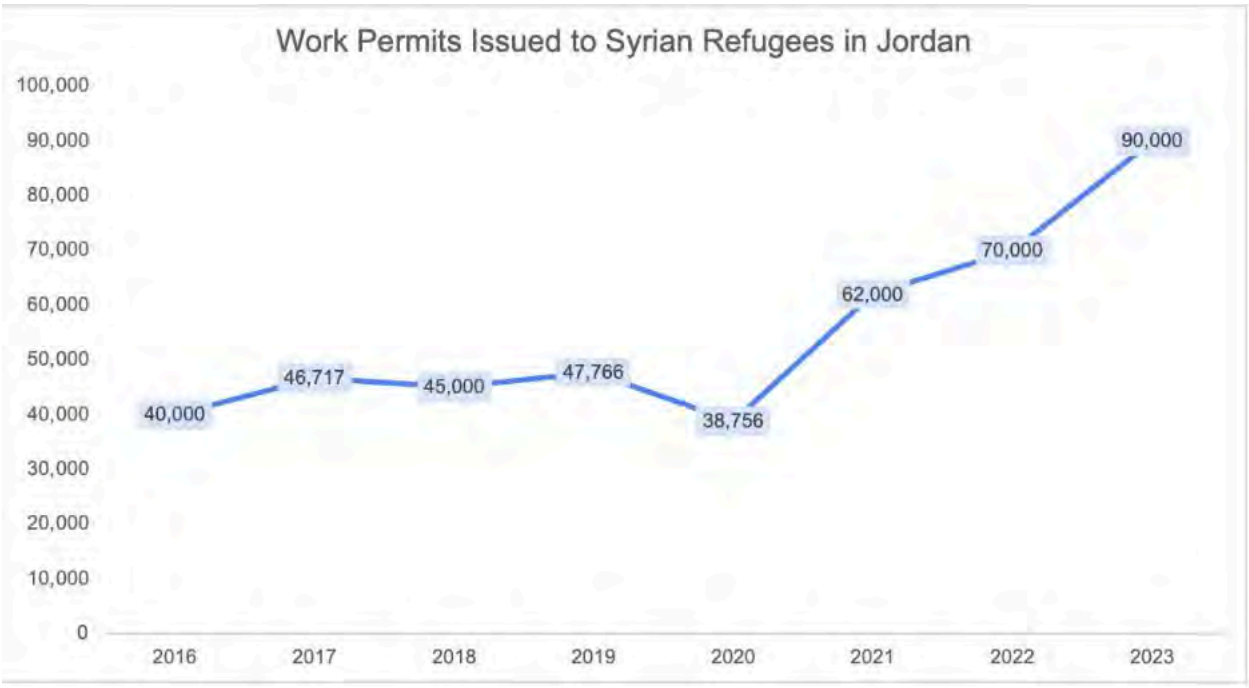
- Reflected across all indicators, capturing how effectively policies are implemented, how consistently they are enforced, and how well institutions coordinate.



CASE STUDY 1 — Jordan: The Structured, Coordinated Model

Jordan's performance across the selected indicators reflects a system that, although lacking a domestic asylum law, has achieved a relatively high level of functional governance through a combination of administrative arrangements, coordinated institutions, and targeted labor market interventions. Its legal basis for refugee protection remains partial, since registration is carried out through the 1998 Memorandum of Understanding with UNHCR rather than a statutory asylum framework. However, Jordan compensates for this through comparatively strong work permit accessibility, particularly for Syrians, who benefit from structured pathways in agriculture, construction, manufacturing, and selected service sectors under the Jordan Compact (ILO 2017; Lenner and Turner 2019). These sectoral openings, supplemented by mobile permit centers and streamlined employer procedures, make Jordan one of the most accessible labor markets in the region for refugees despite the absence of a formal asylum law.

Figure 51: Workers Permits `issued to Syrian Refugees in Jordan



Source: Data triangulated from (International Labour Organization 2017; International Labour Organization and UNHCR 2021 ; Norwegian Refugee Council 2025 ; World Bank 2024b ; Tamkeen Legal Aid 2024; World Food Program USA n.d.; World Bank 2024b; World Bank 2024a)

The trajectory of work permits issued to Syrians further illustrates Jordan's gradual but sustained progress in expanding formal labor access under the Jordan Compact. Permit issuance rose from approximately 40,000 in 2016 to nearly 47,000 in 2017, stabilizing around 45,000–48,000 through 2019 before dipping during the pandemic to 38,756 in 2020. This temporary decline was reversed rapidly as economic activity resumed, with permits climbing to 62,000 in 2021, 70,000 in 2022, and reaching roughly 90,000 by 2023. This upward trend reflects both administrative reforms and the shift toward more flexible, sector-specific pathways introduced through the Compact framework, including relaxed employer sponsorship models and expanded access to agriculture, construction, and selected service sectors (ILO 2017; Lenner and Turner 2019). Importantly, the steady increase after 2020 highlights the resilience of Jordan's permit system and the extent to which Syrian workers continue to rely on structured formal pathways rather than remaining entirely within informal markets. The data therefore supports the indicator scoring: Jordan does not offer universal work rights, but its structured, scalable permit system represents one of the region's most advanced administrative mechanisms for refugee labor formalization.

Institutional coordination in Jordan is also markedly high. The Ministry of Interior governs documentation through the MOI card system, while the Ministry of Labor leads on work permit administration. Donor integration through the Compact has created predictable monitoring systems and aligned government priorities with international financing commitments, resulting in medium to high centralization of administrative authority (ILO 2017, 5–12). This centralization enhances regulatory clarity and reduces local-level inconsistencies that often undermine refugee governance elsewhere.

On labor access and entrepreneurship indicators, Jordan exhibits a mixed profile. Refugee informality rates remain high because many sectors remain closed or economically constrained. Nonetheless, the country supports a meaningful share of refugee-owned microbusinesses, particularly home-based enterprises among Syrian women and cooperatives operating in agriculture and small-scale production, as documented in recent entrepreneurship studies (Shadows to Light 2020, 18–20). This reflects both economic necessity and the partial opportunities created through targeted livelihood programs.

Moving to financial and social access, Jordan exhibits a mixed and moderate profile. In terms of financial inclusion, refugee identification is partially accepted for KYC procedures: microfinance institutions regularly accept UNHCR or MOI cards, while commercial banks apply stricter verification standards, limiting the expansion of formal financial access (giz 2022; UNHCR FI/FH 2024). Digital finance adoption is growing, supported by mobile-wallet systems that allow refugees to receive wages and assistance electronically, but uptake remains below Uganda's levels. Service access indicators show a similarly mixed pattern. Education access is open for Syrian children, often facilitated through double-shift public schools, while health access has transitioned from free to subsidized care with cost-sharing requirements, which can deter utilization among low-income households (Dator, Abunab, and Dao-ayen 2018, 681). These systems remain heavily donor-supported and vulnerable to fiscal pressures.

Documentation rates, however, remain comparatively high due to widespread issuance of MOI cards and UNHCR documentation, which serve as gateways to work permits, schooling, and humanitarian services. Still, the absence of residency status for Syrians limits long-term stability and reinforces dependence on administrative discretion (Turner 2023, 878–879).

Table: Jordan's Performance Across Indicators

Indicator	Jordan Value	Justification
Legal Basis for Refugee Protection	Partial (MoU 1998; no asylum law)	Jordan is not a signatory to the 1951 Convention and relies on a 1998 Memorandum of Understanding with UNHCR for its protection framework (Turner 2023, 878–879).
Work Permit Accessibility	Partial; Over 450,000 total permits issued since the Jordan Compact began.	Work permits are restricted to specific sectors (e.g., agriculture, construction) but total issuance has grown substantially since 2016 (ILO 2024; UNHCR 2024).
Centralization of Institutional Coordination	Medium to High (MoI + MoL + Compact)	High coordination is mandated through the **Jordan Compact**, linking the Ministry of Interior, Ministry of Labor, and the international donor/UN system for policy implementation (Lenner and Turner 2019, 84–86).

Refugee Informality Rate	High; majority remain informal outside permitted sectors.	Despite the work permit program, the majority of employed refugees operate in the informal economy due to sectoral restrictions and bureaucratic hurdles (UNHCR 2024).
Share of Refugee-Owned Microbusinesses	Approximately one third of Syrian urban households operate microenterprises.	Micro-enterprise and self-employment are crucial livelihood strategies for refugees, often operating informally (Shadows to Light 2020, 18–20).
Acceptance of Refugee Identification for KYC	Partial; Microfinance Institutions (MFIs) accept UNHCR/MOI cards, but commercial banks are more restrictive.	Financial inclusion is enabled through mobile wallets and MFIs that accept Ministry of Interior (MOI) cards, though access to full commercial banking remains difficult due to strict KYC rules (giz 2022).
Percentage of Refugee Households Using Mobile Money	25–35 percent	This range reflects the use of formal financial inclusion mechanisms, including mobile wallets, which are often used for receiving humanitarian cash assistance (UNHCR FI/FH 2024, 36–41).
Access Level to Public Education	Medium; Enrollment for Syrian children is approximately 79 percent.	Syrian children are integrated into public schools, often through double-shift systems, but enrollment rates face challenges related to capacity and age restrictions (UNHCR 2024).
Access Level to Public Health Services	Medium; Partial cost-sharing required (subsidized non-insured Jordanian rate).	Refugees have access to subsidized public healthcare, but they must pay the **"non-insured Jordanian rate,"** which involves partial cost-sharing (WHO EMRO review).
Rate of Refugees with Recognized Documentation	High; MOI/UNHCR documentation coverage is above 90 percent.	Nearly all registered refugees possess the necessary documentation (UNHCR asylum-seeker certificate or MOI service card) required for accessing services and legal work pathways (UNHCR 2024).

Source: Turner 2023; UNHCR 2024; WHO EMRO review; giz 2022; Shadows to Light 2020; Lenner and Turner 2019; ILO, 2024; UNHCR FI/FH 2024).

The analysis of Jordan's structured, if administratively complex, model provides a necessary contrast for examining the fragmented approach of Egypt. While Jordan leveraged international compacts to achieve high coordination and targeted labor access, Egypt faces endemic challenges rooted in its reliance on security-based administrative practices and the absence of a unified statutory asylum framework. For Egypt, the lessons from Jordan are clear. Jordan demonstrates that significant improvements in refugee economic participation do not require immediate passage of an asylum law, but do require coherent administrative systems, recognized documentation, and flexible labor pathways. Egypt's fragmented coordination, restrictive documentation practices, and absence of structured work-permit systems limit its ability to replicate Jordan's outcomes. To move toward similar effectiveness, Egypt would need to strengthen inter-ministerial coordination, recognize refugee identification within labor and financial systems, and create flexible, low-cost work authorization models that reduce informality and unlock the economic potential of displaced populations.

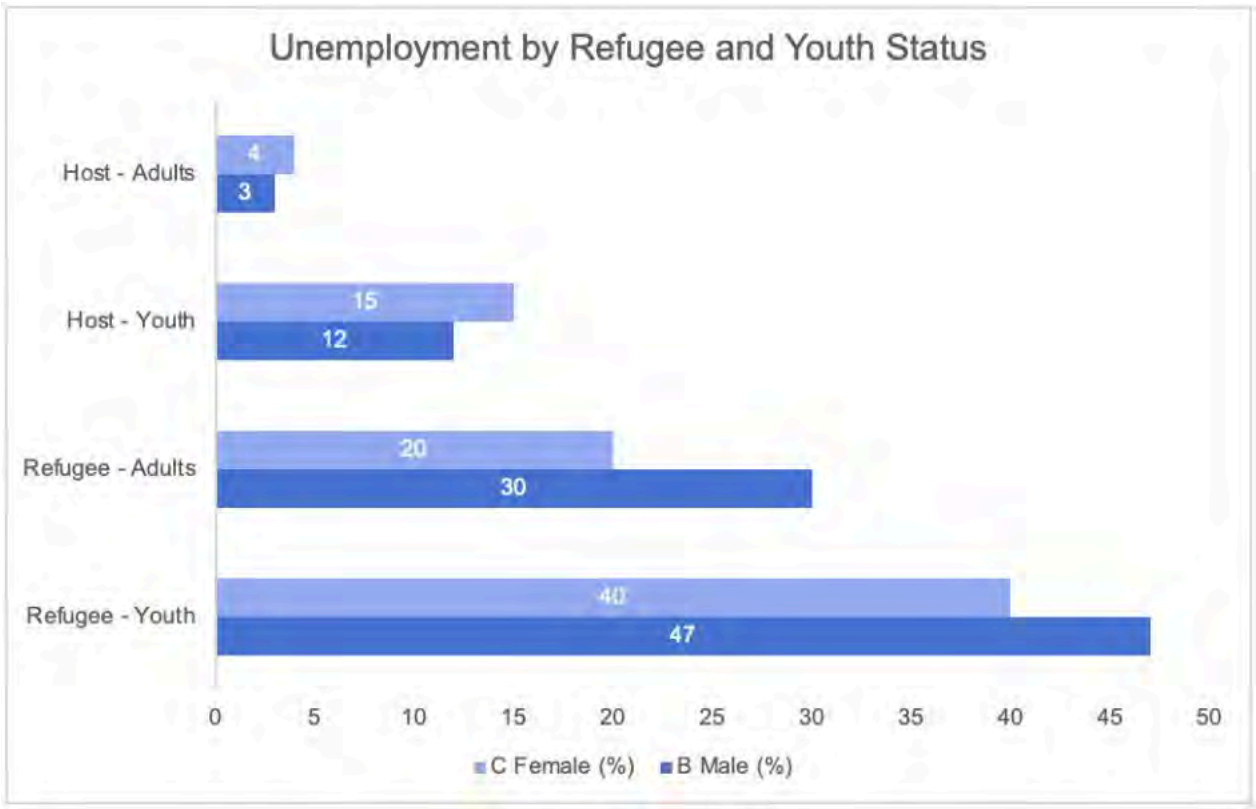


CASE STUDY 2 — Uganda: The Rights-Based Self-Reliance Model

Uganda is widely recognized as Africa's leading model for rights-based refugee inclusion, offering one of the most comprehensive legal and institutional frameworks on the continent. Its approach is grounded in the Refugee Act 2006 and the Refugee Regulations 2010, which grant refugees the legal right to work, move freely, access land allocations, open businesses, and enroll in national schools and hospitals (CRRF Case Study 2018, 6–8). Unlike countries dependent on administrative arrangements, Uganda embeds refugee rights directly into domestic legislation and aligns these guarantees with national development planning, most notably through the Settlement Transformative Agenda and the Comprehensive Refugee Response Framework. This integration ensures that refugee protection is treated as a national responsibility shared across ministries rather than delegated solely to humanitarian actors. For Egypt, Uganda demonstrates how codifying rights into national law and embedding them in development frameworks can increase predictability, reduce administrative discretion, and enhance long-term national planning around displacement.

Labor market access in Uganda is similarly expansive. Refugees face no sectoral restrictions and may work across agriculture, manufacturing, trade, services, or self-employment without requiring special work authorization (State of Refugees in Uganda 2021, 14–16). Because refugees are not bound by encampment policies, they can relocate to economic hubs to pursue opportunities, a factor that has contributed to more diversified income strategies compared to most neighboring states (Davis 2019, 33–34). This stands in sharp contrast to Egypt's restrictive work-permit framework, where sectoral limitations, security approvals, and administrative delays restrict refugees to informal and low-income occupations. Uganda's experience highlights the economic benefits of reducing work-permit barriers and allowing displaced populations to participate in labor markets in ways that align with national economic priorities.

Figure 52: Unemployment by Refugee and Youth Status



Source: (UNHCR, 2021).

While Uganda's open-access policy significantly boosts self-reliance, labor market outcomes still reveal profound disparities when compared to the host population. As shown in Figure 4, the absence of legal barriers does not eliminate employment challenges, particularly for certain demographic groups. Unemployment rates are dramatically higher for refugees across the board: Refugee Adults experience rates nearly eight times those of Host Adults (30% male vs. 3% male), and the challenge is most acute among Refugee Youth, where male unemployment soars to 47%. These figures underscore that even within a rights-based model, refugee populations, especially youth, face structural challenges, such as qualification recognition, limited capital, and urban competition, that maintain a significant gap in economic integration outcomes compared to the host community .

Entrepreneurship and business integration represent another notable strength of Uganda's model. Refugees may legally register businesses, join cooperatives, engage in petty trade, and access regulated microfinance through institutions that accept refugee identification for KYC procedures (FI4R Baseline 2020, 12–18). Available surveys show that approximately 52 percent of refugee households operate microenterprises, often in retail, tailoring, food processing, or agricultural value chains (BFA Global 2020, 5). This high rate of enterprise activity indicates a strong level of self-reliance supported by a permissive regulatory environment. For Egypt, where refugees operate almost exclusively in the informal sector, Uganda's model demonstrates how legal permission to register businesses and access financial products can transform refugee livelihoods from survival-based to market-integrated.

Public service access in Uganda further reinforces this rights-based approach. Refugees attend the same schools and health centers as Ugandan nationals, and service provision is guided by integrated national systems rather than parallel humanitarian structures (Uganda National Action Plan 2019, 22–25). Health coverage includes primary and secondary care, while education enrollment for refugee children exceeds regional averages due to the adoption of universal access principles and joint government-UNHCR planning (CRRF Case Study 2018, 21–24). This stands in contrast with the fragmented and governorate-dependent access experienced in Egypt, where health and education systems rely heavily on MoU arrangements, ad hoc approvals, and inconsistent documentation requirements. Uganda's unified service framework therefore offers a practical example of how standardizing access protocols and integrating services under national ministries can reduce disparities and improve outcomes.

Table: Uganda's Performance Across Indicators

Indicator	Uganda Value	Justification
Legal Basis for Refugee Protection	Full (Refugee Act 2006; Refugee Regulations 2010)	Uganda has one of the most comprehensive refugee laws in Africa. The Refugee Act 2006 and Refugee Regulations 2010 grant refugees the right to work, move freely, access land, and integrate into national systems (CRRF Case Study 2018, 6–8).
Work Permit Accessibility	Full; no work permits required for refugees	Refugees have unrestricted access to the labor market and do not require a work permit or employer sponsorship to work in any sector (State of Refugees in Uganda 2021, 14–16).
Centralization of Institutional Coordination	High (Office of the Prime Minister + CRRF Steering)	Refugee governance is centralized under the Office of the Prime Minister, which coordinates ministries, districts, and international partners under the CRRF framework (Uganda National Action Plan 2019, 4–7).
Refugee Informality Rate	Medium; high self-employment but not driven by legal barriers	Informality is high due to settlement economies and rural livelihoods, but is not caused by legal restrictions. Refugees can legally formalize work if they relocate to urban areas (Davis 2019, 33–34).
Share of Refugee-Owned Microbusinesses	Approximately 52 percent of refugee households operate microenterprises	Surveys show that more than half of refugee households engage in small businesses, especially retail, tailoring, and food production, reflecting high entrepreneurial activity (BFA Global FI4R Baseline 2020, 5).
Acceptance of Refugee Identification for KYC	High; refugee IDs widely accepted	Refugee IDs and attestation documents issued by the Office of the Prime Minister are accepted for opening mobile money accounts and accessing microfinance services (FI4R Baseline 2020, 12–18).
Percentage of Refugee Households Using Mobile Money	Approximately 30 percent	Mobile money usage increased from 7 percent pre-displacement to around 30 percent after settlement, indicating strong digital financial adoption (BFA Global 2020, 5).

Access Level to Public Education	High; universal access through national schools	Refugees can enroll in public schools without restrictions, with education services fully integrated into national systems (CRRF Case Study 2018, 21–24).
Access Level to Public Health Services	High; equal access to primary and secondary public health facilities	Refugees access the same health facilities as nationals, with service provision integrated into the national health system (Uganda National Action Plan 2019, 22–25).
Rate of Refugees with Recognized Documentation	Very high; near universal through prima facie recognition	Uganda's prima facie recognition system ensures that nearly all refugees receive documentation and refugee identification cards upon arrival (CRRF Case Study 2018, 6–8).

Sources: (CRRF Case Study 2018, 6–8; Uganda National Action Plan 2019, 22–25 ; BFA Global 2020, 5 ; FI4R Baseline 2020, 12–18 ; Davis 2019, 33–34).

Based on the selected indicators, Uganda performs strongly across all measurable dimensions. Its legal basis is fully rights-based; labor access is unrestricted; documentation coverage is near universal due to prima facie recognition; enterprise activity among refugees is the highest among the four countries; mobile-money usage and financial inclusion indicators exceed 30 percent in most settlements; and public service access is institutionally guaranteed. For Egypt, the lesson is that predictability, legal clarity, and administrative integration—not parallel humanitarian systems—are the core drivers of effective refugee inclusion. Transforming Egypt's fragmented, security-driven model into a functional, development-aligned system would require adopting elements of Uganda's legal codification, business-registration policies, and integrated service delivery to support long-term socio-economic participation rather than reliance on informal or humanitarian channels.

CASE STUDY 3 — Morocco: The Regulatory & Institutional Coherence Model

Morocco represents one of the region's strongest examples of regulatory and institutional coherence, despite the fact that its migration and asylum system remains only partially implemented. Its governance approach is anchored in the National Strategy on Immigration and Asylum (SNIA), launched in 2014, which established a comprehensive policy framework for managing refugee and migrant inclusion. Although Morocco's draft asylum law remains pending, the SNIA outlines clear institutional mandates distributed across the Ministry of Interior, Ministry of Foreign Affairs, Ministry of Solidarity, and the interministerial Delegation for Human Rights, creating a structured administrative environment for migration management (CNDH 2013, 4–7). The country's two regularisation campaigns in 2014 and 2017 provided temporary pathways to residency for tens of thousands of migrants and asylum seekers, demonstrating an administrative capacity for coordinated documentation processes even in the absence of a full legal regime (UNHCR UPR 2022, 2–3). For Egypt, where refugee governance remains dispersed among the Ministry of Interior, Ministry of Foreign Affairs, and sectoral ministries, Morocco's experience underscores the benefits of institutional coherence and clearly delineated ministerial responsibilities. The regularisation campaigns directly affect the score for documentation coverage, which remains higher for regularised migrants than for asylum seekers who continue to rely on UNHCR cards.

Labor market governance in Morocco is highly structured and guided by well-defined migrant-worker procedures. Migrants with regularised status may obtain work authorization through standard procedures set out in the labor code, and although most asylum seekers remain excluded from formal employment due to lack of recognized residency, the administrative processes themselves are transparent and predictable (IPOL 2024, 15–18). Morocco maintains clear documentation, standardized application requirements, and published timelines for labor approvals. While these procedures do not explicitly include refugees lacking residency status, they represent a high-functioning administrative model of foreign-worker regulation. This has direct relevance for Egypt, where labor access for refugees is hindered by inconsistent documentation recognition, governorate-level discretion, and unclear administrative pathways.

Morocco's MSME and entrepreneurship environment is particularly instructive. The country has invested heavily in firm registration reforms, one-stop shops, digital portals, and simplified licensing regimes, enabling entrepreneurs to establish enterprises at comparatively low administrative cost (UNCTAD 2018, 31–35). While refugees and irregular migrants face barriers to full legal registration because of residency constraints, those who obtained regularised status under the SNIA processes have benefited from streamlined municipal licensing, local business incubators, and civil society programs that support enterprise formalization (Fanning 2018, 24–29). Several studies document the presence of migrant-run microbusinesses, especially among West African communities, reflecting the enabling effect of Morocco's administrative reforms even when not explicitly targeted at refugees (MMC 2022, 1–3). For Egypt, which faces significant challenges under MSME Law 152 regarding documentation, licensing, and sectoral approvals for non-nationals, Morocco's SME ecosystem provides a direct model for simplifying permits, reducing bureaucracy, and integrating digital registration systems.

Financial inclusion in Morocco is shaped by a strong and centrally regulated financial sector that supports SMEs through dedicated loan programs, credit guarantee schemes, and microfinance institutions. However, strict KYC rules limit formal financial access for refugees and asylum seekers who lack residency documents recognized under national financial regulations (Zaanoun 2023, 11–13). While migrants with regularized status can open bank accounts and access microcredit, asylum seekers dependent on UNHCR cards remain largely excluded from formal banking. This contrast reveals both the strengths and limitations of Morocco's regulatory approach: its system is technically advanced and administratively coherent but constrained by documentation rules that do not integrate humanitarian identification. For Egypt, this demonstrates the need to amend KYC frameworks to recognize non-national documentation, including UNHCR cards, as a valid basis for accessing microfinance and transactional accounts.

Table: Morocco's Performance Across Indicators

Indicator	Morocco Value	Justification
Legal Basis for Refugee Protection	Partial (SNIA policy framework; draft asylum law not enacted)	Morocco's National Strategy on Immigration and Asylum (SNIA, 2014) provides a coherent policy structure, but the asylum law has not been passed, and refugee status determination remains UNHCR-led (CNDH 2013, 4–7; UNHCR UPR 2022, 2–3).
Work Permit Accessibility	Restricted; formal labor access requires residency (rare for asylum seekers)	Only migrants with regularized residency from the 2014 and 2017 campaigns can legally obtain work authorization. Asylum seekers without residency cannot legally access the labor market (IPOL 2024, 15–18).
Centralization of Institutional Coordination	Medium; strong policy coherence but fragmented implementation	Mandates are clearly defined across ministries and the Interministerial Delegation for Human Rights, but operational coordination remains inconsistent (CNDH 2013, 6–12).
Refugee Informality Rate	High; majority of refugees work informally	Most refugees, particularly Sub-Saharan and Syrian refugees, rely on informal labor due to residency and documentation barriers (MMC 2022, 1–3).
Share of Refugee-Owned Microbusinesses	Low to Medium; presence of migrant-run microenterprises but limited formalization	Migrant entrepreneurs operate microbusinesses primarily in informal sectors; only a small portion are able to formalize their enterprises due to documentation requirements (Fanning 2018, 24–29).
Acceptance of Refugee Identification for KYC	Low; UNHCR cards not accepted for banking	Banks require national residency documents for KYC; humanitarian IDs are not recognized, excluding most asylum seekers from formal financial services (Zaanoun 2023, 11–13).
Percentage of Refugee Households Using Mobile Money	Very low	Digital financial uptake remains minimal because refugees lack formal IDs needed to register SIM cards and mobile-wallet accounts (MMC 2022, 4).

Access Level to Public Education	Medium; legally open but inconsistently applied	Children with residency generally access public schools, but asylum seekers without documentation face administrative barriers (UNHCR UPR 2022, 3–4).
Access Level to Public Health Services	Medium; access exists but depends on local acceptance of documentation	Health facilities may accept asylum-seeker certificates, but access varies and many refugees face administrative or cost barriers (CNDH 2013, 19–22).
Rate of Refugees with Recognized Documentation	Low to Medium; regularisation campaigns improved coverage but not sustained	The 2014 and 2017 campaigns granted residency to thousands of migrants, but not to all refugees; many Syrians and Sub-Saharan asylum seekers remain undocumented (UNHCR UPR 2022, 2–3).

Sources: (UNHCR UPR 2022; MMC 2022 ; Zaanoun 2023; Fanning 2018; CNDH 2013; IPOL 2024).

Taken together, Morocco offers Egypt the clearest roadmap for institutional and regulatory modernization across MSME licensing, documentation workflows, and business registration processes. Its model illustrates that even without a fully enacted asylum law, significant progress can be made by aligning ministries under a unified strategy, simplifying economic governance, standardizing administrative procedures, and ensuring predictable documentation pathways. While Morocco still struggles with inclusive labor access for refugees lacking residency, its reforms show that clarity, coherence, and digitalization can dramatically reduce barriers to economic participation.

Comparative Synthesis: Cross-Country Insights

The comparative assessment of Egypt, Jordan, Uganda, and Morocco demonstrates significant variation in how each country structures refugee governance, labor access, entrepreneurship pathways, financial inclusion, and service delivery. These differences provide practical lessons for Egypt, particularly as it attempts to modernize its fragmented asylum and migration system and operationalize reforms in line with its ongoing economic and social policy agendas.

Uganda presents the strongest and most coherent model across all five dimensions. Its comprehensive legal framework, anchored in the Refugee Act 2006 and the Refugee Regulations 2010, guarantees a wide range of rights including work, movement, access to land, and integration into national health and education systems (CRRF Case Study 2018; Ayilo et al. 2021). The country's institutional architecture, centralized under the Office of the Prime Minister, coordinates national, local, and donor systems with clear mandates and predictable administrative processes. For Egypt, the key lesson is that legal clarity combined with clearly defined roles enables consistent implementation and reduces administrative bottlenecks.

Jordan provides a different but equally instructive model. Despite lacking a domestic asylum law, Jordan implemented functional systems through the 1998 MoU with UNHCR and the Jordan Compact, which created structured and monitored pathways for refugee work permits in agriculture, manufacturing, and construction (ILO 2017; Lenner and Turner 2019). Mobile permit centers and flexible employer-linked documentation eased administrative barriers and enabled tens of thousands of refugees to enter formal work. For Egypt, Jordan demonstrates how administrative innovation is possible even without comprehensive legislation, provided there is inter-ministerial cooperation and a clear incentive framework linking labor access with international support.

Morocco, while less advanced than Uganda or Jordan, offers targeted lessons in regularisation and SME formalization. Its 2014 and 2017 regularisation campaigns expanded access to documentation and basic services, and its National Strategy for Immigration and Asylum established a coherent policy framework for migrant inclusion even if implementation remains uneven (CNDH 2013; UNHCR UPR 2022). The Moroccan model demonstrates how a structured policy architecture, supported by one-stop-shop SME programs and NGO–government partnerships, can improve opportunities for migrant entrepreneurs despite gaps in labor-market enforcement (Fanning 2018; MMC 2022).

Across all countries, documentation emerges as the single most decisive determinant of access. Uganda and Jordan demonstrate that work-permit systems linked to recognized identity documents can expand labor participation, while Morocco shows that inconsistent documentation undermines access to schools, hospitals, and financial institutions. Egypt's current system, which relies heavily on discretionary security approvals and limited recognition of UNHCR cards, restricts refugee mobility, access to services, and integration into formal labor markets.

Taken together, the comparison points to a central insight: systems that combine legal clarity, predictable administrative procedures, and recognized documentation achieve higher levels of refugee self-reliance and reduce pressure on public services. Countries that lack these elements, such as Egypt and Morocco, experience greater informality, administrative inconsistency, and dependency on humanitarian support.

Comprehensive Benchmark Table: Refugee Integration – Egypt vs. Jordan vs. Uganda vs. Morocco.

Dimension	Egypt	Jordan	Uganda	Morocco
Legal Framework (Asylum, Work Permits, Residency, Protections)	No unified asylum law; asylum handled through UNHCR and administrative security vetting; protection dispersed across ministries; work permits for refugees not systematically available; residency linked to security approvals rather than refugee status (Egypt lit review and legal text analysis).	No asylum law; not a 1951 Convention signatory; system based on 1998 MoU with UNHCR; work permits available for Syrians in selected sectors under the Jordan Compact; Syrians rely on Ministry of Interior cards rather than residency permits (Turner 2023, 878–879; Dator, Abunab, and Dao-ayen 2018, 681; ILO 2017, 10–12).	Strong legal framework; signatory to 1951 Convention and OAU 1969; Refugee Act 2006 and Regulations 2010 guarantee right to work, movement, and access to services; prima facie recognition for major groups; residency granted through refugee status without employer sponsorship (Comprehensive Refugee Response Framework Case Study 2018, 3; Ayilo et al. 2021, 1–3).	Formal commitments through 1951 Convention and 1967 Protocol, but domestic procedures rely on 1957 decree; asylum law remains pending; refugee work rights poorly defined; regularisation campaigns provide temporary residency; Syrians and Sub-Saharan refugees face inconsistent recognition (UNHCR UPR 2022, 1–3; CNDH 2013, 5–6; Zaanoun 2023, 31–33).

Institutional Architecture	Fragmented system across the Ministry of Interior, Ministry of Foreign Affairs, and sectoral ministries; no central asylum authority; inconsistent coordination and reliance on UNHCR; operational gaps highlighted in SWOT and gap analysis.	The Ministry of Interior handles registration; the Ministry of Labor manages work permits; Jordan Compact creates a coordinated platform linking donors, UN agencies, and ministries; structured monitoring mechanisms across sectors (ILO 2017, 5–12; Lenner and Turner 2019, 84–86).	Centralised under the Office of the Prime Minister; integration of line ministries into refugee service delivery; national CRRF model with clear coordination and reporting; strong donor alignment despite resource constraints (CRRF Case Study 2018, 4–7; Ayilo et al. 2021, 1).	Governance distributed across Ministry of Interior, Interministerial Delegation for Human Rights, and migration authorities; UNHCR continues to conduct refugee status determination; implementation of national migration strategy is uneven across regions (UNHCR UPR 2022, 1–4; MMC 2022, 1–2; Fanning 2018, 6–7).
Entrepreneurship and Labor Market Access	No refugee-specific labor pathway; refugees primarily in informal sectors; business registration requires Egyptian partner; financial and regulatory barriers identified in SWOT and legal analysis.	Sector-based work permits in agriculture, construction, manufacturing, and selected services; mobile permit centers reduce barriers; refugees can form cooperatives or home-based businesses but cannot register formal companies (ILO 2017, 10–12; Lenner and Turner 2019, 84–86; "Shadows to Light" 2020, 18–20).	Right to work guaranteed; many refugees pursue self-employment due to market constraints; forty to fifty percent operate microbusinesses; land access supports agricultural livelihoods; employment is still limited due to remoteness and low capital (UNHCR Employment Policy Brief 2020, 1; BFA Global 2020, 5).	Labor market access is legally possible but poorly implemented; most refugees work informally; employers reluctant to hire refugees due to unclear regulations; qualification recognition limited; NGO programs provide entrepreneurship support (MMC 2022, 1–2; Zaanoun 2023, 31–33; Fanning 2018, 19–24).

Financial Inclusion and Banking	Refugees face documentation and KYC barriers; limited access to banking; reliance on humanitarian cash systems and informal borrowing (Egypt financial inclusion section from earlier Savannah analysis).	Partial inclusion; microfinance institutions accept UNHCR cards; mobile wallets widely used; commercial banks maintain stricter KYC rules; financial access linked to documentation rather than labor status (giz 2022 financial inclusion report; UNHCR FI/FH 2024, 36–41).	High mobile money penetration; refugee use of mobile money increases significantly post-displacement; barriers include digital literacy and KYC compliance; Uganda considered a regional leader in refugee financial inclusion (U-Learn 2022, Executive Summary; BFA Global 2020, 5).	No national framework for refugee financial inclusion; banks require documentation many refugees cannot provide; reliance on NGO credit schemes and informal financial networks; structural barriers persist (MMC 2022, 1–2; Fanning 2018, 24–29; UNCTAD 2018).
Public Service Access (Education and Health)	Refugees have access to public services in principle, but delivery varies by region; health and education systems under pressure; documentation barriers restrict enrollment; noted extensively in gap analysis and literature review.	Syrian children admitted to public schools, often through double-shift systems; subsidized healthcare with financial barriers; donor-supported service expansion; integration constrained by fiscal pressure (Dator, Abunab, and Dao-ayen 2018, 681; WHO EMRO review; Jordan education sources).	Refugees access national health and education systems on equal basis with nationals; settlement facilities host integrated schools and clinics; services strained but structurally inclusive due to the CRRF model (CRRF Case Study 2018, 3; Ayilo et al. 2021, 1).	SNIA expanded migrant access to health and education but implementation was inconsistent; RAMED extension unfulfilled; documentation barriers affect school enrollment; discrimination noted in health services (UNHCR UPR 2022, 3–5; Zaanoun 2023, 31–53; MMC 2022, 1–2).

Sources: Turner (2023); Dator, Abunab, and Dao-ayen (2018); (ILO, 2017); Lenner and Turner (2019); Shadows to Light Report (2020); Comprehensive Refugee Response Framework Case Study (2018); Ayilo et al. (2021); Uganda National Action Plan for GCR Implementation (2019); BFA Global (2020); U-Learn Refugee Digital Finance Study (2022); (MMC, 2022); (CNDH, 2013); Zaanoun (2023); Fanning (2018); UNHCR UPR Submission for Morocco (2022); UNCTAD (2018).

The comparative assessment of Egypt, Jordan, Uganda, and Morocco across the five benchmarking dimensions highlights not only structural differences in legal frameworks, institutional capacity, and service access, but also the degree to which each country has operationalized refugee inclusion through coherent policies and administrative systems. While the preceding analysis outlines these variations qualitatively, a quantitative scoring matrix is necessary to translate these insights into a standardized, cross-country comparison. Such a matrix allows the relative strengths and weaknesses within each governance dimension to be expressed through a common evaluative scale, clarifying where Egypt lags behind, where it aligns with regional peers, and where international models demonstrate more advanced institutionalization. The scores therefore function as an interpretive bridge between descriptive findings and actionable policy direction. They condense complex institutional realities into comparable metrics, making patterns of fragmentation, informality, and administrative bottlenecks more visible. This approach is particularly important for Egypt, where overlapping mandates and inconsistent implementation complicate direct comparison. By scoring each country from 1 to 5, the matrix provides a structured analytical foundation that informs the subsequent recommendations, ensuring they are grounded in evidence, aligned with best practices, and responsive to Egypt's specific governance gaps.

The scoring matrix synthesizes the ten indicators—ranging from legal protection and work-permit accessibility to financial inclusion, documentation rates, and service access—to convert the benchmarking analysis into a structured comparison that highlights each country's relative strengths and weaknesses in relation to Egypt's identified gaps.

Benchmark Scoring Matrix

Dimension	Egypt	Jordan	Uganda	Morocco
1. Legal Framework	2	3	5	2
2. Institutional Architecture	2	4	5	3
3. Entrepreneurship and Labor Market Access	2	3	4	2
4. Financial Inclusion and Banking	2	3	4	1
5. Public Service Access(Education and Health)	2	3	5	2

Sources: Turner (2023); Dator, Abunab, and Dao-ayen (2018); (ILO, 2017); Lenner and Turner (2019); Shadows to Light Report (2020); Comprehensive Refugee Response Framework Case Study (2018); Ayilo et al. (2021); Uganda National Action Plan for GCR Implementation (2019); BFA Global (2020); U-Learn Refugee Digital Finance Study (2022); (MMC, 2022); (CNDH, 2013); Zaanoun (2023); Fanning (2018); UNHCR UPR Submission for Morocco (2022); UNCTAD (2018).

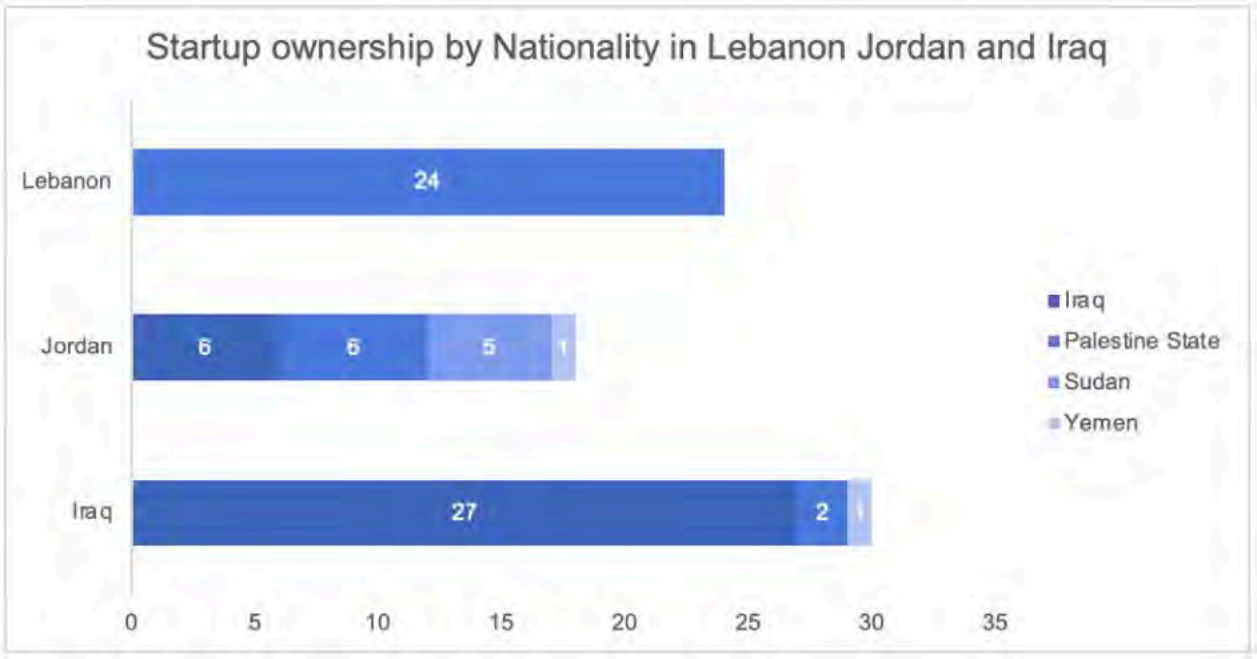
The scoring follows a scale of 1 to 5, with 1 reflecting minimal institutional development and 5 capturing advanced, coherent, and well-implemented refugee governance systems. Across the four countries, the scores reflect variation not only in legal commitments but also in the extent to which those commitments translate into functional policies, administrative clarity, and practical access for refugees.

The first dimension, legal frameworks covering asylum, residency, protections, and work rights, reflects the widest divergence. Uganda receives the highest score (5) due to its comprehensive Refugee Act 2006 and Refugee Regulations 2010, which guarantee the right to work, freedom of movement, land access, and integration into national systems, supported by prima facie recognition for major refugee groups (CRRF Case Study 2018, 3). Jordan's higher mid-range score (3) reflects a functional administrative system based on the 1998 MoU with UNHCR and the work-permit reforms introduced through the Jordan Compact, despite the absence of a domestic asylum law (Turner 2023, 878–879; ILO 2017, 10–12). By contrast, Egypt and Morocco score lower (2 each). Egypt lacks a statutory asylum system and relies heavily on UNHCR registration and security-based administrative practices (Egypt legal text analysis). Morocco ratified the 1951 Convention, but still operates under the 1957 decree, and its draft asylum law remains unimplemented; refugee work rights remain unclear and inconsistently applied (UNHCR UPR 2022, 1–3; Zaanoun 2023, 31–33).

Institutional architecture captures the degree of coordination between government bodies, the coherence of mandates, and the presence of structured implementation mechanisms. Uganda again scores highest (5), with the Office of the Prime Minister coordinating a unified structure under the CRRF, integrating line ministries and donors in a national, sector-aligned plan (CRRF Case Study 2018, 4–7). Jordan receives a strong score (4) due to clearly defined roles between the Ministry of Interior and Ministry of Labor, supported by Compact-based monitoring structures (ILO 2017, 5–12). Morocco scores a moderate 3, reflecting partial reforms under the National Strategy for Immigration and Asylum but ongoing fragmentation and continued reliance on UNHCR for refugee status determination (UNHCR UPR 2022, 1–4; Fanning 2018, 6–7). Egypt scores 2 due to fragmented institutional roles, limited coordination, and persistent gaps identified across the SWOT and gap analyses.

Entrepreneurship and labor-market access reveal structural limitations in all countries except Uganda. Uganda receives a 4 as the right to work is legally guaranteed and micro-enterprise activity is widespread, with more than half of refugees engaged in small businesses despite market constraints (BFA Global 2020, 5; UNHCR Employment Brief 2020, 1). Jordan scores 3 based on structured sectoral permits and partial pathways for home-based businesses, though full company registration is restricted (ILO 2017, 10–12; Shadows to Light 2020, 18–20). Egypt and Morocco score 2 due to heavy informality, regulatory barriers, and limited access to formal employment or enterprise registration (MMC 2022, 1–2). Additional program-level data reinforce these comparative findings. A dataset of 2,506 foreign displaced persons participating in Flat6Labs accelerator and incubator programs operating in Lebanon, Jordan, and Iraq shows that Jordanian-based refugees exhibit moderate levels of enterprise ownership relative to neighboring contexts. To contextualize the entrepreneurship indicator, program-level data from an accelerator operating in Lebanon, Jordan, and Iraq is included. These countries are not part of the formal benchmark group, but the data is included solely to contextualize refugee entrepreneurship patterns in the region. Lebanon and Iraq are presented here purely as contextual comparators to illustrate regional entrepreneurship patterns; they are not included in the formal benchmarking model.

Figure 53: Startup ownership by Nationality in Lebanon Jordan and Iraq



Source: Flat6Labs Database

While Iraq and Lebanon report 30 and 24 refugee-owned startups respectively, Jordan records significantly smaller but still meaningful numbers across Syrian, Palestinian, Sudanese, and Yemeni participants. This pattern aligns with the benchmarking results: Jordan's regulated environment enables some pathways for home-based businesses and cooperatives, yet structural constraints and sectoral restrictions continue to limit the scale of refugee entrepreneurship. In contrast, higher startup activity in Lebanon and Iraq reflects more informal but flexible economic environments, while Uganda's higher score is driven by legal entitlements and settlement-based enterprise formation. The graph therefore illustrates how regulatory environments translate into real-world entrepreneurial patterns, reinforcing the differentiated scores assigned across countries. This variation in enterprise activity is also shaped by financial inclusion barriers, where Jordan provides partial KYC access through microfinance institutions, while Egypt and Morocco remain more restrictive, further constraining enterprise formation and growth.

Financial inclusion scores reflect the strength of mobile-money ecosystems, KYC regimes, and access to banking. Uganda (4) performs best due to high mobile-money integration (U-Learn 2022). Jordan (3) has partial access through MFIs but restrictive banking rules (giz 2022). Egypt scores 2 due to documentation barriers, while Morocco scores 1 as refugees face the most restrictive KYC environment (Fanning 2018, 24–29; MMC 2022, 1–2).

Finally, public service access highlights Uganda's integrated model (score 5), where refugees access national schools and health systems on par with citizens (CRRF Case Study 2018, 3). Jordan scores 3 with structured but strained systems (Dator, Abunab, and Dao-ayen 2018, 681). Egypt and Morocco score 2 due to uneven implementation, documentation barriers, and capacity shortages (UNHCR UPR 2022, 3–5). These scores reveal not only the structural differences across the four countries but also the specific governance levers that Egypt must prioritize to close its gaps.

Mapping Benchmark Lessons to Egypt's Structural Gaps

Jordan's model maps directly onto several of Egypt's institutional weaknesses. The country's centralized coordination through the Ministry of Labor, Ministry of Interior, and the donor-backed Compact structure offers a corrective to Egypt's fragmented distribution of responsibilities across the Ministry of Interior, Ministry of Manpower, MSMEDA, and governorate authorities. Jordan's flexible work-permit pathways address Egypt's restrictive and inconsistent permitting practices, which were highlighted as a major bottleneck in both the GAP analysis and the legal text review. Similarly, Jordan's structured documentation system demonstrates how administrative arrangements, even absent an asylum law, can reduce informality and create predictable access channels—responding to Egypt's continued reliance on discretionary approvals and non-recognition of UNHCR cards.

Morocco's regulatory coherence addresses a different set of Egyptian gaps. Its simplified MSME procedures and one-stop business registration directly respond to the barriers identified in Egypt's SWOT and GAP analyses regarding migrant access to MSME Law 152, licensing requirements, and governorate-level variation. Morocco's structured financial regulatory environment also illustrates how clear KYC rules can support migrant entrepreneurship—an area where Egypt's banking system remains highly restrictive due to its non-acceptance of UNHCR identification, creating exclusion from microfinance and formal entrepreneurship channels. Morocco therefore offers the clearest institutional blueprint for Egypt's MSME, licensing, and financial-access reforms.

Uganda maps onto Egypt's deepest structural challenge: the absence of a rights-based, legally grounded framework for refugee economic inclusion. Uganda's Refugee Act 2006 and integrated service-delivery systems directly address the legal and operational gaps identified in Egypt's asylum law analysis, including the lack of implementing regulations, undefined ministerial roles, and inconsistent access to health and education services. Uganda's universal documentation regime also provides a pathway for resolving Egypt's fragmented identification ecosystem, which currently undermines both labor mobility and financial inclusion. Uganda therefore represents the long-term model for integrated legal and economic inclusion that Egypt's future reforms should aim toward.

Taken together, the benchmarking results reveal that Egypt's core constraints—fragmented coordination, restrictive documentation rules, and limited formal economic pathways—have been successfully addressed elsewhere through coherent institutional design, simplified legal entitlements, and predictable administrative systems. Jordan demonstrates how structured work-permit pathways can be created even without a comprehensive asylum law; Morocco shows how regulatory clarity can open MSME and financial-access channels; and Uganda illustrates the developmental benefits of rights-based inclusion. These insights directly inform the policy recommendations that follow, which translate the benchmark lessons into concrete, actionable reforms tailored to Egypt's institutional and legal context.

Policy Recommendations for Egypt

1. Legal and Institutional Reform
Activate the executive regulations of Egypt's pending asylum framework to move from an ad hoc administrative model to a predictable rights-based structure, similar to Uganda's integrated legislation. Establish a unified refugee coordination mechanism that consolidates responsibilities currently dispersed between the Ministry of Interior, Ministry of Foreign Affairs, and service ministries, mirroring the centralized coordination role of the Office of the Prime Minister in Uganda or the structured monitoring of the Jordan Compact.

2. Labor-Market Pathways
Introduce flexible and low-cost work permits modeled on Jordan's sectoral approach, incorporating mobile permit centers and employer-linked documentation. Remove documentation barriers that prevent refugees from entering formal employment by recognizing existing UNHCR or residence documents within employment systems. A structured and incentive-based model, as demonstrated by Jordan, would streamline administrative workflows and increase participation.

3. MSME and Financial Inclusion
Amend KYC regulations so that UNHCR cards or unified refugee identification documents are accepted for bank account opening, replicating Jordan's partial acceptance through microfinance institutions. Establish a dedicated SME one-stop-shop modeled on Morocco's entrepreneurship centers but adapted to Egypt's regulatory framework. This structure should offer licensing support, business coaching, and access to microfinance for refugee and migrant entrepreneurs.

4. Service Access and Documentation
Standardize access to health and education through unified national protocols to address the regional inconsistencies identified in Egypt's gap analysis. Introduce a national refugee identification card aligned with existing administrative systems, enabling reliable enrollment in education, healthcare, and social programs. Uganda's integrated model and Morocco's regularisation experience both show that standardized documentation significantly improves service access.

07

Section 07

Legal and Regulatory Landscape: The Intersection of Asylum and Labor

The integration of refugees and migrants into Egypt's society is being fundamentally shaped by two distinct, yet interconnected, legal frameworks: the Asylum Law (governing protection and legal status) and the Labor Law No. 14 of 2025 (governing economic opportunity and employment). These laws form the dense regulatory architecture that dictates whether an individual seeking sanctuary can transition from mere physical presence to secure economic participation. For the over nine million immigrants and refugees residing in Egypt, understanding this dual legal landscape is not optional; it is foundational to navigating their daily lives, accessing formal employment, and ensuring long-term self-reliance.

This legal context is critical because it highlights a central conflict: the humanitarian imperative of providing protection (governed by the Asylum Law, often in alignment with the 1951 Refugee Convention) and the national economic imperative of regulating the labor market (governed by the Labor Law, prioritizing national workforce protection). The laws we analyze—specifically the chapters on Foreign Workers and Unorganized Labor—determine who can legally work, under what conditions, and at what cost.

The analysis contained within this section anchors on a detailed review of articles that reveal this systemic friction. For refugees and asylum seekers, the right to work is often deemed essential for minimizing dependency and maximizing dignity. Yet, the Labor Law subjects them to the same restrictive mechanisms designed for economic migrants, including:

1. **High Financial Barriers (Art. 71):** Imposing mandatory work permit fees that can range up to 150,000 EGP, creating a severe, often insurmountable, financial wall for low-income refugees.
2. **Structural Market Restrictions (Art. 70):** Applying quotas (maximum foreign worker percentages) and the principle of reciprocity, rules which inherently disadvantage refugees who cannot claim reciprocity and whose influx is a matter of humanitarian crisis, not economic exchange.
3. **Conflict with International Protection (Art. 74):** Mandating employer-funded repatriation, which directly conflicts with the foundational international principle of non-refoulement—the obligation not to return a refugee to a place where they would face harm.

This report, therefore, employs a diagnostic approach combining legal text analysis with an equity lens. The aim is to reveal not only what the law states but how its structural design inadvertently creates barriers for vulnerable populations. The legal provisions surrounding "unorganized labor" (informal sector work) become acutely relevant here, as regulatory barriers often push migrants and refugees into informal employment, where they risk exploitation but may find de facto market access.

By analyzing these articles, this report seeks to determine:

- Where the legal texts create clear pathways for economic integration.
- Where regulatory gaps and high transaction costs limit self-reliance.
- Which reforms are essential to align Egypt’s sovereign labor market control with its humanitarian obligations to protect and enable those seeking refuge.

Ultimately, the coherence and equity of these two cornerstone legal instruments are the structural determinants of the socio-economic future for refugees and migrants in Egypt

***Check Annex 1 for the full legal text analysis per article of law 164.**

1. Law 164 Asylum Law of December 2024

A.Introduction

Egypt's adoption of its first national asylum law in November 2024 marks an important institutional shift toward creating a structured, state administered protection system for refugees and asylum seekers. Establishing a domestic legal framework is a significant development because it provides formal definitions, outlines rights and obligations, and introduces national procedures intended to replace the ad hoc arrangements that previously relied almost entirely on the United Nations High Commissioner for Refugees. In principle, codifying these rules within Egyptian legislation creates the possibility of a more predictable, accountable, and nationally anchored asylum system that aligns with the country's international commitments (UNHCR 1951).

The new law transferred responsibility for registration and asylum management from UNHCR to the Permanent Committee for Refugee Affairs under the authority of the Prime Minister (AIDA 2024). Egypt is currently in a transitional phase, with many aspects of the UNHCR operated system still functioning in parallel while the national framework remains dormant. Although the law came into force the day after its adoption, its implementation remains on hold pending the formation of the Permanent Committee for Refugee Affairs and the issuance of the executive regulations governing its work. As a result, the Permanent Committee for Refugee Affairs has not been formally constituted, and no procedures, timelines, forms, or institutional protocols have been activated. This regulatory gap leaves the national asylum system legally present but functionally inactive, with registration and protection processes continuing under UNHCR's existing mechanisms in the interim (AIDA 2024).

The law establishes a national system governing the treatment of asylum seekers and refugees, applying both to new applicants and to individuals who had already been recognized as refugees before the law entered into force (Art. 1) (UNHCR 1951). It affirms Egypt's continued adherence to its international obligations concerning asylum while introducing a domestic institutional framework responsible for processing applications, managing refugee data, and coordinating services.

Central to this system is the Permanent Committee for Refugee Affairs, a body reporting to the Prime Minister and mandated to determine asylum claims, cooperate with UNHCR and international organizations, and coordinate with relevant state authorities (Art. 2) (Forum Together 2019). The committee's composition, appointment procedures, reporting requirements, and supporting technical secretariat are set out in the law, but all remain dormant pending the issuance of regulations and the formal appointment of members (Arts. 3 and 4) (Refworld 2024).

The law also outlines financial provisions, establishing that the committee's resources will come from state allocations and approved grants or donations, all of which must be deposited into a special Central Bank account subject to oversight by the Accountability State Authority (Arts. 5 and 6) (Netherlands Court of Audit 2023). Without executive regulations, however, these financial mechanisms cannot be activated.

Beyond institutional arrangements, the law defines procedures for asylum application, including timelines for decisions, prioritization for vulnerable groups, and the conditions for exclusion, revocation, and cessation of refugee status (Arts. 7 through 10 and Art. 33) (Refugees International 2025). It also enumerates a wide range of rights for refugees, such as freedom of religion, access to work, education, healthcare, property rights, movement, and participation in associations, alongside obligations to respect Egyptian laws, values, and public order requirements (Arts. 11 through 30) (European Parliament 2009).

While these provisions outline a comprehensive national asylum framework, their implementation depends entirely on the executive regulations that will provide the necessary procedures, definitions, timelines, and safeguards. Until these regulations are issued, the system cannot process cases, issue documents, or deliver the rights envisioned in the law.

B. Legal Architecture and Gaps

The 2024 Asylum Law establishes Egypt's first national framework governing asylum procedures, refugee status determination, and the rights and obligations of refugees and asylum seekers. It transfers responsibility for registration, case processing, and overall asylum management from UNHCR to the Permanent Committee for Refugee Affairs under the authority of the Prime Minister (AIDA 2024). The law applies to all asylum seekers and refugees, including those previously recognized, and affirms Egypt's continued obligations under international treaties (UNHCR 1951). The framework outlines procedures for recognition, documentation, movement, work, education, healthcare, family law, cessation, revocation, and non refoulement. However, the system remains dormant because the required executive regulations were not issued within the mandated six month period, leaving no operational procedures, forms, or institutional protocols in place (Refworld 2024).

Institutional roles and authorities (by Article):

1. **Permanent Committee for Refugee Affairs**
   - Article 2: Central authority for determining asylum applications, maintaining refugee data, coordinating with UNHCR through the Ministry of Foreign Affairs, and coordinating service delivery with state agencies.
   - Article 3: Composed of representatives from the Ministries of Foreign Affairs, Justice, Interior, and Finance, appointed by the Prime Minister for four year terms; empowered to invite experts; required to report to the Prime Minister every three months.
   - Article 4: Supported by a technical secretariat whose competencies, leadership, and staffing depend on a Prime Ministerial decree.
   - Articles 5 and 6: Financially dependent on the state budget, approved donations, and a special account at the Central Bank; subject to oversight by the Accountability State Authority.
2. **Competent Ministry (Ministry of Interior)**
   - Article 1: Designated as the competent ministry.
   - Article 12: Issues travel documents for refugees after approval from the Committee.
   - Articles 9 and 33: Executes deportation decisions when refugee status is revoked or ceased.
3. **Ministry of Foreign Affairs**
   - Article 2: Required for coordination between the Committee and UNHCR or international organizations.
   - Article 25: Involved in voluntary return procedures through coordination with country of origin authorities.
4. **Other Sectoral Ministries**
   - Article 21: Ministry responsible for health determines healthcare access and procedures for refugee health services.
   - Article 18: Competent authorities regulate work permits and recognition of professional qualifications.
   - Article 20: Education authorities regulate recognition of foreign certificates.
   - Article 24: Civil society regulatory authorities govern rights to association and participation.

While the 2024 Asylum Law establishes a comprehensive institutional architecture on paper, the practical effectiveness of this structure depends entirely on how these roles are activated through executive regulations and coordinated across ministries. The Permanent Committee for Refugee Affairs sits at the center of the system, supported by the Ministry of Interior, the Ministry of Foreign Affairs, and sectoral ministries responsible for work, education, health, movement, and civil society. However, because the regulations have not been issued and the Committee has not been constituted, the institutional framework remains largely theoretical. This disconnect between legal design and operational reality gives rise to a series of structural gaps that affect the law's ability to function as an effective asylum and protection system.

Institutional design and the central authority

What the law does. The 2024 Asylum Law creates the Permanent Committee for Refugee Affairs as the national authority responsible for asylum registration, refugee status determination, cooperation with UNHCR, and coordination of services with state bodies. The Committee reports directly to the Prime Minister and centralizes all decision making, data management, and oversight of asylum procedures (AIDA 2024). Its membership includes representatives from the Ministries of Foreign Affairs, Justice, Interior, and Finance, appointed by the Prime Minister for four year terms, with the ability to invite experts and expand membership (Refworld 2024). The Committee is supported by a technical secretariat whose structure, staffing, and functions are set by a Prime Ministerial decree.

How it is operationalized. For the Committee to function, the executive regulations must define procedures for filing applications, conducting interviews, establishing eligibility, issuing decisions, documenting refugees, renewing documents, coordinating with UNHCR, and managing data. Until these regulations are issued, the Committee cannot perform any of its core functions and remains an unconstituted entity with no operational authority (Refworld 2024).

What counts as compliance. Under the legal design, compliance requires a functioning Committee, appointment of members, adoption of executive regulations, activation of the technical secretariat, creation of case processing protocols, and establishment of documentation procedures. None of these steps have occurred.

Gap 1 centralization without safeguards.
The Committee is fully appointed by and accountable to the Prime Minister, with no independent or quasi judicial features comparable to those found in established asylum systems such as Canada's Immigration and Refugee Board (IRB 2025). This centralization creates a single point of discretion for appointments, decision making, reporting, and resource allocation. In the absence of procedural safeguards, the system lacks independence, transparency, and predictable standards, which raises concerns about fairness and consistency in refugee status determination.

Gap 2 incomplete institutional formation.
The Committee is not yet operational because its executive regulations were not issued within six months as required by Article 2. Without these regulations, the Committee cannot determine asylum claims, issue documents, coordinate services, or make decisions regarding appeal or oversight. This leaves the national asylum system legally established but practically inactive, with UNHCR procedures continuing by default (AIDA 2024).

Distribution of roles and inter ministerial coordination

Who does what. The law assigns the Ministry of Interior as the competent ministry responsible for implementing decisions on deportation, issuing travel documents, and managing national security considerations. The Ministry of Foreign Affairs regulates the relationship between the Committee and UNHCR. Education, health, labor, and civil society authorities govern access to services. None of these ministries, however, receive detailed procedural guidance within the law itself.

How that plays out. Because the required regulations are not issued, ministries have no operational guidance regarding how to implement work permits, healthcare access, education enrolment, residence notifications, or document issuance. Coordination therefore remains theoretical rather than actionable, and responsibilities overlap without defined workflows.

Gap 3 fragmented accountability.
The law distributes responsibilities across multiple ministries, but provides no mechanisms for coordination, conflict resolution, data sharing, or unified case management. UNHCR's supervisory role is not explicitly guaranteed, and cooperation requires clearance from the Ministry of Foreign Affairs, which may limit effective engagement (Forum Together 2019). This fragmentation mirrors the challenges described in comparative assessments where unclear roles result in delays, inconsistent decisions, and weak oversight (AIDA 2024).

Procedures, timelines, and the foundations of refugee status

What the law does. Article 7 sets deadlines for determining asylum claims six months for applicants entering legally and one year for those entering irregularly and prioritizes vulnerable groups. Articles 8 through 10 list exclusion grounds, revocation grounds, and emergency measures. Article 33 lists cessation circumstances and links cessation directly to deportation.

How it is operationalized. For these articles to function, the regulations must specify how applications are submitted, how interviews are conducted, how evidence is evaluated, how decisions are delivered, and how deportation actions are coordinated with the Ministry of Interior. None of these are defined in the law itself.

Gap 4 timelines without procedures.
Although the law establishes decision deadlines, it provides no description of the procedural steps required to meet them. There are no rules for registration, screening, interviews, eligibility assessments, or notification of decisions. Without these procedures, the timelines cannot be implemented in practice, and the deadlines become formal commitments without operational capacity.

Gap 5 penalization of irregular entry.
The law imposes longer determination periods on applicants who entered Egypt irregularly and requires self presentation to the Committee within 45 days (Art. 31). These provisions diverge from international guidance discouraging penalization of irregular entry, especially where refugees flee conflict or persecution (European Parliament 2009). Without safeguards, these requirements may exclude vulnerable groups from full protection.

Rights, services, and access mechanisms

What the law does. The law grants rights related to documentation, movement, work, business establishment, education, healthcare, property, litigation, and civic participation. These rights reflect important steps toward aligning with international protection norms (UNHCR 1951).

How it is operationalized. Nearly all rights depend on implementing procedures that define application processes, eligibility conditions, renewal cycles, fees, and appeal pathways. These details are left entirely to the executive regulations, which have not been issued.

Gap 6 rights exist only in principle.
Because the regulations are absent, refugees cannot obtain identity documents, travel documents, work permits, access to health services, or recognition of educational certificates under the national system. Rights that are legally granted cannot be accessed in practice, creating an implementation gap between the law's promises and the lived reality of refugees (AIDA 2024).

Gap 7 broad national security clauses.
Several provisions allow the state to restrict rights based on undefined concepts of national security, public order, and societal values. These clauses appear in decisions about travel documents, emergency measures, political restrictions, and obligations. Without detailed criteria, these provisions risk broad or inconsistent application and may fall short of international legal standards on proportionality and necessity (Refugees International 2025).

Appeals, due process, and safeguards

What the law does. The law outlines conditions for refusal, exclusion, revocation, and cessation of status, and it mandates deportation following negative decisions.

How it is operationalized. For a functioning asylum system, regulations must establish appeal channels, timelines for review, legal aid mechanisms, and procedural safeguards, especially for decisions that may lead to deportation or risk of harm.

Gap 8 absence of an appeal system.
The law contains no provisions for administrative or judicial appeal of negative asylum decisions, revocation decisions, emergency measures, or deportation orders. This gap is significant because it removes an essential safeguard in refugee protection systems and may undermine the principle of non refoulement if errors cannot be reviewed (AIDA 2024).

Financial, administrative, and oversight mechanisms

What the law does. Articles 5 and 6 detail the Committee's financial resources, which include state allocations, approved grants, and deposits into a special Central Bank account. Oversight is performed by the Accountability State Authority.

How it is operationalized. The Committee requires financial autonomy to manage staffing, case processing, documentation systems, and coordination with ministries. However, all financial decisions depend on Prime Ministerial approval and oversight, and no budget lines can be activated without regulations.

Gap 9 lack of operational and financial autonomy.
Because all funding decisions are controlled by central authorities, the Committee lacks the independence needed to manage its functions. This constraint mirrors challenges identified in similar centralized asylum systems where underfunding limits institutional effectiveness (Netherlands Court of Audit 2023).

The 2024 Asylum Law establishes a necessary legal framework by transferring Refugee Status Determination (RSD) to the national Permanent Committee for Refugee Affairs (PCRA); however, this architecture is currently crippled by three structural failures. Primarily, the system suffers from an Operational Nullity Failure due to the absence of the mandated Executive Regulations, leaving the PCRA unconstituted and rendering all enumerated rights, from work permits to healthcare access, theoretical and non-executable in practice. Deeper, the law exhibits a Governance Independence Failure, centralizing all appointments, funding, and decision-making authority under the Prime Minister, which compromises the PCRA's judicial independence and perpetuates fragmented accountability across multiple ministries. Most critically, the law contains a profound Due Process and Protection Failure, evidenced by its failure to codify any formal administrative or judicial appeal pathway (Gap 8). This absence, compounded by the penalization of irregular entry and overly broad national security clauses (Gap 7), creates a significant risk that erroneous negative decisions could lead to deportation without an effective, suspensive remedy, thus undermining the fundamental principle of non-refoulement and increasing the vulnerability of asylum seekers. Ultimately, while the law marks a step toward formal domestication, its structural gaps, particularly its dormancy and lack of judicial safeguards. Meaning it currently falls short of international protection standards.

C. Implementation and Practice

While the 2024 Asylum Law establishes an ambitious national framework on paper, its practical implementation remains limited. The Permanent Committee for Refugee Affairs has not been constituted, the executive regulations have not been issued, and the procedures required to activate the rights and obligations contained in the law are still absent (Refworld 2024). As a result, asylum processing, documentation, and service access continue to operate under UNHCR's long-standing system, leaving a significant gap between the law's formal architecture and day-to-day practice. The following subsections detail how this gap plays out across registration, rights access, service delivery, deportation practices, and administrative coordination, illustrating where implementation diverges from the intent of the law.

Registration, case processing, and system throughput

Throughput and predictability. Although the 2024 Asylum Law formally transfers responsibility for registration and status determination from UNHCR to the Permanent Committee, the national system has not been activated in practice because the Committee has not been constituted and the executive regulations have not been issued (Refworld 2024). As a result, asylum registration, documentation, and refugee status determination continue to be conducted by UNHCR, and the national procedures envisioned in the law remain theoretical. The current asylum landscape is transitional, with Egypt having adopted a national law while still depending on an international agency to perform all operational functions (AIDA 2024). This creates a dual-track environment in which the legal framework promises a centralized state system but the actual processing pipeline continues under the international model. Predictability for applicants remains uncertain, as no national timelines, workflows, or documentation methods have been operationalized.

Renewals and modifications. Because the Committee is not functioning, refugees cannot access the identity documents, renewals, or travel documents described in Articles 11 and 12. UNHCR-issued documentation remains the only functioning identification mechanism. Without national procedures for renewal, modification of status, or updating personal data, refugees cannot transition into the new legal system even if they wish to comply with national rules. This disconnect between the law and actual practice leaves refugees dependent on a system that the national legislation has formally superseded but not yet replaced.

Access to services linked to documentation

The documentation gap. Most of the rights enumerated in the law depend on formal identification, residence documentation, or temporary permits issued by the Permanent Committee and the Ministry of Interior. Because these documents are not yet issued, refugees rely on UNHCR cards that are not expressly recognized within the new system. This includes access to legal work, business registration, education enrolment, health services, movement permissions, and civil registration procedures. Many stakeholders identify the documentation barriers as a central constraint in practice, noting that refugees face obstacles even in sectors where the law grants rights on paper (AIDA 2024).

Service delivery implications. Without national documentation, state ministries responsible for health, education, and labor lack the procedural guidance needed to integrate refugees into their service systems. Work authorization remains inaccessible, health facilities have no instructions for implementation of Article 21, and education ministries cannot process foreign certificate recognition under Article 20. In practice, service access continues under fragmented, ad hoc arrangements, and the law's guarantees remain dormant.

Deportations, removals, and protection risks

Operational reality. The law's provisions on revocation, cessation, and deportation grant significant authority to the Permanent Committee and the Ministry of Interior. However, none of these mechanisms function in practice because the Committee has not been established. Deportations that take place continue under general administrative authority rather than under the procedural structure of the asylum law.

Gap between law and risk environment. Although the law lists detailed grounds for revocation and cessation, it provides no operational steps for risk assessment, referral pathways, or independent review. With no functioning appeal or oversight mechanism, existing deportation practices take place outside the protections envisioned in the law, leaving refugees vulnerable to administrative discretion and inconsistent application of safeguards.

The Vacuum of Protection and Active Criminalization. The failure to operationalize the 2024 Asylum Law leaves a dangerous protection vacuum. In the absence of the PCRA and its procedural safeguards, the state continues to rely on existing security and criminal statutes, notably Law No. 82 of 2016 (Anti-Smuggling of Migrants). This results in a practical environment where irregular entry is actively prosecuted as a criminal offense, often leading to mass arrests, detention, and refoulement without the individual having a chance to access the asylum procedures supposedly guaranteed by the new law. The law's own penalization of late self-reporting (Art. 31/39) reinforces this security-first approach, actively undermining the international principle that refugees should not be penalized for irregular entry.

Work, livelihoods, and economic access

Work authorization in practice. Article 18 grants refugees the right to work, subject to temporary permits and recognition of professional qualifications. Because the Committee is inactive, none of the required work authorization procedures have been created. The labor authorities have no guidance on how to process refugee applications, evaluate foreign certificates, or issue permits. As a result, refugees continue to face practical barriers to formal employment, mirroring the challenges documented by international assessments of comparable systems with undefined pathways (European Parliament 2009).

Economic participation. The inability to access bank accounts, business licenses, or tax registration under a national identification system creates barriers to entrepreneurship despite Article 19 permitting refugees to establish businesses. This leaves refugees reliant on informal or unregulated economic activity, which does not reflect the law's intent to provide structured legal inclusion.

Healthcare and education systems

Healthcare access. Article 21 promises access to healthcare under the same conditions as Egyptians, but implementation requires ministerial decisions on enrollment, cost coverage, identification requirements, and facility eligibility. Because these rules remain undefined, public health institutions have no formal procedures to admit refugees under the national asylum system. In practice, refugees access health services through inconsistent, location-specific pathways or rely on international or NGO support.

Education access. Article 20 grants refugees the right to education and recognition of certificates, but the implementing procedures for enrolment and equivalency are not issued. Schools and education authorities have no instructions for processing refugee applications under the new law, and practical access remains governed by pre-existing arrangements that often depend on UNHCR documentation rather than national mechanisms.

Movement, residence, and geographic restrictions

Movement in practice. Article 22 requires refugees to notify authorities of their place of residence and update their address whenever they relocate. Because no system exists to process these notifications, refugees cannot comply with the requirement. Without clear procedures, the provision cannot be enforced or monitored. Refugees move within Egypt under general administrative practice rather than under the structured system envisioned in the law.

Security-based limitations. Several rights in the law are subject to conditions related to national security and public order. In practice, these clauses are applied through existing administrative mechanisms rather than through the structured pathways anticipated in Articles 8, 10, and 31. The absence of regulatory criteria increases the risk of inconsistent or restrictive interpretation in the field.

Appeals, complaints, and procedural justice

Appeals in practice. The law does not include an appeal mechanism for negative decisions, revocations, or deportation orders. Since the Committee is not active, no national review body exists. Refugees therefore have no access to administrative or judicial review under the new legal system. The lack of safeguards leaves refugees vulnerable to inconsistent or arbitrary administrative action (AIDA 2024).

Complaints and grievances. Unlike systems that provide independent channels for complaints or oversight, the 2024 Asylum Law provides no such mechanisms. Until the Committee is operational and oversight structures are defined, grievances cannot be processed within the framework the law intended.

Transitional coexistence with the UNHCR system

Parallel systems. The AIDA report stresses that asylum procedures in Egypt continue to be conducted by UNHCR because the national system is inactive (AIDA 2024). This creates a transitional overlap in which refugees navigate a legal regime that recognizes their rights while relying entirely on an external institution for documentation, processing, and protection. The coexistence of two systems one dormant and one functional generates confusion for both refugees and government institutions.

Operational consequences. Government ministries cannot apply the rights outlined in the law because the national documents and procedures required to activate them do not exist, and the coordinating frameworks between ministries are also absent. Although the law assigns roles to the Ministry of Interior, the Ministry of Foreign Affairs, and sectoral ministries responsible for work, health, education, and civil registration, it does not define how these bodies should exchange information, approve decisions, or sequence responsibilities. As a result, UNHCR remains the default service interface, and the absence of a coordinated national workflow leads to uneven protection outcomes, delays in access to services, and inconsistencies across sectors that limit the law's intended impact.

The Geopolitical Cost of Institutional Dormancy. The continued reliance on UNHCR to manage all core functions has a significant geopolitical and financial consequence. International donors, particularly the European Union, direct substantial migration-related funding to Egypt. However, this funding is often channeled through UN agencies (like UNHCR) and development actors, rather than directly supporting the non-existent national PCRA system. This operational dependency on international agencies creates a disincentive for the state to finalize the PCRA's executive regulations, as the de facto asylum response remains externally subsidized and managed. The "dual-track" system thus perpetuates the financial burden-sharing model while delaying the state's full legal and administrative sovereignty over the asylum process.

D. Equity and Governance Dimensions

The 2024 Asylum Law is formally status-neutral, extending its provisions to all asylum seekers and refugees regardless of nationality, gender, or mode of entry. However, the combination of undefined procedures, broad security-based limitations, and the absence of appeal pathways creates structural inequities in how protection, rights, and obligations would be applied. These inequities arise from the design of the law itself rather than from its lack of implementation. They reflect gaps in procedural safeguards, access mechanisms, and institutional accountability that may affect different groups in uneven ways.

Distributive equity: unequal access to rights and services

Service access asymmetry. Although the law grants refugees access to education, healthcare, work, and movement, these rights are contingent on procedures that the law does not define. Without clear pathways for documentation, work authorization, or certificate recognition, individuals with stronger social networks or financial means are more likely to secure parallel informal access, while the most vulnerable often face exclusion (AIDA 2024).

Impact on irregular entrants. The law imposes longer status-determination timelines and additional reporting duties on those who entered the country irregularly, despite international guidance discouraging penalties for irregular entry (European Parliament 2009). This introduces an unequal distribution of uncertainty and administrative burden, which falls disproportionately on individuals fleeing urgent conflict or persecution.

Residual dependence. As long as parallel UNHCR systems remain the default interface, applicants with the ability to navigate both national and humanitarian systems fare better, while those unfamiliar with these structures face longer delays and structural barriers to services (AIDA 2024).

Procedural equity: unclear decision-making and lack of appeals

Opaque decision processes. The Permanent Committee holds exclusive authority to grant, deny, revoke, or cease refugee status, but the law does not provide transparent criteria, evidentiary standards, or procedural guarantees for how these decisions will be made. Without codified rules, decision quality and fairness may vary considerably (Refugees International 2025).

Absence of appeal mechanisms. The law does not provide an administrative or judicial appeal process for asylum decisions, deportation orders, or emergency measures. This is a significant procedural inequity. Individuals whose cases are mishandled, delayed, or wrongly assessed would have no formal channel to challenge or correct errors, which contradicts established international best practice (AIDA 2024).

Security-based discretion. Several rights can be restricted for national security or public order concerns, yet the law does not define thresholds or oversight structures. This creates the risk of disproportionate application, particularly affecting groups already subject to scrutiny or stereotype (Forum Together 2019).

Risk of Institutional Bias. The law's design centralizes all power such as appointment, funding, and decision review, under the Prime Minister's Office, as identified in Gap 1 (Governance Independence Failure). This centralization means the Permanent Committee for Refugee Affairs (PCRA) is fundamentally an executive, political body, not a quasi-judicial, independent one. In the absence of transparent rules or judicial oversight, this structure institutionalizes the risk that asylum decisions could be influenced by political, security, or foreign policy objectives rather than strictly by the merits of an asylum claim and international law standards.

Financial equity: differentiated ability to meet administrative requirements

Administrative burdens. Many of the law's requirements, such as residence notifications, updating personal data, or obtaining work permits, create recurring administrative obligations. Individuals with lower income or unstable housing arrangements are less able to comply consistently, especially in the absence of legal aid or subsidized support.

Documentation-dependent access. Because most rights depend on national documentation, any fees, transportation costs, or administrative delays associated with document issuance would affect lower-income refugees more acutely. This reproduces patterns seen in other centralized asylum systems where financial barriers limit effective access to rights (Netherlands Court of Audit 2023).

Informational equity: lack of transparency and legal clarity

Information asymmetry. The law does not require public disclosure of procedures, case processing timelines, or decision statistics. Without transparency, applicants have limited ability to understand their rights, prepare their cases, or anticipate outcomes.

Dependency on intermediaries. In the absence of official guidance or accessible information, refugees must rely on informal networks, NGOs, or community intermediaries. This creates disparities in knowledge, where those with stronger networks receive better navigation support while others remain unaware of their options (AIDA 2024).

Legal uncertainty. Undefined procedures for work authorization, healthcare enrollment, education access, and civil registration produce inconsistent practice across ministries and governorates, reinforcing inequities in who receives services and who does not.

Protection and safety equity: unequal exposure to harms and risks

Risk of removal. The law links negative decisions, revocation, and cessation directly to deportation without providing a safeguard mechanism or appeal pathway. This exposes individuals to greater risk of refoulement, especially those with limited ability to contest or review decisions (AIDA 2024).

Emergency measures. The Committee may request measures affecting an asylum seeker for national security or public order reasons, but the law does not outline criteria or oversight. This lack of structure can disproportionately affect individuals perceived as higher risk for reasons unrelated to their protection needs (Refugees International 2025).

Vulnerable groups. Although the law prioritizes vulnerable applicants in processing, it does not provide detailed protections for gender-based violence survivors, unaccompanied minors, or persons with disabilities beyond recognition of priority status. Operational gaps in safeguards may place these groups at heightened risk during status determination.

Gender and generational equity: differentiated impact across social groups

Women and girls. Access to work, healthcare, and legal protection depends on documentation and administrative procedures. Without clear pathways for these requirements, women particularly those balancing childcare, domestic responsibilities, or mobility constraints face higher barriers to exercising their rights.

Youth and education. The absence of procedures for certificate recognition and school enrollment disproportionately affects refugee youth, whose access to education depends heavily on administrative clarity. Delays or inconsistencies in educational access can have long-term implications for integration and protection.

Emerging opportunities. Young entrepreneurs or students face barriers in accessing work permits and training programs due to documentation gaps. This limits the potential benefits of the law's economic inclusion provisions for younger generations.

E. Comparative Benchmarks

Egypt's 2024 Asylum Law represents an important effort to consolidate asylum governance under a national framework. However, gaps in institutional independence, procedural clarity, financial autonomy, protection guarantees, and enforcement safeguards reveal a need to learn from other countries that have faced similar pressures. The benchmark cases in the analysis table illustrate how different asylum systems have structured refugee status determination, documentation, mobility, funding, and oversight. Together, they provide relevant lessons for Egypt as it develops executive regulations and activates national institutions.



1. Jordan government led coordination with structured UNHCR roles

Jordan offers an example of a government led refugee governance model that combines national authority with structured cooperation mechanisms. The Jordan Response Plan is recognized for enabling coordination, planning, and burden sharing across ministries and humanitarian partners. In Jordan, refugee registration and service delivery are shaped by clear roles and responsibilities between government and UNHCR, which reduces discretionary decision making and stabilizes implementation (GCR Jordan 2025). Compared to Egypt, where the 2024 law assigns cooperation with UNHCR only "after coordination with the Ministry of Foreign Affairs," the Jordanian model shows how clearer division of responsibilities and direct coordination channels can support predictability and reduce institutional bottlenecks.



2. Turkey registration and prioritization through administrative authorities

Turkey processes asylum applications through provincial migration directorates that handle registration, case processing, and coordination with UNHCR. Vulnerable groups receive priority during processing, and state authorities remain the core decision makers. This model demonstrates how administrative authorities can operationalize procedures through defined institutional pathways, supported by UNHCR counselling and protection activities. Egypt's law similarly centralizes asylum decision making under a national committee, but without procedural detail on registration methods, interview standards, or how UNHCR's supervisory role under Article 35 of the 1951 Convention is incorporated into daily operations (AIDA 2024). The Turkish experience highlights the value of clear government led procedures anchored in administrative institutions.



3. Canada independent decision making and robust appeal safeguards

Canada's Immigration and Refugee Board operates as an independent, quasi judicial body, with decision makers appointed to assess asylum claims based on law, evidence, and credibility. Canada also provides structured travel document policies, clear naturalization pathways, and strong judicial review mechanisms for revocation and deportation decisions (IRPA 2023). Compared to Egypt's Permanent Committee, whose members are appointed by the Prime Minister and drawn exclusively from government ministries, the Canadian model shows how procedural independence can strengthen fairness, reduce politicization, and reinforce public trust.



4. Uganda inclusive rights based integration and land access

Uganda is frequently cited for its progressive refugee regime, including automatic issuance of refugee identification, access to land in designated settlements, and full inclusion in public education and health systems. Refugees can engage in business, access services, and move freely under the 2006 Refugee Act. Many of Egypt's rights provisions mirror this approach in principle, but the law places them behind yet to be issued executive regulations and attaches broad national security exemptions (UNHCR Uganda 2022). Uganda's model illustrates how clear rights, accessible documentation, and straightforward implementation pathways can reduce administrative barriers and support self-reliance.



5. Sweden rapid work authorization and recognition of early integration

Sweden minimizes delays in accessing the labour market. Work authorization can be granted soon after the asylum application is filed, provided identity can be established. Conditions are transparent and administered by the migration agency, enabling asylum seekers to participate economically (Swedish Migration Agency 2021). Egypt's system requires permits, recognition of qualifications, and approvals from sectoral authorities. The Swedish example underscores how fast, predictable access to work reduces vulnerability and enhances integration outcomes.



6. Germany constitutional rights protections and religious freedom

Germany guarantees freedom of religion and belief under its constitutional framework, without restricting recognition to specific faiths. This contrasts with Egypt's Article 14, which limits recognized religious practice to Abrahamic faiths. Germany's constitutional protections show how broad religious rights can prevent discrimination and better align asylum systems with international human rights standards (German Basic Law 2022).



7. Greece and the development of independent asylum services

Greece established specialized asylum services with staff trained in cooperation with European agencies and UNHCR. Appeals mechanisms are structured through independent authorities, providing clearer accountability for decisions. Egypt's law lacks detail on independence and does not specify how appeals will be resourced, handled, or suspended during deportation procedures (AIDA Greece 2023). The Greek experience highlights the importance of specialized bodies, trained staff, and independent appeals authorities.



8. Belgium automatic suspensive effect in appeals

Belgium amended its procedures to guarantee the suspensive effect of appeals in certain asylum cases, preventing deportation until judicial review is completed (Belgium Council of State 2020). Egypt's law provides an appeal route but does not specify whether deportation is paused while the case is under review. The Belgian model shows how appeals mechanisms can protect due process and reduce risks of refoulement.



9. Portugal residence and absence rules tied to long term status

Portugal regulates loss of long term residence rights through maximum permitted absences, but within a framework that prioritizes stability and avoids arbitrary loss of status. Egypt introduces a six month continuous absence rule as a ground for cessation, which is far stricter and may lead to loss of rights unrelated to protection needs. Portugal's approach illustrates how residency expectations can be managed without undermining legal security.



10. Italy flexible timing for asylum applications

Italy accepts asylum applications regardless of the time elapsed since entry, reducing punitive consequences for irregular movement. This contrasts with Egypt's 45 day mandatory reporting requirement and criminal penalties for late declaration. Italy's model shows how flexible application timing strengthens protection and avoids penalizing vulnerable entrants.



11. Spain emergency restrictions governed by constitutional safeguards

Spain allows temporary measures during emergencies but requires that they be consistent with constitutional rights and subject to judicial oversight. Egypt's Article 10 allows broad, undefined emergency restrictions without equivalent oversight pathways. Spain's practice demonstrates how emergency powers can be framed in a rights based structure.



12. Venezuela explicit protection against penalizing irregular entry

Venezuela's legal framework prohibits penalizing asylum seekers for irregular entry as long as they apply without delay. While Egypt partially incorporates this concept in Article 32, it adds narrow timing conditions and criminal penalties in Article 39. Venezuela's example shows how aligning fully with Article 31 of the 1951 Convention strengthens protection and avoids deterring asylum claims.



13. Hungary criminalization risks and constraints on assistance

Hungary's recent criminalization of support to irregular migrants highlights the risks of punitive approaches. Egypt's Articles 31 and 37 similarly introduce criminal liabilities for hosts and irregular entrants, raising concerns about over enforcement and barriers to humanitarian assistance. The Hungarian case demonstrates how enforcement focused policies can erode protection space.

Across the benchmark countries, the strongest lessons for Egypt relate to procedural clarity, independent oversight, predictable documentation systems, structured cooperation with UNHCR, and safeguards for irregular entry and cessation. Jordan and Turkey show how coordinated government and UNHCR roles can stabilize asylum management, while Canada, Greece, and Belgium illustrate the importance of independent appeals and judicial oversight. Uganda and Sweden highlight how early access to documentation and work promotes self-reliance, and European practice underscores the need for transparent safeguards in emergency measures and freedom of religion.

Taken together, these experiences suggest that the transition from legislative design to operational protection requires the executive regulations to prioritize a set of reforms grounded in independence, procedural certainty, and rights accessibility.

The key actions that emerge from the benchmarks are as follows:

- **Guarantee procedural independence and oversight.** Establish an independent appeals body to review decisions of the Permanent Committee for Refugee Affairs and ensure that any appeal automatically suspends deportation until judicial review is complete.
- **Formalize structured cooperation with UNHCR.** Define a clear memorandum of understanding for the transfer of existing UNHCR files and guarantee UNHCR access to detention centers and a consultative role in standard operating procedures.
- **Remove penalties that criminalize protection needs.** Repeal penalties for irregular entry in Article 39 and align with Article 31 of the 1951 Convention by confirming that asylum seekers are not penalized for their mode of entry when they apply without undue delay.
- **Establish a clear and immediate documentation pathway.** Issue temporary documents at registration that legalize stay and provide access to work, drawing from the Uganda and Sweden models to prevent protection gaps during determination.

Together, these measures would help transform the 2024 Asylum Law into a predictable, accessible, and rights-based national asylum system.

2. Law 14 of 2025 Labor Law

A.Introduction

The economic fate of refugees and migrants in Egypt is defined not solely by humanitarian protection but by the dense legal and regulatory architecture of the labor market. While the Asylum Law (as discussed previously) creates the institutional pathway for legal status, it is the Labor Law No. 14 of 2025 that acts as the primary gatekeeper to economic opportunity. This law determines the cost, the feasibility, and the administrative burden required for a non-citizen to secure formal, dignified employment. As Egypt works to manage its labor force and its social pressures, the Labor Law's framework for foreign workers becomes the structural determinant of migrant and refugee self-reliance.

Understanding this landscape is therefore foundational to any policy discussion on integration. The current law, in effect, applies a standard economic migration framework to a humanitarian population, creating systemic friction and inadvertently promoting informality.

To diagnose the precise nature of these barriers, this analysis focuses exclusively on the most impactful provisions. We have extracted and prioritized key articles from the Labor Law, specifically targeting Chapter Five, "Employment of Foreigners," and relevant general articles on worker rights and contract standards (such as Articles 1, 5, 8, 11, and 69-74). This strategic selection ensures the focus remains on the "chokepoints" that either block or enable economic access.

The subsequent legal analysis employs a structured, equity-focused diagnostic tool to evaluate each extracted article based on four core criteria:

- Summary and Context: A clear explanation of the rule and its application to foreigners.
- Problem/Gap: Identifying where the law's text is ambiguous, overly restrictive, or contains omissions (e.g., the absence of a refugee exemption).
- Intent Status: Confirming the article's current standing (in force, principle, or dormant).
- Equity Status (Positive or Negative): An assessment of the article's impact on economic fairness. For instance, whether high fees (Art. 71) create a negative financial barrier, or whether general protections (Art. 8) provide a positive safeguard.

The analysis reveals that regulatory mechanisms intended for economic control-such as the high permit fees, structural quotas, and the reciprocity principle-create disproportionately punitive barriers for refugees. Furthermore, the explicit inclusion of domestic work (Art. 69) and the repatriation clause (Art. 74), which conflicts directly with the humanitarian principle of non-refoulement, demonstrate critical areas where the Labor Law is misaligned with the needs and security of individuals under international protection. The findings, presented in the accompanying table, illustrate that success in the labor market depends as much on regulatory coherence and humanitarian exemptions as it does on individual skills or motivation.

***Check Annex 2 for the legal text analysis table analyzing each article of law 14 Chapter Five.**

B.Legal architecture and Gaps

Institutional roles and authorities (by Article)

The 2025 Labor Law allocates responsibilities across ministries and administrative authorities that directly shape how refugees, migrants, and other non-nationals interact with the labor market. Although the law is framed as a general employment statute rather than a protection instrument, its institutional design determines how work permits are issued, monitored, revoked, and enforced. The provisions also define how employment relationships are documented, how disputes are handled, and how foreign workers are treated in cases of absence, repatriation, or employer insolvency. For refugees, who already face legal precarity under the asylum framework, these institutional assignments create an additional layer of procedural obligations and administrative hurdles.

Permanent roles in regulating foreign labor flows are assigned primarily to the relevant ministry responsible for employment (as stated in Articles 69 to 74), while other ministries and authorities hold oversight, coordination, or enforcement functions. Together, these articles form the operational backbone of the foreign-worker system that refugees must navigate.

- **Ministry of Manpower (relevant ministry)**
  - Article 70 designates the ministry as the authority that regulates the employment of foreigners across private, public, public business, and administrative sectors. The ministry sets maximum allowable percentages of foreign workers in establishments, determines which professions are closed to foreigners, and applies the reciprocity principle. It also holds the power to exempt foreigners from reciprocity, giving it full discretion in setting and adjusting the framework.
  - Article 71 assigns the ministry responsibility for defining all conditions for obtaining, renewing, and revoking work permits. This includes setting required documentation, fees (from 5,000 to 150,000 EGP), and exceptions. The ministry also receives employer notifications for foreign workers who fall under permit exceptions.
  - Article 72 grants the ministry authority over the reporting and follow-up process when foreign workers are absent for fifteen consecutive days. It issues the detailed procedures for how employers must report and how authorities respond.
  - Article 73 empowers the ministry, in coordination with the Minister of Investment, to establish special rules for granting work permits to foreigners under the Investment Law, thereby reinforcing its central role in managing differentiated migration channels.
  - Article 74 assigns the ministry responsibility for issuing procedures governing the employer's duty to repatriate foreign workers at the end of employment. This places the ministry at the center of decisions that may conflict with non-refoulement principles when applied to refugees.

- **Administrative authorities and enforcement bodies**
  - Articles 70 to 72 assign supporting roles to local administrative authorities that receive notifications, record foreign-worker data, and coordinate with the ministry on enforcement actions such as absence reporting and employer compliance. These bodies form the first line of monitoring and are responsible for transmitting alerts when foreign workers fall out of status.

- **Social insurance authorities**
  - Article 89 mandates that labor contracts for foreign workers be deposited with the social insurance office, giving this authority a record-keeping and verification role. It ensures that the employment relationship, benefits, and contributions are formally logged, including in bilingual contracts when required.

- **Judicial and inspection bodies**
  - Article 11 ensures continuity of employment obligations following mergers, sales, or company transfers. This gives courts and inspection bodies the authority to enforce worker claims and hold successor employers jointly responsible for obligations toward all workers, including foreign nationals and refugees.

- **Civil registry and identification authorities**
  - Article 89 requires the inclusion of identification details, residence address, and insurance numbers in all contracts, placing ancillary responsibilities on identification-issuing authorities to validate foreign workers' documents and ensure compatibility with employment records.

Overall institutional structure
Across these articles, the Labor Law centralizes almost all critical powers affecting foreign workers within the Ministry of Manpower, with administrative authorities playing a supporting but mandatory role. Other sectoral ministries appear only indirectly through coordination clauses (such as investment authorities under Article 73). Unlike the asylum law, no dedicated governance structure exists to differentiate refugees from other categories of migrants. Furthermore, by explicitly defining 'Work' broadly to include vulnerable sectors like domestic work (Article 69), the law extends the Ministry's stringent work permit requirements and high fees (Article 71) to one of the most common, yet least-protected, sectors for migrant and refugee women, thereby increasing their risk of exploitation and informality. This institutional architecture places refugees entirely within the foreign-labor regime, without recognition of protection-based vulnerabilities or international obligations.

While the 2025 Labor Law establishes a comprehensive framework for regulating foreign workers in Egypt, its structure places refugees squarely within the foreign-labor regime without recognition of their distinct protection needs. The law centralizes work authorization, regulates employer duties, and defines foreign-worker compliance rules. However, because the Labor Law treats refugees as foreigners subject to quotas, reciprocity, fees, repatriation obligations, and absence reporting, it creates multiple structural gaps that undermine refugees' ability to access lawful employment. These gaps arise not from a lack of institutional assignment, but from the design of the foreign-labor system itself, which assumes that all non-nationals possess a sending state, can return safely, and can meet financial and procedural conditions that refugees cannot reasonably fulfill.

Institutional design and foreign-worker regulation

What the law does. Articles 70 to 74 establish a centralized labor migration regime administered by the relevant ministry, setting maximum percentages of foreign workers, reciprocity requirements, work permit conditions, fees, absence reporting rules, investment conditions, and employer repatriation duties. The system regulates foreign labor flows in a structured manner and provides detailed powers for the ministry and administrative authorities.

How it is operationalized. The ministry exercises wide discretion in determining who can work, under what conditions, and in which sectors. Fees are set at high levels, absence reporting triggers legal action, and employers are required to repatriate foreign workers at the end of their employment. These mechanisms assume that foreign workers have embassies, safe countries of origin, and financial resources.

Gap 1 foreign-worker framework does not fit refugees.
Because the law applies foreign-worker rules to refugees without adjustment, refugees face structural barriers such as reciprocity requirements, capped quotas, and employer-driven repatriation. These conditions are incompatible with refugee status and prevent the Labor Law from functioning as a protection-sensitive employment framework.

Work permit conditions, fees, and structural barriers

What the law does. Article 71 defines work permit requirements, including fees ranging from 5,000 to 150,000 EGP, employer obligations, and renewal procedures. The ministry decides documentation requirements and exemptions.

How it is operationalized. In practice, work permit eligibility requires meeting financial, administrative, and employer sponsorship prerequisites that refugees typically cannot fulfill.

Gap 2 excessive financial burden.
The fee structure creates a major access barrier for refugees, especially newly arrived or low-income individuals. The cost of obtaining or renewing a work permit significantly limits their ability to enter the formal labor market.

Gap 3 restrictive quotas and reciprocity.
Article 70's quota system and reciprocity requirement make it difficult for refugees to qualify for lawful employment. Reciprocity cannot be applied to refugees, and quotas restrict availability of positions for non-nationals altogether.

Monitoring, absence reporting, and employer authority

What the law does. Article 72 requires employers to report foreign workers who are absent for fifteen consecutive days. The ministry issues implementing procedures.

How it is operationalized. Reported foreign workers risk losing their legal status or triggering enforcement actions.

Gap 4 risk of criminalization.
Refugees may face arrest, deportation, or loss of lawful stay if they are reported absent, even when absence is linked to vulnerability, displacement, or documentation constraints.

Investor channels, repatriation duties, and differentiated treatment

What the law does. Article 73 establishes special rules for investor work permits, and Article 74 obligates employers to repatriate foreign workers at the end of employment.

How it is operationalized. Investor pathways offer easier procedures and exemptions compared to standard foreign workers. Repatriation obligations require employers to arrange and pay for a foreign worker's return.

Gap 5 unequal treatment and exclusion.
Investor provisions benefit wealthy foreigners while offering no relief to low-income refugees. This creates a two-tiered labor migration structure in which only high-capital individuals access facilitated pathways.

Gap 6 repatriation conflicts with protection norms.
Employer repatriation duties contradict the principle of non refoulement when applied to refugees who cannot safely return to their country of origin.

Contractual language, understanding of rights, and informational barriers

What the law does. Article 89 requires labor contracts for foreign workers to be bilingual, but the Arabic version prevails in case of conflict.

How it is operationalized. Refugees who do not speak Arabic must rely on translated versions that have no legal authority in dispute resolution.

Gap 7 informational disadvantage.
The primacy of Arabic contracts increases refugee vulnerability to misinterpretation, unequal bargaining power, and difficulty in defending their rights if disputes arise.

Overall, the labor framework assigns clear institutional roles and detailed regulatory powers, but it embeds barriers that disproportionately affect refugees. High fees, reciprocity, quotas, absence reporting, and repatriation expectations reflect a labor-migration model that assumes economic migration rather than forced displacement. Without adjustments or a dedicated refugee employment pathway, the law cannot function as an accessible or protection-sensitive system for refugees seeking lawful work in Egypt.

C. Implementation and Practice

While the 2025 Labor Law provides a detailed regulatory framework for the employment of foreigners in Egypt, its implementation for refugees remains limited because the law does not distinguish between economic migrants and refugees who require protection based on international obligations. As a result, refugees fall into the same regulatory channels as all other foreign workers, facing high fees, quotas, reciprocity requirements, repatriation rules, Arabic contract precedence, and employer based reporting obligations. These mechanisms function as designed for foreign labor governance but create practical barriers for refugees who cannot meet the underlying assumptions of the system, such as returning to a country of origin or paying high administrative costs. The following subsections describe how these issues appear in practice, based strictly on the articles analyzed in your table.

Work authorization, throughput, and administrative predictability

Throughput and predictability. The work permit system envisioned in Articles 70 and 71 operates through a centralized process in which the relevant ministry sets quotas, defines documentation, assigns fees, and determines restricted sectors. In practice, this creates a procedural bottleneck for refugees because the system was designed to regulate voluntary labor migration rather than forced displacement. The reciprocity requirement and foreign worker quotas restrict the number of foreigners who can be hired, and refugees cannot satisfy reciprocity conditions because they lack diplomatic ties to their countries of origin. High permit fees, ranging from 5,000 to 150,000 Egyptian pounds, further reduce throughput for low income refugees even when employers are willing to hire them. Predictability is therefore limited, as refugees are subject to financial, administrative, and quota based constraints that they are structurally unable to meet.

Renewals and modifications. Renewal procedures fall under the same fee structure and documentation requirements as initial permits. Because refugees often lack consistent income, identification documents from their home countries, or employer continuity, they may be unable to renew permits on time. This risks loss of lawful status under the labor system and increases the likelihood of being reported under the absence rules. For refugees who change jobs or sectors, modification of work permits may be blocked by quota limits or sectoral prohibitions, leaving them with no accessible route to regularization under the Labor Law.

Absence reporting, enforcement, and vulnerability

Absence reporting rules. Article 72 requires employers to report foreign workers who are absent for fifteen consecutive days. In practice, this creates a significant vulnerability for refugees because absence may be linked to displacement, administrative barriers, or unstable living conditions. Once reported, refugees risk arrest or deportation under general foreign-worker enforcement rules. The law provides no safeguard for refugees who miss work due to insecurity, lack of documentation, or family crises, leaving them exposed to punitive outcomes unrelated to work performance. The absence reporting requirement therefore functions as a strict enforcement tool that does not account for the realities of refugee life in Egypt.

Enforcement implications. Because the law ties legal stay to employer sponsorship and compliance, refugees may lose their regular status immediately when an employer files a report. Refugees who experience exploitation or unsafe working conditions may also fear reporting violations or leaving a job, since doing so risks triggering the absence rules. This reliance on the employer to maintain legal status compromises the fundamental rights of freedom of association and the right to report labor violations, effectively creating a system of employer dependency that severely limits a refugee's ability to exercise their rights guaranteed elsewhere in the Law. This enforcement structure places refugees in a precarious position where labor rights cannot be exercised without jeopardizing legal security.

Documentation, language, and contract enforcement

Documentation gap. Article 89 requires that foreign worker contracts be bilingual, but stipulates that the Arabic version prevails in all legal disputes. In practice, this places non Arabic speaking refugees at a disadvantage because they may misunderstand key clauses regarding wages, termination, working hours, or repatriation obligations. Although the bilingual requirement improves nominal transparency, the legal primacy of Arabic contracts reduces the effectiveness of this protection. Refugees with limited Arabic proficiency face barriers in negotiating, understanding, or contesting contract terms.

Contract enforcement. Because the Arabic text governs disputes, refugees may be unable to challenge unfair practices or misrepresentations effectively. This increases dependency on employers and prevents equal enforcement of rights guaranteed under the law. The structural language barrier affects all foreign workers, but it disproportionately impacts refugees due to limited access to translation services and legal assistance.

Repatriation rules and the conflict with protection needs

Employer obligations. Article 74 requires employers to repatriate foreign workers at the end of employment. In practice, this rule assumes that return to the country of origin is safe and feasible. For refugees, repatriation may place them at risk of harm or violate the principle of non refoulement. The law does not provide exceptions for individuals who cannot return safely, and no mechanism exists to convert a foreign-worker record into a protection based status within the labor system.

Practical consequences. Refugees employed under the Labor Law risk forced return if an employer decides to end the employment relationship. This creates a significant deterrent for both employers and refugees, since employers bear financial responsibility for repatriation and refugees risk removal to unsafe conditions. The absence of protection based exemptions creates a misalignment between labor enforcement and refugee protection requirements.

Differential access and structural exclusion

Investor channels. Article 73 establishes simplified procedures for investor work permits, privileging high capital foreigners. In practice, this creates a two-tiered system in which wealthy migrants access facilitated pathways, while refugees, who typically lack capital, remain confined to restrictive general procedures. This reinforces structural exclusion and limits opportunities for labor market participation.

Cumulative impact. When combined, quotas, high fees, absence reporting, Arabic contract primacy, and repatriation requirements produce a system where refugees are formally allowed to work but practically unable to do so through lawful channels. The implementation of the Labor Law therefore functions as an exclusionary mechanism for refugees, even though the law is not explicitly designed to block their employment.

D. Equity and Governance Dimensions

The 2025 Labor Law is formally framed as a neutral employment statute that applies to all foreign workers. However, when applied to refugees, the structure of the law creates significant inequities due to high financial barriers, employer driven reporting rules, reciprocity requirements, Arabic contract dominance, and repatriation obligations. These inequities arise from the design of the foreign-worker regime rather than from its implementation. The law assumes that all non-nationals have a safe country of origin, possess financial resources, and can comply with sponsor based procedures. Refugees, by definition, do not meet these assumptions, resulting in uneven access to employment rights and heightened exposure to harm.

Distributive equity: unequal access to work and services

Access asymmetry. Refugees face structural disadvantages under Articles 70 and 71 because the quota system, reciprocity requirement, and very high work permit fees restrict access to lawful employment. Individuals with financial means or employer sponsorship are better positioned to comply, while low-income refugees are effectively excluded. The law provides no alternative, reduced-fee, or protection-sensitive pathway.

Impact of absence rules. Article 72 disproportionately affects refugees because missing fifteen days of work, even for reasons linked to displacement, family instability, or lack of documentation, places them at risk of being reported and losing their legal status. This creates unequal exposure to enforcement compared with other foreign workers who may have more stable conditions.

Investor versus refugee divide. Article 73 offers more favorable pathways for wealthy foreigners under investor channels, while refugees who lack capital have no comparable route. This creates a two-tiered system where access to rights depends heavily on economic status.

Procedural equity: employer power, monitoring, and lack of safeguards

Employer driven reporting. The system grants employers significant authority to report refugee workers for absence, creating a procedural imbalance. Refugees may avoid reporting abuse or unsafe conditions because leaving a job risks being labeled absent and triggering enforcement.

No protection based exceptions. Article 74 requires employers to repatriate foreign workers at the end of employment. For refugees, this creates a conflict with protection needs because return may be unsafe. The absence of exceptions places refugees in a procedurally disadvantaged position compared to other non-nationals who can safely return home.

Opaque criteria. The ministry retains wide discretion over work permit conditions, exemptions, and renewal criteria, but the law does not define clear standards. This creates variability in outcomes and limited procedural predictability for refugees whose circumstances do not align with rigid foreign-labor categories.

Financial equity: disproportionate cost burdens

High fees. Work permit costs ranging from 5,000 to 150,000 Egyptian pounds disproportionately burden refugees who typically have limited financial resources. The fee structure creates a significant barrier that wealthier foreign workers can overcome more easily.

Documentation and renewal costs. Because access to legal employment depends on repeated registrations and renewals, ongoing administrative fees and transportation costs weigh more heavily on low-income refugees. This financial inequity is embedded directly in the law's design and fee schedule.

Informational equity: language barriers and contract asymmetry

Arabic contract dominance. Article 89 requires bilingual contracts but states that the Arabic version prevails in disputes. Refugees who do not speak Arabic face an informational inequality that undermines their understanding of wages, conditions, and obligations. Their ability to contest unfair terms is weaker than that of Arabic-speaking workers.

Dependency on employers. Without access to legal interpretation or translation services, refugees rely on employers to explain contract terms. This deepens informational disparities and increases the risk of misunderstanding or exploitation.

Protection and safety equity: heightened exposure to harm

Risk of removal. Because absence reporting can lead to legal consequences and Article 74 obligates employers to repatriate workers, refugees face a higher risk of removal than other foreign workers. This risk exists even when return is unsafe, heightening vulnerability.

Disregard for Forced Displacement Conditions: The labor system fails to account for protection-related circumstances, such as unstable housing, lack of transportation, or family emergencies linked to forced displacement. This rigidity results in a greater risk of adverse action under Article 72, creating heightened exposure to enforcement based on circumstances outside the worker's control.

Gender and generational equity: uneven practical impact

Women and girls. High fees, documentation requirements, and reliance on employer sponsorship create additional burdens for refugee women who may face mobility constraints or caregiving responsibilities. Language barriers in contracts increase their risk of misunderstanding employment obligations.

Youth and work access. Young refugees seeking vocational training or entry-level work face the same financial and administrative barriers as adults, limiting their access to opportunities. Because the law does not provide simplified pathways for youth, they remain disadvantaged despite having fewer financial resources and support networks.

E. Comparative Benchmarking

The reviewed labor systems in Jordan, Lebanon, Iraq, Morocco, and Uganda offer valuable perspectives for assessing and refining Egypt's Labor Law (especially Law No. 14 of 2025). These international examples, though varied, collectively illustrate different strategies for regulating employment, ensuring worker protection, and managing employer-employee relations.

Their direct relevance to Egypt lies in demonstrating how labor governance can effectively balance the critical factors of worker protection, administrative efficiency, and economic integration. The key lessons that emerge for Egypt's evolving framework relate to procedural clarity, enforcement capacity, and the necessity of safeguarding workers in employer-driven systems.

Country-Specific Lessons for the Egyptian Context

1. Jordan: Structured Regulation and Predictable Employment Pathways
Jordan's labor framework emphasizes defined employment categories, mandatory registration, and clear, structured obligations for employers. The system utilizes predictable permit and employment pathways that significantly reduce ambiguity in worker status and help ensure stable employer compliance.

Relevance to Egypt: Compared to Egypt's new labor provisions, Jordan's experience highlights how focusing on predictable, defined administrative procedures can drastically improve compliance rates and reduce discretionary, sometimes arbitrary, interpretation of worker eligibility and employer duties by administrative bodies.

2. Lebanon: Fragmented Protections and Reliance on Employer Sponsorship
Lebanon's system illustrates the inherent challenges when employment rights are heavily mediated through employer sponsorship (Kafala-like structures). Workers become dependent on employers for their permits and legal documentation, creating profound unequal bargaining power and inconsistent protections.

Relevance to Egypt: This model serves as a cautionary tale. It underscores the critical need for robust, transparent, and non-discriminatory rules within Egypt's foreign worker framework to prevent over-centralized employer control and reduce vulnerability to exploitation, particularly for vulnerable groups like refugees and low-wage foreign workers.

3. Iraq: State-Centered Regulatory Authority with Variable Enforcement
Iraq's labor framework relies on centralized state oversight of employment contracts and workplace practices. While this structure offers clarity on the formal legal obligations of all parties, the benchmark demonstrates that practical enforcement is often highly variable and dependent on state administrative capacity.

Relevance to Egypt: The Iraqi model emphasizes the crucial importance of aligning Egypt's rigorous legal provisions with practical, well-resourced implementation mechanisms. Rights must be defined in law, but they must also be realistically and consistently enforceable on the ground to be effective.

4. Morocco: Regulated Employment Conditions with Defined Procedural Steps
Morocco's system is characterized by clearly regulated employment conditions, defined procedures for recruitment and termination, and structured oversight of workplace practices. The benchmark data suggests a model where every administrative step is transparent, giving employers identifiable procedural obligations and workers clear entitlements.

Relevance to Egypt: The Moroccan example demonstrates how detailed, mandatory procedural rules can effectively strengthen predictability for employers—a key factor in attracting investment—while simultaneously improving legal clarity and protection for workers in areas like severance and termination.

5. Uganda: Rights-Based Orientation with Emphasis on Inclusion
Uganda's labor practices prioritize worker inclusion and accessibility to employment opportunities. The benchmark reflects a system that focuses on defined worker protections, straightforward employment pathways, and administrative clarity designed to reduce friction.

Relevance to Egypt: Uganda's experience suggests the value of building simple, accessible administrative procedures that actively reduce barriers to entry into the formal labor market. For Egypt, this is a relevant lesson for streamlining processes for temporary workers and ensuring more equitable employment outcomes for all residents.

Key Thematic Takeaways for Egyptian Labor Reform

Across these international cases, three consistent and highly relevant themes emerge for Egypt:

- **Clarity and Predictability as Compliance Tools:** Whether through structured registration (Jordan) or detailed contract rules (Morocco), clear and predictable labor procedures directly translate into higher rates of compliance by employers and enhanced protection for workers. Vague rules create space for non-compliance.
- **Mitigating Employer Dependence:** Systems that heavily rely on employer control, such as Lebanon's sponsorship model, highlight the inherent danger of power imbalances. For Egypt, this stresses the need for strong legal safeguards that act as checks against employer authority, ensuring worker rights remain portable and protected.
- **The Nexus of Law and Enforcement:** The variability seen in enforcement (Iraq) confirms that the success of Egypt's Labor Law hinges not just on the quality of its legal definitions, but on the administrative accessibility, capacity, and effectiveness of the bodies responsible for its implementation.

Taken together, these benchmarks advise Egypt to focus future efforts not only on legal definitions, but on implementing detailed, accessible, and balanced procedures that strengthen the administrative state while protecting the economic and legal security of every worker.

Conclusion

This report set out to provide a comprehensive, evidence-based assessment of the socio-economic integration of refugees and migrants in Egypt, with a particular focus on livelihoods, entrepreneurship, and access to formal economic systems. By combining large-scale quantitative data with qualitative insights and institutional analysis, the study aimed to move beyond narrative-driven approaches and offer a grounded understanding of how displaced and migrant populations participate in, contribute to, and are constrained within Egypt's urban economy. The overarching objective was not only to diagnose barriers and vulnerabilities, but also to identify practical entry points for policy reform, private-sector engagement, and development investment that align with Egypt's broader economic and social objectives.

Methodologically, the report adopts a mixed-methods framework designed to ensure both analytical rigor and contextual validity. A nationwide survey conducted between November 2024 and May 2025 generated over 6,300 usable data points, allowing for statistically robust analysis of employment patterns, income stability, access to services, and gendered disparities across age, nationality, and legal status. This primary dataset was complemented by secondary literature, institutional data, and sectoral studies, as well as triangulation with existing datasets, including Savannah's earlier research and private-sector databases. Qualitative insights from community organizations, employers, and institutional stakeholders were integrated to contextualize quantitative trends and surface implementation-level challenges. Ethical safeguards, including informed consent, data anonymization, and cultural sensitivity protocols, underpinned all stages of the research process.

The findings of the report underscore a central paradox in Egypt's current integration landscape. On the one hand, refugees and migrants are deeply embedded within the country's economic and social fabric. Urban settlement patterns, dense community networks, and adaptive entrepreneurial practices have enabled high levels of participation in core sectors such as food services, retail trade, construction, and small-scale manufacturing. Many migrants arrive with significant human capital, including prior education, professional experience, and transnational linkages, which they actively deploy through microenterprises, wage labor, and informal finance mechanisms. Community-based systems of mutual aid, savings, and skills transfer play a critical role in sustaining livelihoods, reducing dependency on humanitarian assistance, and fostering localized economic resilience.

On the other hand, these strengths are systematically constrained by structural weaknesses in legal enforcement, financial inclusion, and institutional coordination. Despite recent legislative developments that signal a shift toward a more rights-based framework, access to formal work permits, business registration, and social protection remains limited in practice. Complex administrative procedures, overlapping mandates, and discretionary enforcement continue to confine a large share of refugees and migrants to the informal economy. This informality, while enabling short-term survival, restricts productivity, upward mobility, and the ability to scale enterprises or access formal finance.

Financial and digital exclusion emerges as a particularly binding constraint. The majority of refugee and migrant entrepreneurs operate on a cash basis, with limited access to banking, credit, or digital payment systems. National financial inclusion gains have not translated to displaced populations, largely due to documentation requirements and regulatory barriers. As a result, participation in growing segments of Egypt's digital and platform economy remains out of reach for many, reinforcing low-income traps and limiting spillover benefits to the wider economy.

Spatial inequalities further compound these challenges. Economic opportunities, service provision, and NGO or donor interventions are heavily concentrated in Greater Cairo and Alexandria, while migrants residing in secondary governorates face weaker institutional presence and reduced program coverage. This urban bias exacerbates geographic disparities and constrains the potential for more balanced regional development.

Gender-based vulnerabilities cut across all dimensions of the analysis. Refugee and migrant women are disproportionately concentrated in informal, low-paid, and unprotected forms of work, such as domestic labor and care services. They report significantly lower livelihood stability and face heightened exposure to gender-based violence, while access to protection and support services remains uneven. Economic empowerment initiatives often fail to integrate protection considerations, and coordination between national institutions and humanitarian actors remains fragmented and project-based. These gaps not only undermine women's economic agency but also weaken household resilience and intergenerational outcomes.

The SWOT and gap analyses collectively highlight that the primary risks facing Egypt's integration framework are not rooted in the presence of refugees and migrants themselves, but in the misalignment between existing strengths and underdeveloped institutional systems. Without reforms that link legal frameworks to implementation, finance to policy, and livelihoods to protection, current dynamics risk entrenching informality, social fragmentation, and lost economic potential. At the same time, the report identifies substantial opportunities. International experiences demonstrate that countries which institutionalize inclusion can unlock development financing, attract private investment, and strengthen social cohesion. Egypt's large urban markets, MSME-oriented economy, and youthful migrant population position it well to pursue similar pathways, particularly through blended finance, impact investment, and partnerships with the private sector.

In conclusion, this report demonstrates that refugee and migrant inclusion in Egypt is neither a marginal issue nor a purely humanitarian concern. It is a structural economic and social question with direct implications for productivity, urban development, and long-term stability. The evidence presented points to the need for a deliberate shift from fragmented, short-term interventions toward integrated, scalable solutions that recognize displaced and migrant populations as active economic agents. By aligning legal reforms with implementation capacity, expanding access to finance and digital systems, addressing gender and spatial inequalities, and leveraging existing community and private-sector strengths, Egypt can transform current challenges into a durable development opportunity.

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Annexes

Annex 1: Asylum Law Article Analysis

Article Text (English)	Summary	Problem/Gaps	Intent	Status	Benchmark	Equity Flag
Article 1: Without prejudice to international treaties in force in the Arab Republic of Egypt, the provisions of the accompanying law shall apply with regards to the asylum of foreigners. These provisions shall apply to refugees and asylum seekers as defined under Article 1 of the accompanying law and shall also apply to individuals who acquired refugee status prior to the enactment of this law.	Egypt will continue to respect its international treaties, and the new asylum law will apply to both new asylum seekers and refugees as well as those who were recognized as refugees before the law was enacted.	UNHCR, as a UN General Assembly subsidiary with a mandate to protect refugees under its Statute and the 1951 Convention, has supervisory authority (Article 35) and extensive legislative expertise. A key gap in Article 1 is the absence of a clear role for UNHCR, underscoring the need for it to have a strong say in shaping and overseeing the law's implementation.	To clarify the scope of the law — who it applies to (asylum seekers and refugees, old and new) and to show Egypt will keep honoring international treaties.	Introductory /General Provision.	Foreigners seeking international protection in Turkey must apply through the Provincial Directorates of Migration Management (PDMM), which handle registration and processing of applications. UNHCR complements this by providing protection activities, counselling services, and access to applicants (with their consent), ensuring support on procedures, rights, and obligations while working alongside PDMM.	
Article 2: The Prime Minister shall issue executive regulations of the	The Prime Minister must issue the executive regulations for the	It has been 6 months and the executive regulations has not been issued	To ensure the law will not remain just words on paper — it requires the Prime	Dormant		

accompanying law within six months from the date it comes into effect.	asylum law within six months after the law takes effect.		Minister to issue executive regulations (detailed instructions) within six months so the law can be applied in practice.			
Article 3: This law shall be published in the Official Gazette and will come into effect on the day following its publication. This Law shall be stamped by the Seal of the State and shall be enforced as one of its laws. Issued by the Presidency of the Republic on 14 Jumada Al Akhira of 1446 Corresponding to 16 December 2024	The asylum law will be published in the Official Gazette, will take effect the day after publication, will be stamped with the State Seal, and is officially issued as one of Egypt's laws on 16 December 2024.	While the law has been published and stamped no enforcement measures have been published and therefore it is not functional	To formally activate the law by requiring its publication, stamping, and official recognition with a date of effect	In force, but with no implementation measures in place		
Article 1 defines key terms. The Competent Ministry is the Ministry of Interior and the Competent Committee is the Permanent Committee for Refugee Affairs. A	Defines terms: Competent Ministry (Interior), Competent Committee (Permanent Committee for Refugee Affairs), Refugee (broad definition including	Refugee definition broader than 1951 Convention but gives full discretion to the Committee, this causes a risk of restrictive interpretation; no explicit recognition of UNHCR's	To set the legal definitions and clarify key terms.	Dormant	USA- did not adopt a comprehensive refugee framework until the 1980 Refugee Act. The Act utilized the 1967 Protocol amended definition of a refugee, one without temporal and	

refugee is someone outside their country or habitual residence who cannot or will not return due to a well founded fear of persecution or because of aggression, occupation, or events that seriously disrupt public order, including stateless persons, and this status is granted by the Committee. An asylum seeker is a foreigner who has applied for refugee status and is awaiting a decision.	persecution, war, public disorder), and Asylum Seeker (application pending).	supervisory role (Art. 35 of 1951).			geographical limitations, according to the 1951 Refugee Convention	
Article 2 establishes the Permanent Committee for Refugee Affairs as a legal entity reporting to the Prime Minister and based in Cairo. The Committee oversees all refugee matters, including maintaining	Establishes the Permanent Committee for Refugee Affairs under the PM, based in Cairo, responsible for asylum decisions, cooperation with UNHCR (through MFA), and coordination of refugee services.	Cooperation with UNHCR only "after coordination with MFA," limiting independence; centralization in Cairo may restrict access.	To create the institutional body managing refugee affairs	Dormant	Jordan – The Jordan Response Plan (JRP) is a globally-recognized good practice of a government-led refugee response mechanism. It is a chapter of the Regional Refugee and Resilience Plan (3RP) and offers a	Yes, cooperation with UNHCR is mediated and not guaranteed; refugee services depend on coordination.

information and statistics. Its main duties are deciding asylum applications under Article 7, coordinating with UNHCR and other international bodies after consultation with the Ministry of Foreign Affairs, and working with state authorities to ensure refugees receive needed support, care, and services.					strategic coordination, planning, advocacy, and programming platform allowing humanitarian and development partners to share responsibility and support Jordan	
Article 3 states that the Competent Committee is composed of representatives from the Ministries of Foreign Affairs, Justice, Interior, and Finance, with a four year membership term. The Prime Minister issues the decree appointing the chair and members, setting the	Defines composition of the Committee: representatives of key ministries, appointed by PM for 4 years; may include others; can invite experts; must report every 3 months.	Dominated by government ministries, no refugee/community or civil society representation; PM has wide appointment power.	To regulate membership, reporting, and operations of the Committee.	Dormant	Canada – Immigration & Refugee Board has independent, quasi-judicial members. IRB members are independent in their decision-making, and their decisions reflect many different factors, including the law, the merits of the case and the credibility of the person concerned in the case, as well as the safety and	No

executive regulations, and determining their financial arrangements within three months of the law's entry into force. The chair represents the Committee before courts and in dealings with others. The Prime Minister may add representatives from other relevant bodies, and the Committee may invite experts to support its work. The Committee must prepare a report on its activities every three months and submit it to the Prime Minister.					security of Canada	
Article 4 The Competent Committee shall have a technical secretariat. A decree by the Prime Minister shall be issued to determine the	Provides for a Technical Secretariat under the Committee, with PM decree defining rules, leadership, and staffing.	No guarantees of independence; secretariat staff are seconded from state bodies, which may bias decisions.	To provide technical and administrative support to the Committee.	Dormant	Greece – Greek Action Plan on Asylum and Migration Management , independent Asylum Service operated by civil servants trained by specialists	No

secretariat competencies, Executive Regulations, appoint the chairman, his term, financial transactions, and responsibilities. The chairman of the Technical Secretariat shall be assisted in performing the tasks he is assigned by enough employees deployed to the Competent Committee from the administrative authorities in the State after the approval of the relevant authorities.					in the field with the cooperation of UNHCR and EASO, having as sole task the granting of asylum or subsidiary protection in a short period of time, to all those who are eligible for such a status, and a new independent Appeals Authority.	
Article 5 The resources of the Competent Committee shall consist of: 1- Appropriations that may be allocated by the State in the general budget. 2- Grants, donations,	Sets financial resources of the Committee: state budget, grants, donations, loans, subject to state approvals.	Dependence on state approval for grants/donations which leads to risk of underfunding, politicization	To secure funding sources for the Committee.	Dormant	Germany – BAMF funded through federal budget, predictable resourcing.	yes, funding subject to heavy state control; may limit independence and equity.

gifts, subsidies, and loans received or concluded in accordance with the terms and provisions stipulated in this regard, without prejudice to its purposes, and after the approval of the relevant ministries and authorities of the State.						
Article 6 Without prejudice to the provisions of the Unified Finance Law issued by Law No. 6 of 2022, the resources of the Competent Committee shall be deposited in a special account within the unified treasury account at the Central Bank of Egypt and shall be spent on its purposes in accordance with the rules and procedures issued by a	The committee's resources must go into a special Central Bank account; spending is regulated by PM decision; oversight by the State Accountability Authority; surplus carried forward.	Funds fully controlled through PM decree and State Audit, therefore, no financial autonomy for refugee operations, and this might lead to budgets placed too low to be impactful	To regulate financial management and oversight.	Dormant	Netherlands – the Central Agency for the Reception of Asylum Seekers (COA) in the Netherlands does not have operational budget autonomy. The COA receives its budget from the Ministry of Justice and Security, and the Ministry sets this budget based on its estimations of future asylum seeker numbers.	yes, strong financial control by the government may limit independent refugee protection and the resources available to them.

decision of the Prime Minister based on the presentation of the Competent Committee. The surplus of its own resources shall be carried over from one fiscal year to another, and its funds shall be subject to the oversight of the Accountability State Authority.						
Article 7 states that an asylum seeker or their legal representative submits the application to the Competent Committee. If the person entered the country legally, the Committee must decide within six months, and if they entered illegally, within one year. Applications from persons with disabilities, the elderly,	Asylum applications go to the Committee: 6 months' decision if entry was legal, 1 year if illegal; vulnerable groups get priority; if rejected, deportation is ordered; committee may impose security measures while pending.	Long timelines (6–12 months); irregular entry penalized; deportation after rejection with no explicit appeal safeguard; vague "security measures."	To regulate asylum application process and decision-making	Dormant	Turkey – PDMM must register immediately; priority given to vulnerable groups with UNHCR oversight.	yes, timelines are long; irregular entry is penalized; deportation risk is high; national security overrides.

pregnant women, unaccompanied children, or victims of trafficking, torture, or sexual violence receive priority. The Committee may grant or reject refugee status. If rejected, it instructs the Competent Ministry to deport the applicant and notifies the applicant of the decision. Until the application is decided, the Committee may request any necessary measures concerning the applicant for reasons related to national security or public order, as outlined in the executive regulations.						
Article 8 The asylum seeker shall not acquire refugee status in any of the following cases:	Exclusion grounds: no refugee status if a person committed war crimes, serious crimes, acts	Overlaps with 1951 but adds vague "national security/public order" and domestic terror list criteria →	To set limits on who qualifies as a refugee.	Dormant	EU asylum directives contain exclusions similar to Article 1F, but the application is guided by	No

1. If there are serious reasons to believe that he has committed a crime against peace, humanity, or a war crime. 2. Has committed a serious crime prior to his admission to Egypt. 3. Has committed any acts contrary to the purposes and principles of the United Nations. 4. If listed on the terrorist entities list within the Arab Republic of Egypt in accordance with the provisions of Law No. 8 of 2015 regarding the regulation of terrorist entities and terrorists. 5. Has committed any acts that would prejudice national security or public order.	against UN, is on Egypt's terror list, or threatens national security.	risk of broad misuse.			strict legal interpretation to ensure compliance with human rights standards. The EU Agency for Asylum provides practical guides to ensure a full investigation into each case.	
Article 9 The	Refugee status can	of status) Revocation	To regulate loss of	Dormant	UK – Refugee status can be	yes, revocation

Competent Committee issues a decision to revoke the refugee status in any of the following cases: 1- If the refugee status was obtained through fraud, deceit, or omission of any essential data or information. 2- If it is proven that the individual has committed any of the acts stipulated in Article (8) of this law. 3- If it is proven that the individual has violated any of the obligations stipulated in Articles (28), (29), and (30) of this law. The Competent Committee requests the Competent Ministry to deport the individual from the country upon issuing a decision to revoke	be revoked if gained by fraud, if a person commits exclusion acts, or violates obligations; deportation follows revocation.	directly linked to deportation; no mention of appeals, safeguards against refoulement.	refugee status and enforcement.		revoked but subject to judicial appeal and human rights review.	tied to deportation without clear appeal or protection safeguards.

the refugee status, as regulated by the executive regulations of this law.						
Article 10 The Competent Committee, in times of war, or within the framework of measures taken to combat terrorism, or in the event of serious or exceptional circumstances, may request the adoption of measures and procedures towards the refugee for considerations of national security and public order, as regulated by the executive regulations of this law.	In war, terrorism, or exceptional cases, Committee may impose special measures on refugees for national security or public order.	Very broad discretion during war/terror → risk of disproportionate restrictions; no safeguards.	To grant state power to restrict refugee rights in emergencies.	Dormant	Spain – Emergency measures framed within constitutional rights and judicial review.	Yes, vague "exceptional circumstances" allow wide restrictions; equity risk is high.
Article 11 The Competent Committee issues a document to the refugee proving their status. The executive regulations of this law specify the	Committee issues refugee ID documents; executive regulations will define data, validity, issuance, and renewal.	Positive, but details left to regulations; no guarantee of non-discriminatory access or appeal if denied.	To formalize refugee recognition through ID.	Dormant	Uganda – Refugee IDs automatically issued upon recognition, ensuring access to services.	No, a recognition document is a protection tool if fairly issued.

data included in this document, its validity period, and the procedures for its issuance and renewal.						
Article 12 A refugee has the right to obtain a travel document issued by the Competent Ministry after the approval of the Competent Committee. The executive regulations of this law specify the rules and procedures for its issuance and renewal. The Competent Committee may decide, for reasons related to national security or public order, that the refugee [should not] receive the travel document.	Refugees may obtain travel documents from Ministry of Interior with Committee approval; may be denied for national security/public order reasons.	Travel rights allowed but denial possible on vague "national security/public order" grounds; discretionary, not a right.	To provide refugees with travel rights under conditions.	Dormant	Canada – issues its own Refugee Travel Document. This document is recognized internationally but cannot be used to travel to the refugee's country of origin. A refugee living in the United States who holds a U.S. Refugee Travel Document can also travel to Canada.	yes
Article 13 Return or forcible return a refugee to	Refugees cannot be returned forcibly to their	Positive, but no detail on procedures to prevent indirect refoulement	To enshrine the non-refoulement principle.	Dormant	Canada – strong judicial safeguards and case law	Yes

the country of their nationality or habitual residence is prohibited.	country of origin or habitual residence.	(e.g., deportation via "safe third countries"); lacks judicial oversight.			on non-refoulement.	
Article 14 A refugee has the freedom of religious belief, and those of the Abrahamic religions have the right to practice their religious rituals in designated places of worship.	Refugees have freedom of religious belief; Abrahamic faiths may practice rituals in official worship places.	Restrictive — excludes non-Abrahamic faiths, contrary to international human rights norms (UNHCR stresses non-discrimination in religious practice).	To guarantee limited religious freedom.	Dormant	Germany – the Basic Law (Grundgesetz), guarantees the freedom of religion and belief for all citizens.	Yes, doesn't recognize refugees who don't practice the Abrahamic faiths
Article 15 A refugee is subject to the personal status laws, including marriage and its effects, inheritance, and endowment, of their country of origin or, if they have no country of origin, the country of their residence, provided this does not conflict with public order. This does not affect related rights established before acquiring refugee	Refugees follow personal status laws (marriage, inheritance, endowment) of their origin/residence country, unless against public order; prior rights protected.	Ambiguity may cause conflicts (e.g., child marriage, inheritance discrimination); no opt-out system; reliance on "public order" could restrict rights.	To clarify applicable personal/family law for refugees.	Dormant	Uganda – recognized for its progressive refugee laws, which include a legal framework for refugee status and support for refugees in local communities. The government works in cooperation with UNHCR to support refugees who are engaged in peacebuilding and conflict transformation.	Yes

status, provided the compleϴon of any incomplete procedures. All of this is regulated by the laws and regulations in force in the Arab Republic of Egypt.						
Article 16 A refugee enjoys the same rights as foreigners concerning movable and immovable properties, including principal and associated rights, and has the same rights regarding intellectual property. Refugees also have the right to transfer their possessions into the Arab Republic of Egypt for residence, provided this does not compromis e national security or public order. All of this is regulated by the	Refugees have the same property and intellectual property rights as foreigners; can transfer possessions into Egypt, unless affecting national security.	Equal to foreigners but not nationals; national security/public order exemption may be overused; no explicit mention of fair process in confiscation.	To give refugees property and IP rights.	Dormant	Uganda - refugees can access land and housing, far more inclusive, upon arrival, refugees are typically allocated a plot of land for residential and agricultural purposes in one of the country's designated settlements. This unique land-based approach is intended to foster self-reliance.	Yes

relevant laws.						
Article 17 A refugee has the right to litigate and be exempt from judicial fees if found necessary, as regulated by the relevant laws.	Refugees can go to court and may be exempt from judicial fees if needed.	No guaranteed free legal aid; exemption is conditional, not systematic; UNHCR stresses equal access to legal systems.	To grant judicial access and potential fee relief.	Dormant	Kenya – provides free legal aid to asylum seekers in practice (with UNHCR).	Yes
Article 18 A refugee has the right to work and receive appropriate remuneration for their work. They also have the right to practice freelance professions if they hold a recognized certificate after obtaining a temporary permit from the competent authorities in the country, all as regulated by the relevant laws.	Refugees may work and be paid; can practice freelance professions with recognized certificates and temporary permits	Restrictive: requires permits; barriers to recognition of qualifications; excludes many informal workers; UNHCR highlights work rights as key for self-reliance.	To allow refugees limited access to formal work.	Dormant	Sweden - offers a relatively fast path to work authorization for asylum seekers, recognizing the importance of employment for integration, Asylum seekers can be granted the right to work almost immediately after applying, provided they can prove their identity. The Swedish Migration Agency issues an AT-UND exemption, which indicates that an asylum seeker is allowed to work without a formal work permit. This is noted directly on the asylum	Yes

					seeker's card.	
Article 19 A refugee has the right to work for themselves, establish companies, or join existing companies, as regulated by the relevant laws.	Refugees may work for themselves, establish or join companies.	Positive, but implementation unclear (business registration may be blocked in practice); UNHCR stresses removing barriers	To grant refugees entreprene urial rights.	Dormant	Uganda – the government and aid organizations actively promote entrepreneur ship as a path to self-reliance. This is supported by skills training, business development services, and simplified registration procedures.	Yes
Article 20 A refugee child has the right to elementary education. Refugees holding educational certificates granted abroad have the right to have them recognized. All of this is in accordance with the relevant rules established for foreigners.	Refugee children have right to elementary education; foreign certificates can be recognized.	Limited: only elementary education guaranteed; access to secondary/terti ary not explicit; UNHCR stresses inclusive national systems at all levels.	To guarantee minimum educational rights.	Dormant	Uganda – under The 2006 Refugee Act refugees have access to all levels of national education.	Yes, limits access to education to elementary level only.
Article 21 A refugee has the right to receive adequate healthcare, as regulated by the executive regulations of this law and	Refugees have the right to adequate healthcare as per regulations and health ministry decisions.	Vague: depends on ministerial regulations; no explicit guarantee of equal access to public healthcare; UNHCR highlights the need for	To provide refugees with healthcare access.	Dormant	Uganda – under The 2006 Refugee Act refugees have full access to public health services for registered refugees.	Yes

the decisions issued by the minister responsible for health affairs.		inclusion in national health plans.				
Article 22 Except for the cases mentioned in Article (10) of this law, a refugee has the freedom to move and choose their place of residence, provided they notify the Competent Committee of their permanent residence and any changes to it. All of this is regulated by the relevant laws and the executive regulations of this law.	Refugees may move and choose residence freely, except in emergencies (Art. 10), but must notify the Committee of address changes.	Notification requirements may limit privacy; exceptions under Art. 10 (war, terrorism) are broad; risk of restrictions in practice.	To grant mobility rights while tracking refugees.	Dormant	Uganda – under the 2006 Refugee Act refugees can move freely and settle in communities.	No
Article 23 A refugee shall not be subjected to any taxes, fees, or other financial burdens different from those imposed on citizens. Without prejudice to the provision of the first	Refugees cannot be charged different taxes/fees than citizens; possible exemptions from document fees	Positive but narrow — no explicit tax relief or subsidy measures; exemptions depend on committee request, not guaranteed.	To ensure financial fairness and limited relief.	Dormant	Canada - Under the Immigration and Refugee Protection Act (IRPA) and the Canadian Charter of Rights and Freedoms, once granted refugee status, individuals are generally treated equally to	Yes

paragraph of this article, the Competent Committee may request the relevant ministry to consider exempting the refugee from the fees and service charges for issuing administrative documents granted to foreigners, as regulated by the relevant laws.					citizens with regard to taxation	
Article 24 A refugee has the right to join any associations or their boards of directors in accordance with the law regulating civil society work and its executive regulations.	Refugees may join associations or boards under civil society law.	Subject to restrictive NGO law in Egypt; may be symbolic if CSO space is limited	To provide civic participation rights.	Dormant	Canada – refugees can freely join civil society and advocacy groups	Yes
Article 25 A refugee has the right to voluntarily return at any time to the country of their nationality or habitual residence. The Competent Committee, in coordination with the	Refugees may return home at any time; the Committee coordinates with UNHCR and the country of origin.	Positive inclusion of UNHCR, but lacks safeguards ensuring voluntariness; no independent monitoring mentioned.	To formalize voluntary repatriation.	Dormant	Jordan – coordinates with UNHCR on returns with clear consent verification.	Yes

United Nations High Commissioner for Refugees and the country of the refugee's nationality or habitual residence, shall take the necessary measures for voluntary return. All of this is regulated by the executive regulations of this law						
Article 26 The Competent Committee, in coordination with the relevant international bodies, may resettle the refugee in a country other than the one they left, as regulated by the executive regulations of this law	The committee may resettle refugees to third countries in coordination with international bodies.	State discretion dominates; unclear if refugees' wishes/consent are central; UNHCR usually leads resettlement.	To allow resettlement as a durable solution.	Dormant	Turkey – resettlement from Türkiye is done in close collaboration between the Turkish government and UNHCR, along with other international partners. However, it is a highly selective and limited process reserved for the most vulnerable refugees. Türkiye's Presidency of Migration Management (PMM) and its provincial directorates (PDMMs) are the primary authority for	Yes, refugees can be resettled through the GoE's discretion

					handling asylum applications	
Article 27 A refugee has the right to apply for Egyptian citizenship, as regulated by the relevant laws	Refugees may apply for Egyptian nationality under existing nationality law.	No simplified path; subject to restrictive nationality law (often requires long residency, security approval).	To open naturalization possibilities.	Dormant	Canada – provides structured citizenship pathways for refugees. Protected persons who have made an asylum claim within Canada must apply to convert their status to permanent resident. This is a mandatory step before citizenship. Resettled refugees, who arrive as permanent residents, skip this step.	Yes
Article 28 A refugee is obligated to respect the constitution, laws, and regulations in force in the Arab Republic of Egypt, to observe Egyptian societal values, and to respect its traditions.	Refugees must obey Egypt's laws, values, and traditions.	Broad "values/traditions" clause could justify arbitrary restrictions.	To codify refugee obligations.	Dormant	Germany – The German government requires a demonstrated commitment to its legal and democratic constitutional system	Yes
Article 29 A refugee is prohibited from engaging in any activity that would harm national	Refugees cannot act against national security, public order, UN/AU/Arab League principles,	Vague and broad; could be applied to silence activism; overlaps with exclusions.	To safeguard security and Egypt's international relations.	Dormant	Canada – The Supreme Court has repeatedly upheld the Charter's protections for individuals	yes, it doesn't clarify what acts or principles they must adhere to

security or public order or that conflicts with the goals and principles of the United Nations, the African Union, the Arab League, or any organization to which Egypt is a party or from committing any hostile act against their country of origin or any other country.	or commit hostile acts against any country.				present in Canada, including refugee claimants, affirming their right to an oral hearing in line with fundamental justice	
Article 30 A refugee is prohibited from engaging in any political or party activities, any work within unions, or from founding, joining, or participating in any political parties in any form.	Refugees cannot engage in politics, unions, or join/found political parties.	Overly restrictive; denies civil/political rights recognized under ICCPR; UNHCR emphasizes participation rights.	To prevent refugees from domestic political involvement.	Dormant	Sweden – refugees receive significant political participation rights, including the right to vote in local and regional elections after a three-year residency period.	yes
Article 31 Anyone who enters the Arab Republic of Egypt illegally and meets the objective conditions for asylum must	Refugees who entered illegally must present themselves to the Committee within 45 days.	Penalizes delay; short deadline may exclude vulnerable groups; UNHCR discourages penalizing irregular entry	To regulate asylum claims by irregular entrants.	Dormant	Italy – allows asylum applications to be filed regardless of the time elapsed since entry into the country.	Yes

voluntarily present themselves to the Competent Committee within 45 days of their entry date.						
Article 32 A person who arrives directly from regions where their life or freedom was in danger does not bear civil or criminal liability for illegal entry or presence in the Arab Republic of Egypt, provided they surrender themselves immediately upon arrival to any government authorities.	Refugees arriving directly from danger zones are not punished for illegal entry if they immediately surrender to authorities.	Positive, but conditioned on "immediate" surrender; no safeguard if delay is due to trauma or lack of knowledge.	To align with 1951 Convention Art. 31 on irregular entry.	Dormant	Venezuela – The Venezuelan Organic Law on Refugees or Asylees expressly states that no person will be penalized for irregular entry or stay if they apply for refugee status "without delay".	yes
Article 33 explains when refugee status ends. It ceases if the person voluntarily returns to their country, resettles elsewhere, becomes a citizen of Egypt, again accepts the protection of their country of	Refugee status ends in cases such as voluntary return, resettlement , naturalizatio n, reacquiring nationality, new nationality, changed circumstanc es, or absence from Egypt >6 months	Adds a new cessation ground not in 1951 (absence >6 months) → risk of arbitrary loss of status; deportation linked to cessation without safeguard.	To define when refugee status ends.	Dormant	Portugal – For a temporary residence permit, absence cannot exceed six continuous months per year. Long-term resident status can be lost with a prolonged absence from EU territory.	Yes

nationality, regains a former nationality and its protection, acquires a new nationality and its protection, or if the original reasons for asylum no longer exist and they can no longer refuse protection. Status also ends if the refugee leaves Egypt for six continuous months without an accepted excuse. The Competent Committee must issue a decision ending status within fifteen days of any of these events. Except for voluntary return or Egyptian naturalizatio n, the Competent Ministry then decides on deportation according to applicable laws and executive regulations.	without excuse. Deportation may follow.					

Article 34 The competent investigative authority is obligated to notify the Competent Committee if a refugee is accused of committing a felony or misdemeanour or if a judgment is issued against them for any of these crimes	Authorities must notify the Committee if a refugee is accused or convicted of a crime.	No protection against abuse of accusations; risk of automatic prejudice; lacks fair trial safeguard.	To connect the criminal process with asylum oversight.	Dormant	UK – UK law and Home Office policy do not separate criminal charges and asylum rights; allegations and convictions can immediately affect an asylum claim, potentially pausing the process or leading to denial based on crime severity. Recent legislation has lowered the threshold for excluding individuals from refugee protection based on a conviction.	Yes
Article 35 Appeals against the decisions issued by the Competent Committee pursuant to the provisions of this law shall be made before the Administrative Court of the State Council.	Decisions of the Committee can be appealed before the Administrative Court.	Positive but no detail on legal aid, deadlines, or suspensive effect (whether deportation is paused). UNHCR stresses effective remedy.	To guarantee judicial review of asylum decisions.	Dormant	Belgium – Following a landmark ruling by the Belgian Council of State, the Belgian government passed a law affirming the automatic suspensive effect for appeals in certain asylum cases. This means that filing an appeal against a negative asylum	yes

					decision automatically stops a deportation order from being enforced until the appeal is fully resolved.	
Article 36 Without prejudice to any more severe penalty provided for in the Penal Code or any other law, the crimes specified in the following articles shall be punished with the penalties prescribed therein.	reference) Crimes under this law are punished as described, in addition to harsher penalties in other laws.	Opens space for double punishment or harsh overlapping penalties.	To provide an enforcement framework.	Dormant		
Article 37 Subject to the provisions of the Labor Law, anyone who employs or shelters an asylum seeker without notifying the relevant police department in whose jurisdiction the place of work or shelter is located shall be punished with imprisonment for not	Anyone who employs or shelters an asylum seeker without notifying police faces 6 months+ prison and fine (50k–100k EGP).	Criminalizes hosts/employers; discourages support; contrary to UNHCR's recommendation to facilitate integration.	To regulate and monitor asylum seekers' work/living arrangements.	Dormant	U.S. - law imposes sanctions on employers who "knowingly hire or continue to employ an unauthorized alien." Criminal penalties, including fines and imprisonment, can be applied for a "pattern or practice" of such violations. If you or your business are convicted of having	No

less than six months and a fine of not less than fifty thousand pounds and not more than one hundred thousand pounds, or either of these two penalties, if it is [proven that they were aware] of it.					engaged in a pattern or practice of knowingly hiring unauthorized aliens (or continuing to employ aliens knowing they are or have become unauthorized to work in the United States) after Nov. 6, 1986, you may face fines and/or six months imprisonment.	
Article 38 Anyone who violates the provisions of Article (29) of this law shall be imprisoned for a period of not less than three years and a fine of not less than one hundred thousand pounds and not more than five hundred thousand pounds or with one of these two penalties.	Anyone violating Art. 29 (security restrictions) faces ≥3 years prison and 100k–500k EGP fine.	Harsh penalties for vague "security" clauses; risk of misuse against activism or expression.	To deter security threats.	Dormant	Canada – its Immigration and Refugee Protection Act (IRPA) contains provisions for excluding individuals deemed a danger to national security. Decisions are subject to judicial review.	yes
Article 39 Taking into account the provisions of the Law on Combating Illegal	Anyone violating Art. 31 (failure to self-report within 45 days) is punished with ≥6	Criminalizes irregular entry despite 1951 Convention Art. 31; deadline too strict; risks punishing	To enforce reporting of irregular arrivals.	Dormant	Hungary - has made it a criminal offense to "help an illegal immigrant claim	No

Immigration and Smuggling of Migrants issued by Law No. 82 of 2016 and Article (32) of this law, anyone who violates the provisions of Article 31 of this law shall be punished with imprisonment for not less than six months and a fine of not less than ten thousand pounds and not more than one hundred thousand pounds, or with one of these two penalties.	months prison and 10k-100k EGP fine, considering anti-smuggling law.	vulnerable refugees.			asylum," a measure heavily criticized by human rights organizations .	

Annex 2. Law 14. Labor Law Of 2025

Article	Summary	Problem/Gap	Intent Status	Benchmarking	Equity Status (+ /Why)
Preamble					
Art. 1 (Promulgation) The provisions of this law and the accompanying law shall govern employment matters. They shall also apply, in the absence of specific provisions in individual employment contracts or collective labor agreements, to foreign workers within the Arab Republic of Egypt. Unless otherwise specifically provided, the provisions of this law and the accompanying law shall not apply to the following categories: · Employees of government bodies, including local administration units and public authorities. · Domestic workers and those in similar categories.	Law's rules apply to all foreign workers unless their contracts specify otherwise.	Does not create a simpler, dedicated pathway for refugees, treating them like typical economic migrants.	In force fully		Negative – Puts refugees under the same tough rules as all other foreign workers, ignoring their need for immediate protection.
Book One – Definitions and General Provisions Chapter One – Definitions					
Art. 5 Any act, behavior, or procedure that	Prohibits discrimination based on	It's hard to prove a boss chose not to hire you because of	In force fully (Principle)	ILO C111 Discrimination (Employment	Positive – Gives migrants and refugees a legal

leads to discrimination or differentiation between people in training, job advertisements or hiring, work conditions, or the rights and duties resulting from an employment contract based on religion, belief, gender, origin, race, color, language, disability, social level, political or union affiliation, or geographic origin, or any other reason that undermines the principle of equality and equal opportunities is prohibited. It is not considered prohibited discrimination if the benefit, advantage, or protection decided under this law and its implementing decisions and regulations is provided to women, children, or people with disabilities and dwarfs, as long as it is necessary to achieve the intended goal. The responsible ministry will create policies and plans to	origin, race, color, or language for all workers.	your race; the rule is good, but proving it was broken is tricky.		and Occupation) Convention, 1958: This foundational convention calls on states to pursue a national policy designed to eliminate discrimination in respect of employment and occupation on various grounds (race, color, sex, religion, political opinion, national extraction, social origin). (International Labour Organization 2025).	shield against unfair treatment in the workplace.

integrate them into the labor market and provide them with the necessary protection in the workplace, in coordination with the Ministry of Social Solidarity and relevant national councils.					
Art. 8 Amounts owed to the worker or their beneficiaries, arising from the employment relationship, have a priority claim over all of the debtor's movable and immovable property. These amounts shall be collected before judicial expenses, amounts owed to the public treasury, storage, restoration costs, and any other preferential claims established by law. Social insurance contributions are considered part of the worker's rights and shall be collected and paid to the relevant authority	Guarantees worker priority claim on employer assets, meaning wages and benefits must be paid before other debts.	No specific problem; this is a universal financial protection for workers.	In force fully	International Labour Organization's (ILO) Convention No. 173 (Protection of Workers' Claims (Employer's Insolvency) Convention, 1992), which mandates that worker claims are given a higher rank of privilege than most other privileged claims, including those of the State. (ILO 2025).	Positive – Ensures basic financial protection for all workers, including foreigners and migrants, in case of employer bankruptcy.
Art. 11 The merger, division, inheritance, bequest, gift, sale (even by	Ensures job continuity and that all obligations (contracts,	No specific problem; this is a universal job security protection.	In force fully	EU Acquired Rights Directive (ARD) (Council Directive 2001/23/EC),	Positive – Provides job security and contract stability for all workers,

public auction), reduction, lease, or other acts regarding the company will not terminate the employment contracts of its workers. The successor is jointly responsible with the previous employers for executing all obligations arising from these contracts.	benefits) transfer to the new employer in case of company merger, sale, or division.			which provides a comprehensive legal framework across the European Union ensuring the automatic transfer of employees and their existing terms and conditions of employment when a business is transferred. (Global Expansion 2024).	including foreigners and migrants.
Book Two - Training, Employment, and Unorganized Labor: Part Two - Employment: (Chapter Five) - Organizing the Employment of Foreigners					
Article 69: Work, for the purposes of this chapter, is any type of work—whether dependent, independent, self-employed, or in any profession or trade, including domestic work.	Defines 'Work' broadly (dependent, independent, self-employed, profession, trade, domestic work) for the purpose of the Foreign Workers chapter.	By explicitly including domestic work, it extends the stringent work permit requirements and high fees (Art. 71) to one of the most common and vulnerable sectors for foreign female migrants/refugees.	In force fully		Negative – Pulls low-wage, often informal, and highly vulnerable domestic workers into a costly, high-barrier regulatory system, increasing the risk of exploitation and illegal work.
Art. 70 The employment of foreigners in all private sector establishments, public sector units, public business sector, public authorities, local administration, and the state's administrative apparatus is governed by the provisions of this chapter, with due regard for the principle of reciprocity. The relevant minister will	Sets maximum foreign worker percentages (quotas) and allows the Minister to ban foreigners from certain trades. Employment is subject to reciprocity.	Reciprocity is impossible for refugees. Quotas severely limit job opportunities for all non-citizens.	In force fully	The Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143), which promotes non-discrimination and equality of treatment between national and regularly employed migrant workers in areas like conditions of work and social security (ILO, 2025).	Negative – The quotas and reciprocity rule make it structurally very hard for a refugee to find any job at all.

determine the maximum percentage of foreigners that can be employed in these establishments and authorities, as well as exceptions to that percentage, and the professions and trades that foreigners are prohibited from engaging in. The relevant minister may exempt foreigners from the reciprocity condition.					
Art. 71 A foreigner may not work in the country unless they obtain a work permit from the relevant ministry and are authorized to enter and reside in the country for the purpose of employment. Employers may not employ foreigners unless they have obtained this permit. The relevant minister will issue a decision outlining the conditions for obtaining the work permit, its procedures, the information it must contain, renewal procedures, the associated fees (not less than five	Makes a work permit mandatory for foreigners and sets high mandatory fees (5,000 EGP to 150,000 EGP).	The high cost is too much for a refugee who has no money and has just fled their home country.	In force fully	United Kingdom: The UK's points-based immigration system is a structured framework that grants skilled worker visas based on specific, transparent criteria such as a job offer from a licensed sponsor, required skill level, salary thresholds, and English proficiency (UK Government 2021).	Negative – The very high fees create a huge financial wall that blocks poor refugees from legally working.

thousand EGP and not more than one hundred fifty thousand EGP), and the conditions under which the permit may be revoked, as well as exceptions to the permit requirements, in line with labor market needs. Any employer using a foreigner who has been exempted from the permit requirement must notify the relevant administrative authority within seven days of the foreigner starting work and when their employment ends.					
Art. 72 The employer must notify the relevant administrative authority and other competent authorities if the foreign worker has been absent from work for fifteen consecutive days without a legal excuse. The relevant minister will issue a decision outlining the controls, conditions, and procedures for this.	Employers must notify authorities if a foreign worker is absent for 15 consecutive days without excuse.	The law doesn't say what happens next, but the worker risks losing their legal status or being arrested/deported.	In force fully	The UAE also requires employers to report a worker's absence (typically after 7 consecutive days for domestic workers) to the Ministry of Human Resources and Emiratisation (MoHRE). This process often results in the cancellation of the worker's visa and potential deportation, though recent reforms have given workers more flexibility to change jobs (HG org 2025).	Neutral/Negative – Helps the government keep track, but the lack of clear worker safeguards makes it risky for the foreign worker.

Art. 73 Without prejudice to the provisions of the Investment Law No. 72 of 2017, the relevant minister, in coordination with the minister responsible for investment, may establish rules and regulations for granting work permits to foreigners under the provisions of the Investment Law.	The relevant Minister, in coordination with the Investment Minister, may establish separate rules for granting work permits to foreigners under the Investment Law No. 72 of 2017.	This article focuses on investment/high-skill migrants, not the majority of refugees who are low-income or seeking basic jobs.	In force fully	United Arab Emirates (UAE) Golden Visa and Investor Visas: The UAE has established a well-defined system that grants long-term residency and work permits (the Golden Visa program) to foreign investors who meet specific capital contribution or business creation criteria (United Arab Emirates Ministry of Economy & Tourism 2025).	Negative – Creates a two-tier system: benefits wealthy or high-skilled investors while doing nothing to ease barriers for poor or low-skilled refugees.
Art. 74 The employer who hires a foreign worker must return the worker to their home country at the employer's own expense once the employment relationship ends, unless the employment contract specifies otherwise. The relevant minister will issue a decision regarding the cases, timing, and procedures for this.	The employer must pay to return the foreign worker to their home country upon the end of employment.	If the worker is a refugee, sending them home means they might be killed or harmed. This breaks the international rule of non-refoulement.	In force fully	Singapore's Employment of Foreign Manpower Regulations: mandates that employers cover all repatriation costs for Work Permit holders, regardless of the circumstances of termination, to prevent workers from becoming stranded. For Employment Pass and S Pass holders, cost-sharing can be agreed upon in the contract, similar to Egypt's provision, but with clear guidelines that an explicit signed agreement is required (Ministry of Manpower — Singapore 2025).	Negative – This article creates a legal conflict and risks putting a refugee's life in danger if strictly enforced.
Book Two – Training, Employment, and Unorganized Labor: Chapter Three - Employment of Unorganized Labor					

Art. 89 The employer must prepare the individual labor contract in writing in Arabic in four copies: one for the employer, one for the worker, one to be deposited with the social insurance office, and the fourth with the relevant administrative authority. If the worker is foreign and does not speak Arabic, the contract may be written in both Arabic and the worker's language. In case of a discrepancy in interpretation, the Arabic version will prevail. The contract must include the following details: · Start date of the contract. · Employer's name and address of the workplace. · Worker's name, qualifications, profession or trade, insurance number, and residence address, along with identification details. · Nature and type of work subject to the	If the contract is bilingual, the Arabic version shall prevail over the foreign language version.	If a worker doesn't speak Arabic well, they might sign something they don't understand, and they lose the argument later in court.	In force fully	ILO Convention No. 81 (Labour Inspection Convention, 1947): This convention establishes a framework for ensuring compliance with labor laws. (ILO, 1947).	Negative – Creates an informational disadvantage for foreign workers who rely on translations, reducing fairness.

contract. · Agreed-upon wage, payment method, schedule, and any additional agreed-upon monetary or in-kind benefits. If there is no written contract, both the employer and the worker have the right to prove the employment relationship, its duration, and all associated rights through all available means of proof. The employer must provide the worker with a receipt for any documents or certificates deposited with them.					