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Sudanese Labor Integration in Egypt:

**Economic Contributions, Legal Pathways,
and Policy Barriers**

» 2025 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

About Savannah

SAVANNAH.

Savannah invests in, trains, and equips Sudanese youth and women with essential skills to become global citizens and responsible leaders. Through curated programs and events focused on Livelihoods, Digital Literacy, and organizational development, Savannah educates and empowers individuals and organizations committed to creating a better world.

Our Mission

Our mission is to empower young Sudanese with the skills, resources, and support needed to build sustainable livelihoods—through practical training, knowledge exchange, tailored mentoring, and improved access to economic opportunities including entrepreneurship, employment, and innovation pathways.

Our Vision

We envision a future where every young Sudanese has the skills, resources, and opportunities to build sustainable livelihoods—through entrepreneurship, digital skills, and innovation—contributing to resilient communities and inclusive economic growth across Sudan and east Africa.

Executive Summary:

Egypt stands at a pivotal juncture in its refugee and migration policy. Since April 2023, conflict between the Sudanese Armed Forces and the Rapid Support Forces has driven over 1.5 million Sudanese into Egypt since the start of the conflict, making the country the largest host of Sudanese displaced persons worldwide. This influx has transformed from a short-term humanitarian crisis into a protracted challenge with deep economic, social, and policy implications. Sudanese nationals-73% of Egypt's registered refugee population-are no longer only temporary guests; they represent a growing segment of the urban labor force, particularly among youth aged 18-35.

Domestically, Egypt is contending with high youth unemployment, structural labor informality exceeding 63%, and macroeconomic pressures. Yet Sudanese migrants bring with them substantial human capital over 60% of surveyed arrivals had prior work experience in Sudan—and established cultural, linguistic, and historical ties to Egypt. This presents both a humanitarian responsibility and an economic opportunity: if integrated effectively, Sudanese labor could strengthen key sectors, foster entrepreneurship, and contribute to urban economic resilience.

This report-produced through a strategic collaboration between Entlaq Holding and Savannah Innovation Labs-delivers the first comprehensive, data-driven mapping of Sudanese labor market participation in Egypt. It analyzes demographic profiles, employment trends, legal status, and service access, drawing on over 6,300 survey responses, secondary literature, and comparative international benchmarks.

About This Report

This diagnostic is the first in a multi-phase initiative examining the economic integration of Sudanese migrants and refugees in Egypt. Report I focuses on:

- **Demographics & Settlement Patterns:** Mapping age, gender, and geographic distribution, with emphasis on youth-aged 18-35.
- **Labor Market Access:** Assessing formal and informal employment, entrepreneurship, and barriers to entry.
- **Legal Frameworks:** Analyzing regulatory bottlenecks, documentation gaps, and the evolving asylum policy landscape.
- **Access to Services:** Reviewing the migrants accessibility to education, healthcare, housing, and social protection.

The methodology integrates:

- Large-scale survey data collected across Cairo, Giza, Alexandria, and Aswan;
- Secondary data from UNHCR, ILO, ERRRP, and academic sources;
- SWOT analysis, gap analysis, comparative benchmarking against international integration models and economic impact modeling of the integration of the Sudanese migrants into Egypt's economy.

Summary of Key Findings Five systemic constraints define the current integration landscape:

1. **Regulatory and Legal Ambiguity:** Suspension of the Four Freedoms Agreement, visa restrictions, and the constant changes of the policy landscape have left most Sudanese locked out of formal employment and economic protections. Migrant integration is not simply a matter of legal recognition or humanitarian assistance, it is a multi-dimensional process shaped by the interplay of governance structures, labor market dynamics, service provision, and political will.
2. **Labor Market Segmentation:** The majority of the Sudanese migrants are absorbed into low-wage, informal work, regardless of prior skills or qualifications. There needs to be a system that operationalizes the issuance of formal work permit systems to migrants and refugees with a focus on employer incentives, create a centralized skills recognition pathways, and integrated data systems to track migrant and refugee outcomes.
3. **Service Access Gaps:** Despite nominal entitlements, education, healthcare, and housing access remain inconsistent, with high dropout rates among refugee youth and widespread reliance on overcrowded, informal housing.
4. **Gendered Barriers:** Women face compounded exclusion through limited job opportunities, safety risks, and lack of childcare or targeted training programs.
5. **Data and Coordination Deficits:** Fragmented information-sharing between government, UN agencies, and NGOs hampers evidence-based policymaking and targeted support.



Strategic Recommendations:

Egypt's response to the Sudanese displacement crisis will define its humanitarian standing and economic trajectory for decades. With the 2024 National Asylum Law now in place, the country has a rare opportunity to transition from fragmented, humanitarian-led support toward a state-led, rights-based model of refugee inclusion. A sequenced, whole-of-government approach could transform displacement into a driver of workforce participation, entrepreneurship, and regional economic integration—while reinforcing Egypt's credibility as a regional leader in progressive refugee governance.

To achieve this, Egypt must act across three horizons:

- Short term (next 12 months): Operationalize the Asylum Law through executive regulations, establish a central coordination unit, launch a unified national refugee data system, pilot one-stop service centers, and formalize public-private employment pathways.
- Medium term (1–3 years): Mainstream refugees into national development strategies, reform the work permit system, expand access to secondary and tertiary education, improve urban housing and infrastructure, and scale legal aid and protection mechanisms.
- Long term (3+ years): Embed refugee governance in a permanent national commission, create pathways to permanent residency and naturalization, introduce a refugee-linked national ID, institutionalize civic participation, and lead regional burden-sharing agreements.

Without such systemic reform, Egypt risks deepening marginalization, perpetuating informal labor dependence, and missing the economic and diplomatic dividends of meaningful refugee inclusion.

This report provides the baseline evidence needed for such reforms. Subsequent phases will incorporate stakeholder consultations, and policy co-design to chart a pathway from humanitarian reception to sustainable economic integration.

Section 01

Introduction, Research Objectives, and Scope

Introduces the scale and urgency of Sudanese displacement into Egypt since April 2023, situating it within regional migration trends. It frames the report's aim: to map labor market integration challenges and opportunities for Sudanese refugees, leveraging evidence to inform policy, programming, and public-private collaboration for inclusive economic participation.



01 Introduction

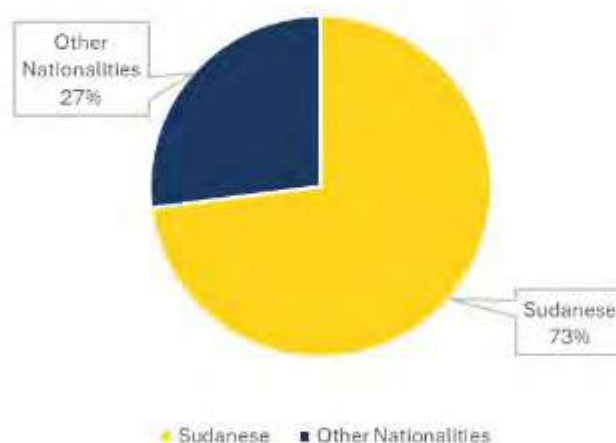
1. Introduction: Context and Rationale

Since the eruption of armed conflict between the Sudanese Armed Forces (SAF) and the Rapid Support Forces (RSF) on April 15, 2023, Sudan has experienced one of the world's fastest-growing displacement crises. According to UNHCR, the conflict has triggered the displacement of over 9.4 million people within and outside Sudan, with more than 1.14 million individuals crossing into Egypt alone by mid-2025 (UNHCR Factsheet, June 2025; ERRRP, 2025). This recent wave of displacement builds upon a longer history of regional instability in Sudan, including the Darfur crisis of the early 2000s and the South Sudan civil war beginning in 2013, both of which catalyzed multiple phases of cross-border movements into Egypt. Unlike earlier movements, the 2023–2025 influx has been predominantly urban in nature, with a significant concentration in Cairo, Giza, and the Nile Delta, adding mounting pressure to local infrastructure and public services (ERRRP, 2025; UNHCR, 2025).

Egypt's role as a historical host for Sudanese refugees is deeply rooted in its geographic proximity, cultural ties, and longstanding bilateral frameworks. Egypt and Sudan share not only a 1,276-kilometer border but also the legacy of the Four Freedoms Agreement of 2004, which permitted reciprocal rights to residence, movement, work, and property ownership, although its enforcement has fluctuated over time (Refugees in Egypt: Impacts and Policy Recommendations, 2024). By the end of May 2025, Sudanese nationals made up 73% of all refugees and asylum seekers registered with UNHCR in Egypt (ERRRP, 2025). Egypt's hosting role, however, has increasingly shifted from informal hospitality toward formalized humanitarian response frameworks. The joint coordination of the Egypt Refugee and Resilience Response Plan (ERRRP) by the Ministry of Foreign Affairs, UNDP, and UNHCR illustrates Egypt's evolving positioning as both a frontline host and a co-architect of regional refugee governance (ERRRP, 2025). This evolution reflects not only Egypt's humanitarian commitments but also the growing securitization and socio-economic strain that accompanies prolonged displacement within an already fragile economic context.

Figure(1) shows the composition of Refugees and Asylum Seekers in Egypt as of May 2025

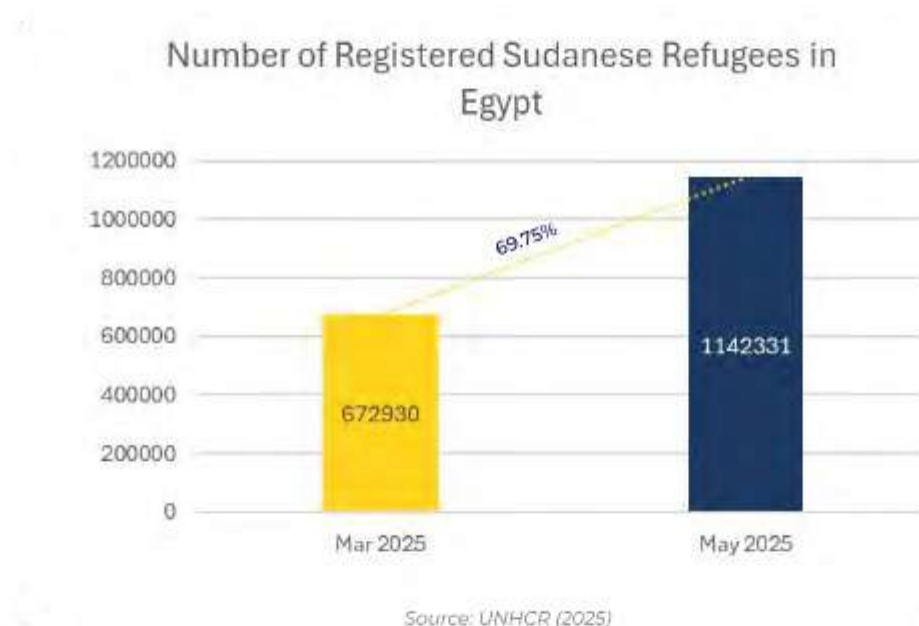
Percentage of Sudanese Refugees in Egypt (2025)



1. Egypt as a Primary Destination for Sudanese Refugees and Migrants:

Egypt has emerged as the top regional destination for Sudanese refugees fleeing the escalating conflict between the Sudanese Armed Forces (SAF) and Rapid Support Forces (RSF), which began in April 2023. As of May 2025, Sudanese nationals represent over 73% of the total refugee and asylum-seeking population registered with UNHCR in Egypt, 714,940 individuals out of 1.86 million total refugees (UNHCR, 2025ERRRP, 2025; UNHCR Factsheet, June 2025). UNHCR further notes that over 500,000 Sudanese crossed into Egypt between April and December 2023 alone, making Egypt not only a country of transit but increasingly a country of long-term refuge (UNHCR, 2025; ERRRP, 2025). This latest displacement adds to a long-standing demographic footprint: even before the 2023 crisis, Egypt hosted more than 4 million Sudanese refugees registered under UNHCR protection, in addition to hundreds of thousands of long-settled Sudanese living without formal refugee status (Refugees in Egypt: Impacts and Policy Recommendations, 2024; IPC-IG, 2022). Cairo, Giza, Alexandria, and Aswan remain key destination hubs, with the majority of arrivals aged between 18 and 35, forming a significant share of Egypt's informal and precarious labor force (ILO, 2023; ERRRP, 2025).

Figure (2) : Sharp Surge in Registered Sudanese Refugees in Egypt (Mar–May 2025)



As Figure (2) shows, the number of Sudanese refugees registered with UNHCR in Egypt rose by nearly 70% in just two months, from 672,930 in March to 1,142,331 by the end of May 2025, reflecting the escalating humanitarian fallout from the ongoing conflict (UNHCR, 2025).

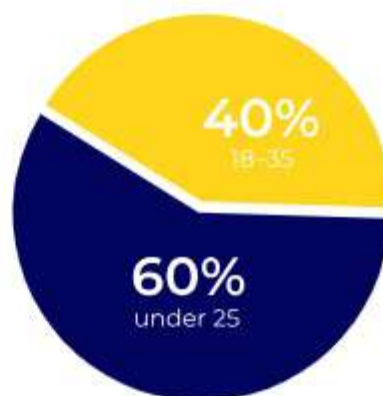
This can be explained by Egypt's role as a primary destination for Sudanese Refugees, deeply rooted in decades of intertwined history and policy-based cooperation with Sudan. These ties date back to colonial-era linkages under the Anglo-Egyptian condominium and were formalized through agreements such as the 1959 Nile Waters Agreement, granting Sudan co-management of the Nile, and later the 2004 Four Freedoms Agreement, which permitted Sudanese nationals to reside, work, move, and own property in Egypt on a reciprocal basis (Framing the Sudanese Refugee Flows, 2023; AUC, 2024). Although implementation of the Four Freedoms Agreement has been uneven, especially in the wake of political unrest, the agreement continues to provide the legal and symbolic foundation for Egypt's reception of Sudanese nationals. More recently, Egypt's refugee policy has shifted from ad hoc hospitality to structured humanitarian engagement, particularly through its leadership role in the Egypt Refugee and Resilience Response Plan (ERRRP) launched in 2024 in partnership with UNDP and UNHCR (ERRRP,

2025). This plan formalized Egypt's response to the Sudanese influx by aligning line ministries, including Health, Education, and Social Solidarity, with international humanitarian financing mechanisms, and laid the groundwork for integrated service delivery models in Cairo and Upper Egypt.

This builds on UNHCR-supported documentation drives launched in 2014–2015, which enabled over 300,000 undocumented Sudanese residents to gain some form of regularized stay (UNHCR & ILO, 2021). Additionally, Egypt has allowed Sudanese children to enroll in public schools through a semi-formal "hosting school" mechanism, and in 2023, over 44,000 Sudanese students were documented in the parallel refugee education system, though access remains uneven (Egypt: Education Restricted for Refugees, 2025). In practice, school access remains limited. Many students face delayed enrollment, documentation requirements, and language-based discrimination, resulting in high dropout rates—especially among adolescents. These layered legal, policy, and institutional channels demonstrate that Egypt's positioning is not simply reactive, but reflects a continuously evolving policy regime shaped by geopolitical proximity, shared identity, and international diplomacy. As the largest recipient of Sudanese displaced populations in the region, Egypt stands at a pivotal junction, balancing national development pressures with regional humanitarian leadership.

2. Youth at the Center: Why Focus on Ages 18–35:

Sudanese refugees and migrants aged 18–35 represent the demographic engine of both displacement and potential economic recovery. This age cohort is the most mobile, most affected by conflict-driven disruptions to education and employment, and the most likely to engage in informal or precarious labor markets in host countries such as Egypt. As of early 2024, over 60% of Sudan's population is under 25, with nearly 40% falling within the 18–35 range, making this group the primary constituency of displacement flows (UNHCR Egypt Factsheet, June 2025; Report on the Sudanese Displaced Population in Egypt, 2024).



Given Egypt's proximity and open-border posture during the Sudanese conflict, a significant proportion of new arrivals are young adults either seeking work, continuing education, or reuniting with relatives. Labor market vulnerability is acute in this group: even prior to displacement, Sudan's youth unemployment was estimated at over 30%, with many depending on informal employment or remittances (Wageningen University, 2023). In Egypt, the scenario is compounded by regulatory and legal exclusions, with refugees in this age range disproportionately represented in informal, low-paying, and unprotected jobs (ILO et al., 2024).

From a socioeconomic perspective, the 18–35 cohort occupies a critical intersection between demographic pressure and economic opportunity. Analysis from UNHCR and IOM (2023) data shows that youth-aged Sudanese refugees comprise a majority of the total Sudanese refugee population in Egypt, with those aged 12–17 and 18–59 forming the bulk of arrivals post-April 2023. While specific breakdowns vary, compiled datasets estimate that over 330,000 individuals in these two overlapping cohorts reside in Egypt, far outstripping the reported total of 235,000 Sudanese refugees as of end-2023, suggesting misreporting or duplicated registration streams (UNHCR, 2025). Nevertheless, the dominance of working-age youth is undisputed. This cohort is not only the most exposed to risks of economic marginalization and exploitation, but also the most likely to benefit from labor inclusion, vocational training, and entrepreneurship programs. For Savannah Innovation Labs and other ecosystem actors, centering this demographic unlocks both immediate livelihood gains and longer-term stability dividends. As the 18–35 age band is also the primary demographic for startup participation, employment integration, and digital skilling, it offers a high-leverage entry point for inclusive policy and market interventions.

2. Research Objectives and Framing

This report marks a timely and strategic response to one of the most urgent regional humanitarian and economic challenges: the mass influx of Sudanese youth into Egypt amid protracted conflict and displacement. As of May 2025, Sudanese nationals constituted 73% of all registered refugees and asylum seekers in Egypt, over 1 million individuals (ERRRP, 2025). With youth aged 18–35 representing a significant demographic share of this population, the need to move beyond reactive humanitarian aid toward long-term economic integration has become more pressing than ever. This diagnostic effort fills a critical gap by offering a structured, data-driven baseline on Sudanese youth in Egypt's informal and formal labor systems, at a time when policy responses remain fragmented, and empirical evidence is scarce.

The collaboration between Entlaq and Savannah Innovation Labs brings together Entlaq's national ecosystem expertise and Savannah's regional research capabilities to deliver not only a descriptive diagnostic, but also to frame a future-facing strategic vision. The partnership is particularly significant given Egypt's dual identity as both a host country with historical ties to Sudan and a nation undergoing its own labor market transition. By pooling resources and expertise, this initiative aims to bridge the gap between data and decision-making, ensuring that any future policy or programming efforts, whether by state actors, donors, or development partners, are grounded in a clear understanding of the demographic realities, skill sets, constraints, and economic potential of Sudanese refugee youth in Egypt. For the purpose of this report, Entlaq will be basing its research on Sudanese Migrants, adhering to the definition for the term "Migrant," as mentioned below

1. Definitions and Differences between Migrants/Refugees/Asylum-Seekers:

In order to avoid later confusion, it is important to differentiate between three terms that should, under no circumstance, be used interchangeable, as outlined below:



- Refugee

A refugee is a person who has been forced to flee their country due to conflict, persecution, or violence, and who has a well-founded fear of persecution based on race, religion, nationality, political opinion, or membership in a particular social group. Refugees are protected by international law, specifically, the 1951 Refugee Convention and its 1967 Protocol, which prohibit their forced return to unsafe conditions (UNHCR, Who we Protect, 2024).



- Asylum Seeker:

An asylum seeker is someone who seeks international protection but whose claim for refugee status has not yet been legally determined. Every refugee begins as an asylum seeker, but not all asylum seekers are ultimately granted refugee status ((UNHCR, Who we Protect, 2024).



- Migrant

A migrant is an individual who moves voluntarily, typically for reasons such as employment, education, or family reunification, and not due to an immediate threat of persecution or harm. Migrants are not covered under the 1951 Refugee Convention and are subject to the immigration laws of the countries they enter (UNHCR, Migrant Definition, 2024). People who are unable to register as refugees in their host countries and have entered said countries legally, are considered Migrants as well.

While all three terms involve people crossing borders, the key differences lie in the reasons for movement, legal definitions, and international protections. Refugees are forcibly displaced due to well-founded fears of persecution or violence, and they are protected by international law from being returned to danger (UNHCR, *Who We Protect*, 2024). Asylum seekers, meanwhile, are individuals who claim similar circumstances but are still awaiting legal adjudication of their refugee status. Their rights may vary until that determination is made. In contrast, migrants move voluntarily for non-persecutory reasons and are not entitled to international protection under refugee law; their movement is governed by each country's domestic immigration policy (UNHCR, *Migrant Definition*, 2024). As such, while refugees and asylum seekers require humanitarian and legal safeguards, migrants are generally viewed through a socioeconomic or labor mobility lens.

2. From Humanitarian Response to Economic Inclusion

As the Sudanese displacement crisis in Egypt deepens, policy and institutional actors are increasingly moving beyond an emergency relief paradigm to confront the longer-term economic implications of protracted displacement. While the immediate humanitarian response prioritized border access, shelter, and essential services, the sheer scale and duration of displacement, now stretching into its third year, has exposed structural pressure points in Egypt's service delivery systems, labor markets, and host community resilience (ERRRP 2025; UNHCR 2025). More than half a million Sudanese refugees and asylum seekers are currently hosted in Egypt (UNHCR 2025), many of whom are concentrated in urban and peri-urban centers with limited access to sustainable livelihoods. This has forced a strategic re-evaluation: rather than treating Sudanese displacement as a short-term shock, a growing number of stakeholders now frame it as a labor market integration challenge, requiring a calibrated response that blends economic inclusion with social cohesion (Refugees in Egypt 2025; Report on the Sudanese Displaced Population 2024).

This transition reflects both necessity and opportunity. Egypt's economy is marked by a high degree of labor informality, exceeding 63% of the total workforce (Informality and Structural Transformation 2024), alongside persistently high youth unemployment, especially in governorates with large refugee populations (Egypt Report 2025). Within this context, Sudanese refugees, particularly those aged 18–35, represent not only a vulnerable demographic but also a potentially productive labor force whose skills, if recognized and supported, could contribute meaningfully to underserved sectors. Egypt's evolving policy stance, visible in the expansion of cash-for-work, vocational training, and MSME-oriented support programs, signals a growing alignment between displacement response and national development priorities (UNHCR Service Brochure 2022; ERRRP 2025). Yet economic inclusion remains uneven, hampered by regulatory ambiguity, limited access to work permits, and fragmented data systems. As such, this report seeks to illuminate how a shift from humanitarianism to inclusion is not just a policy goal but a structural necessity, one that will define the long-term socioeconomic trajectory of both refugees and host communities alike.

3. Defining the Purpose of Report I

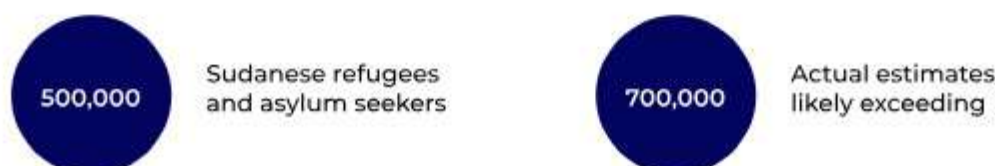
This report serves as the first diagnostic output in a multi-phase collaboration between Savannah Innovation Labs and Entlaq, aiming to generate a data-grounded, sectoral baseline on the economic presence and labor market potential of Sudanese youth (aged 18–35) in Egypt. Anchored in a descriptive framework, Report I does not seek to offer policy prescriptions or programmatic solutions. Instead, it provides an evidence-based foundation through which the size, structure, and constraints of Sudanese youth participation in Egypt's informal and formal labor systems can be better understood. Drawing on secondary literature, official data sources, and refugee-specific datasets, the report maps key variables across demographics, geographic distribution, education and skills levels, employment trends, and regulatory conditions. In doing so, it sets the analytical stage for subsequent reports that will move toward solution-building, policy benchmarking, and ecosystem-level interventions. As such, Report I is best understood as a strategic knowledge product designed to consolidate fragmented insights into a unified landscape, thereby enabling smarter, data-driven decision-making in later phases of the Savannah–Entlaq collaboration.

3. Thematic Anchors and Research Scope

1. Anchoring in Savannah's Strategic Themes

A. Displacement Realities

The escalating Sudanese displacement to Egypt represents one of the largest and most complex cross-border migration flows in recent regional history. As of June 2025, over 500,000 Sudanese refugees and asylum seekers have been officially registered in Egypt, with actual estimates likely exceeding 700,000, due to informal entries and registration delays (UNHCR 2025; ERRRP 2025). Unlike previous influxes, this wave is marked by its urban concentration, youth-dominant profile, and prolonged displacement horizon, challenging traditional emergency-based models of aid (Report on the Situation of Sudanese Displaced Population 2024). According to UNHCR data, Sudanese nationals now represent over 60% of Egypt's total refugee population (UNHCR Factsheet 2025), and nearly half are between 18 and 35 years old, as supported by age-disaggregated data from the Sudanese Humanitarian Needs and Response Plan (HNRP 2024). These displacement realities form the first strategic pillar of Savannah's diagnostic lens, prompting a deeper examination of who the Sudanese refugees are, where they settle, and how their demographic and educational profiles are evolving over time.



B. Economic Integration

At the intersection of Egypt's informal labor markets and regional migration flows lies the urgent question of economic integration. Egypt's labor market is characterized by high levels of informality, estimated at 63.3% of the total employed workforce (Informality and Structural Transformation 2024), and a youth unemployment rate that exceeds 24% in several urban governorates with significant refugee presence (Egypt Report 2025). Within this context, Sudanese youth aged 18–35 face layered barriers to employment: limited access to work permits, documentation gaps, and constrained participation in formal upskilling channels (Refugees and the Egyptian Labour Market 2024). Yet this cohort also holds significant potential for contribution, especially in sectors such as agriculture, domestic services, and construction, industries where informal labor is prevalent and entry points are accessible without formal certification (UNHCR Service Brochure 2022). Savannah's economic integration theme seeks to anchor this report in understanding these structural tensions, between precarity and productivity, inclusion and exclusion, without presupposing outcomes.

C. Legal and Host Country Frameworks

The third strategic pillar rests on a critical examination of the legal and institutional frameworks shaping refugee livelihoods in Egypt. While Egypt is a signatory to the 1951 Refugee Convention and the 1980 OAU Convention, it has yet to adopt a national asylum law, which leaves implementation fragmented across ministries, international organizations, and local NGOs (Combined Periodic Report under the Convention 2024). Sudanese refugees, in particular, experience a duality: on one hand, historical agreements like the Four Freedoms Agreement (2004) grant access to residence, work, and property rights; on the other, these provisions have not been consistently enforced post-2011 (Framing the Sudanese Refugee Flows 2024; Egypt's Approach to Conflict 2024). Furthermore, the lack of a unified work permit pathway means most Sudanese youth remain excluded from formal economic participation, despite rising calls for regularization (Refugees in Egypt 2025). Savannah's third thematic frame thus recognizes legal uncertainty not just as a rights-based issue, but as a binding constraint on socioeconomic mobility and institutional accountability.

2. Key Dimensions of Inquiry

A. Demographic Composition and Distribution

Understanding who Sudanese refugees in Egypt are, not just how many, is foundational to any evidence-based inclusion strategy. This report disaggregates the population by age, gender, family structure, and geographic concentration, using sources such as the 2024 Sudan Humanitarian Needs and Response Plan (HNRP) and UNHCR's 2025 factsheet. Youth aged 18–35, for example, are disproportionately concentrated in Greater Cairo, Giza, and Aswan, with notable spillovers into peri-urban zones (UNHCR 2025). Internal UNHCR data indicates that more than 65% of the Sudanese refugee population resides outside traditional camp or shelter models, often in informal housing clusters with limited access to census registration (UNHCR 2025; Report on Sudanese Displacement 2024). Demographic mapping also highlights gender asymmetries, particularly in female-headed households and the underrepresentation of women in labor-facing initiatives, making spatial and household-level granularity a priority of this diagnostic.

B. Labor Market Access and Informality

Sudanese refugees in Egypt are primarily absorbed through informal labor channels, but little data exists on the quality, stability, or mobility of this work. Existing ILO-linked studies estimate that the share of refugees with legal access to formal employment remains below 2%, with the vast majority engaged in informal jobs in construction, domestic services, and waste management (Refugees and the Egyptian Labour Market 2024; Informality and Structural Transformation 2024). Youth refugees often face compounding barriers: lack of recognized certification, employer discrimination, irregular residency documentation, and wage exploitation. This report investigates not only access but also segmentation, how different demographics (e.g., single men vs. married women) navigate different labor pathways and vulnerabilities. The aim is to surface patterns that remain invisible to both national employment surveys and traditional humanitarian assessments.

C. Legal Status and Regulatory Friction

Legal uncertainty remains one of the most decisive variables shaping refugee outcomes. Sudanese nationals in Egypt exist in a gray zone, technically covered by historical agreements such as the Four Freedoms Agreement (2004) but lacking enforceable legal guarantees following its suspension post-2011 (Framing the Sudanese Refugee Flows 2024). Egypt has no national asylum law, and the refugee determination process remains exclusively managed by UNHCR, limiting integration pathways and appeal mechanisms (Combined Periodic Report 2024). The result is a fragmented legal landscape: while some Sudanese refugees have renewable residency cards, others remain without any valid documentation, barring them from formal work, education, or property rights. This report examines how regulatory bottlenecks, across ministries, border policies, and permit systems, systematically shape access to stability and inclusion.

D. Access to Basic and Social Services

While Sudanese refugees nominally have access to health, education, and housing services under existing bilateral frameworks, actual service delivery remains highly uneven. In health, for example, access is often contingent on registration with UNHCR or affiliated NGOs, leaving undocumented refugees reliant on overcrowded or fee-based public hospitals (Improving Social Protection 2024). In education, school enrollment barriers include documentation gaps, grade-level mismatches, and linguistic bias, with refugee youth facing higher dropout rates even at the primary level (Egypt: Education Restricted for Refugees 2024). This report maps service bottlenecks not only in terms of availability but in terms of navigability, including costs, documentation required, and user perceptions of exclusion. Doing so allows a clearer view of what "access" means in practice, and for whom it is working.

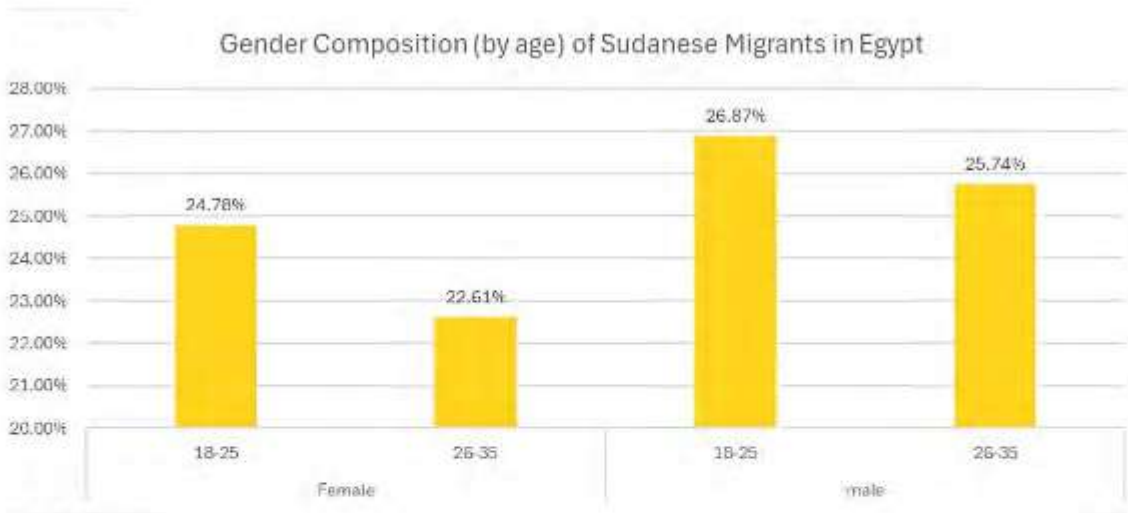
4. Data and Methodological Framing

This collaborative research between Savannah Innovation Labs and Entlaq aims to generate a diagnostic baseline on the entrepreneurial and labor participation of Sudanese migrant youth (ages 18–35) in Egypt. The study employed a mixed-method, non-randomized snowball sampling approach, targeting Sudanese business owners and economically active individuals, particularly those without formal refugee status. Approximately 8,000 data points were initially collected between November/December 2024 and April/May 2025, with a final cleaned sample of roughly 6,300 individuals who had been displaced to Egypt within the past 1–5 years following the recent Sudanese war. Data collection spanned four locations, Cairo (Madinty and Rehab), Giza, Alexandria, and Aswan, with the latter conducted remotely due to security alerts. The methodology emphasized in-person surveys (except in Aswan), all administered by 20 trained volunteers.

The structured survey instrument consisted of over 100 questions across seven thematic sections, covering demographics, education, employment status and intentions, business experience, legal and financial barriers, service access, and aspirations for formal employment. In addition to structured surveys, the study incorporated ethnographic fieldwork, participant observation at community events, company visits, and semi-structured interviews. This approach enables the research team to investigate not only labor status and demographic profiles but also the systemic constraints limiting economic inclusion. The ultimate goal is to consolidate fragmented insights into a comprehensive dataset that will inform policy design and ecosystem-level interventions in future phases.

Several trends were identified based on the data gathered from the survey results; Firstly, as apparent through the dataset, 24.78% of those surveyed were females aged between 18-25 years, and 22.61% were females aged between 26-35 years. On the contrary, 26.87% of those surveyed were males (18-25 years) while 25.74% (26-35 years)- this is the cluster that will be focused on in our report and is highlighted through the graph below.

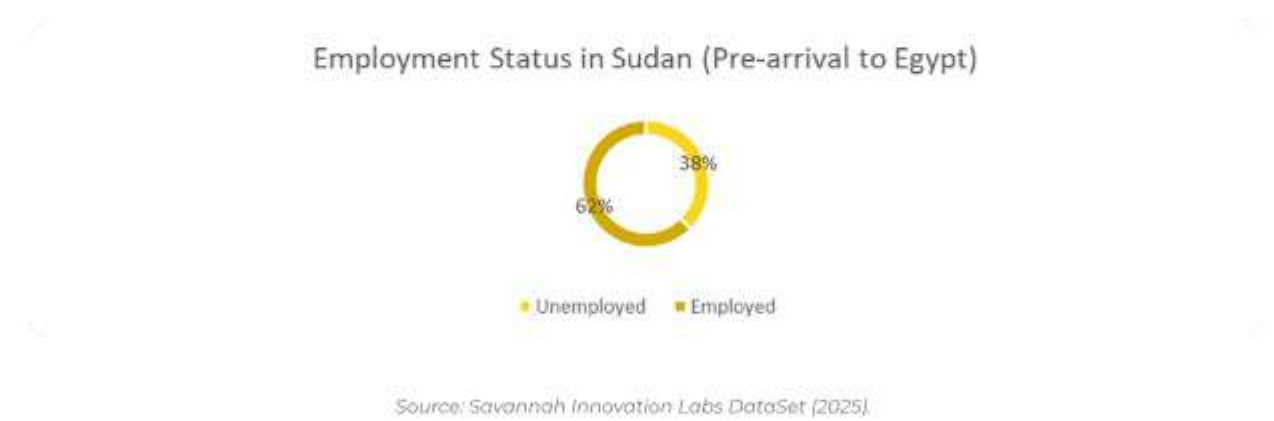
Figure (3): Gender Composition (by age) of Sudanese Migrants in Egypt



Source: Savannah Innovation Labs DataSet (2025).

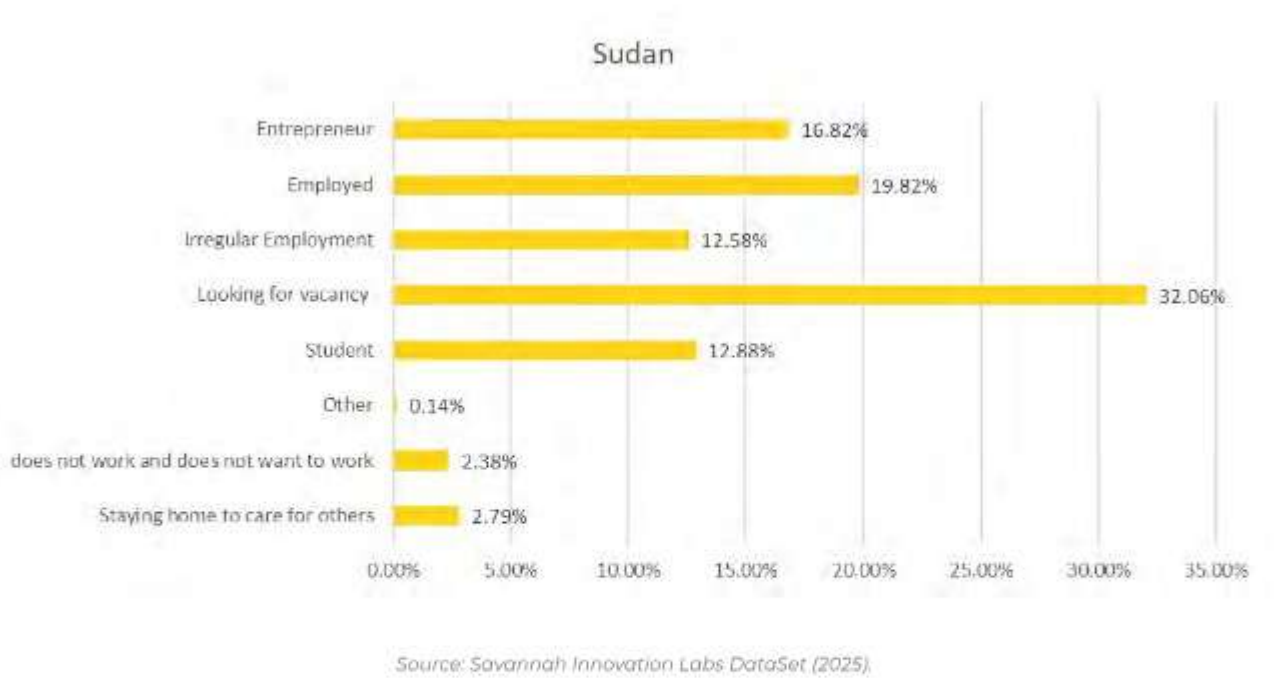
Secondly, and delving deeper into the data, 62% of the Sudanese migrants who recently arrived to Egypt post war have had previous jobs in Sudan and have come to Egypt looking for formal jobs in their respective fields, while 38% of migrants were unemployed in Sudan, as shown in the figure below.

Figure (4): Employment Status in Sudan (Pre-arrival to Egypt)



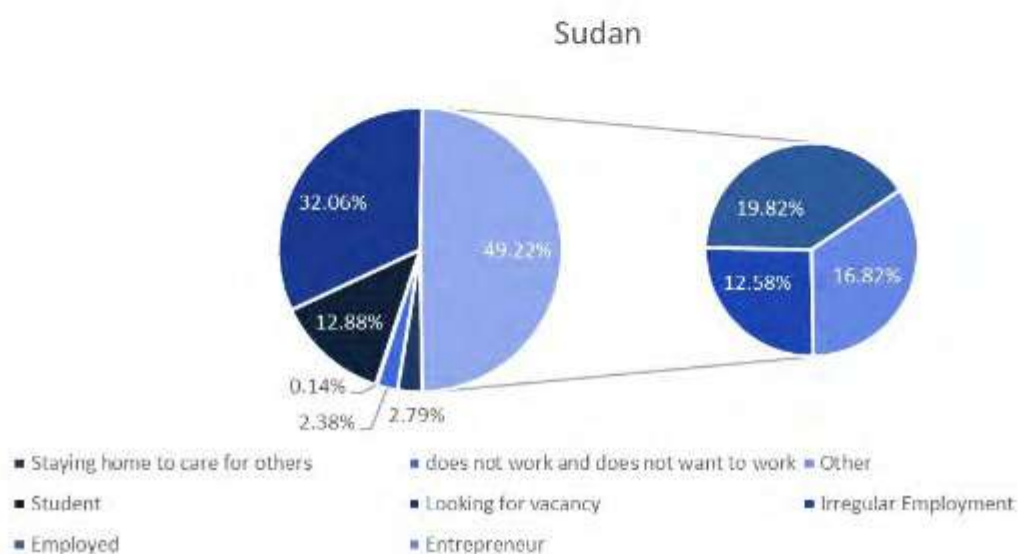
It is interesting to showcase the aforementioned findings against the current employment status of Sudanese Migrants in Egypt. Based on the survey (and as shown in the graph below); 32.06% of the 6300 Sudanese migrants aged between 18-35 years are looking for a job, but could not find one, possibly because of struggles with work permits- even if they had jobs prior to the war in Sudan. This is opposed to around 36.84% of migrants who are formally employed, and 12.58% who currently have informal jobs in Egypt, which highlights a problem where a huge portion of Sudanese migrants are not fully integrated in the Egyptian labour market.

Figure (5): Employment Status of Sudanese Migrants in Egypt



Thirdly, this information can be substantiated with the following chart, which shows the composition of the 49.22%, of which 12.58% have irregular employment (have a daily wage), 16.82% are entrepreneurs and 19.82% are employed. This shows that almost 50% of Sudanese migrants in Egypt are employed but that almost a quarter of those (12.58%) do not have a stable income. This 49.22% includes both formal and informal work categories, with partial overlap. Specifically, 19.82% are formally employed, 12.58% are informally employed on daily wages, and 16.82% are entrepreneurs—some of whom may also be formally registered.

Figure (6): Employment Composition: Specific Focus on the “other” option



Source: Savannah Innovation Labs DataSet (2025).

This report employs a descriptive diagnostic approach, relying primarily on secondary data sources, as well as the DataSet submitted by Savannah Innovation Labs, to surface trends in Sudanese refugee demographics, legal status, labor force participation, and access to services. The methodology is structured around basic descriptive statistics and preliminary cross-tabulations to examine intersections such as gender by employment sector or education level by legal status. Comparative insights are introduced only lightly, offering regional parallels or historical benchmarks, to contextualize Egypt's position as a host country without venturing into prescriptive assessments. Importantly, the report is non-modelled and non-normative: it does not engage in regression-based analysis, economic forecasting, or stakeholder-derived insights at this stage. These higher-order analytical layers are intentionally reserved for Report II, which will incorporate field-based data collection, stakeholder consultations, and scenario planning as part of a deeper solution-framing phase. For now, Report I is focused on constructing a clear, evidence-grounded baseline that lays the foundation for a deeper analysis of Sudanese Refugee integration in the ecosystem, that will be further highlighted in Report II.

5. Structure of the Report

Briefly, this first diagnostic report focuses on mapping the foundations for understanding the Sudanese refugee youth experience in Egypt, particularly those aged 18–35. The report is structured around four core dimensions of inquiry. First, it analyzes demographic trends, disaggregating data by age, gender, and location to surface who makes up this displaced cohort. Second, it explores labor aspirations and informal work participation, offering preliminary insights into the economic survival strategies of young Sudanese in Egypt's segmented labor market. Third, the report examines access to services, including education, healthcare, and housing, assessing not only availability but also navigability. Finally, it outlines the legal and policy constraints that shape refugee status and rights, including registration bottlenecks, labor market restrictions, and the absence of national asylum legislation. This diagnostic phase does not prescribe solutions but builds a strong evidence base to inform future strategic and programmatic responses.

While this first report serves as a descriptive foundation, Report II will mark a transition from mapping to action. Drawing on the evidence base laid out in Part I, the second report will integrate economic modeling to quantify the macro and sectoral impact of Sudanese refugee inclusion within Egypt's labor market. It will also incorporate primary fieldwork, including key informant interviews (KIIs) with employers, community leaders, and public institutions, alongside stakeholder roundtables co-led by Savannah Innovation Labs and Entlaq. These participatory methods will surface real-world constraints, identify policy levers, and co-develop forward-looking solutions. The result will be a strategic playbook that moves beyond identifying gaps to designing inclusive pathways for economic participation, grounded in both empirical rigor and ecosystem engagement. Report II will thus serve as the bridge between diagnostic insight and scalable intervention, with more reliance on primary data analysis and fieldwork.

Section 02

Examining the Literature



Provides historical, political, and socio-economic context of Sudanese migration to Egypt, including pre-2023 migration patterns, cultural ties, and policy frameworks. It highlights the shift from long-standing migration links to a mass displacement crisis, stressing the interaction between Egypt's labor market pressures and the growing Sudanese refugee presence.



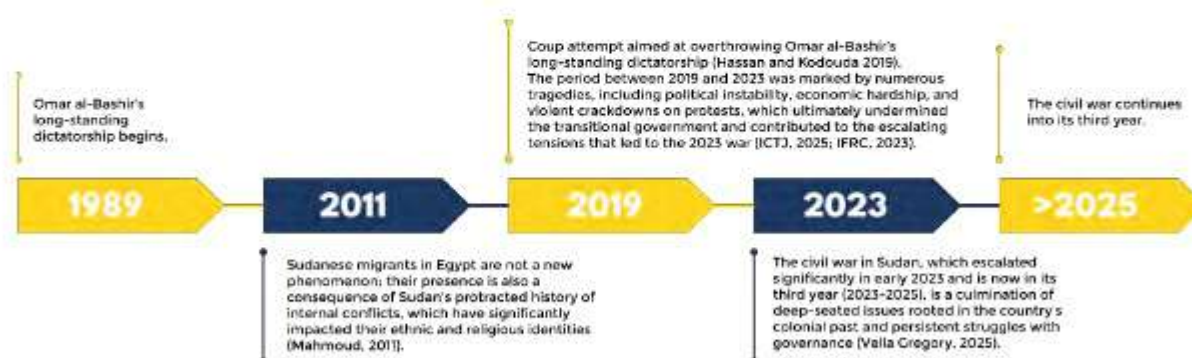
02 Examining the Literature

This section provides a foundational understanding of the complex landscape surrounding the integration of Sudanese refugees into Egypt's labor market, setting the narrative for the comprehensive situational overview report. Since the outbreak of the conflict in Sudan in April 2023, Egypt has become a primary destination for displaced Sudanese nationals, adding to an already significant migrant and refugee population. This review systematically explores three critical themes: first, the context and lived realities of Sudanese displacement in Egypt, including its genesis and the demographic profiles of those affected; second, the multifaceted challenges and strategies related to economic integration and livelihood within the Egyptian labor market, and the legal framework that governs it; and finally, a comparative analysis of refugee and migrant demographics, integration initiatives, and legal frameworks across various host countries. By synthesizing existing academic and policy literature, this review aims to illuminate the structural barriers, community-led efforts, and policy gaps that define refugee economic inclusion in Egypt, while drawing crucial lessons from international experiences.

1. Sudanese Displacement: Context and Lived Realities of Sudanese Refugees in Egypt

The ongoing displacement of Sudanese populations represents a complex and deeply rooted humanitarian crisis, shaped by a long history of civil conflict and regional dynamics. Triggered by the intensification of war in Sudan, millions have been forced to leave Sudan, with Egypt becoming a major host country. This movement is embedded in a broader historical and geopolitical context, where past treaties and shifting national policies continue to influence refugee experiences. The influx has transformed demographic landscapes and altered settlement patterns, building on earlier waves of migration. At the same time, Sudanese refugees in Egypt face acute challenges related to wellbeing and integration, underscoring the urgent need for comprehensive support mechanisms.

The civil war in Sudan, which escalated significantly in early 2023 and is now in its third year (2023-2025), is a culmination of deep-seated issues rooted in the country's colonial past and persistent struggles with governance (Vella Gregory, 2025). This current conflict follows a 2019 coup attempt aimed at overthrowing Omar al-Bashir's long-standing dictatorship, which began in 1989 (Hassan and Kodouda 2019). The period between 2019 and 2023 was marked by numerous tragedies, including political instability, economic hardship, and violent crackdowns on protests, which ultimately undermined the transitional government and contributed to the escalating tensions that led to the 2023 war (ICTJ, 2025; IFRC, 2023). Sudanese migrants in Egypt are not a new phenomenon; their presence is also a consequence of Sudan's protracted history of internal conflicts, which have significantly impacted their ethnic and religious identities (Mahmoud, 2011).



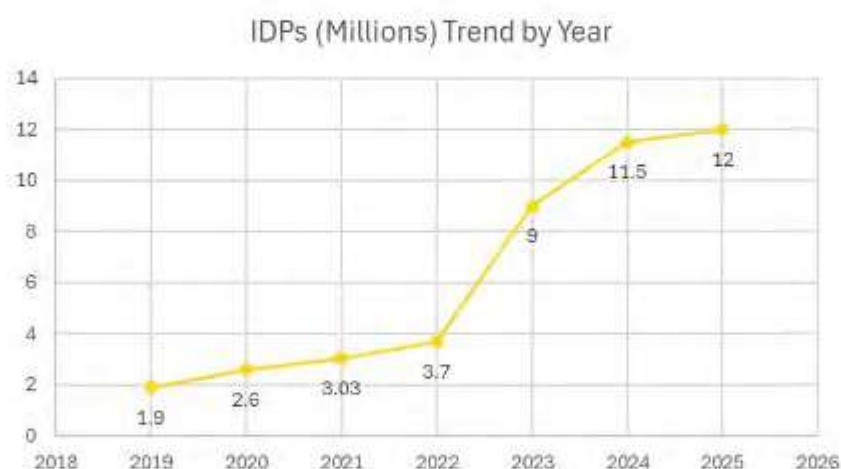
Sudan is characterized by its vast ethnic and religious diversity, with residents categorized into approximately 50 ethnic groups, further subdivided into at least 570 distinct peoples. Arabic, while considered the national language, is primarily the mother tongue for northerners, with other regions maintaining their indigenous languages and distinct Arabic dialects (Mahmoud, 2011). The failure to effectively manage this ethnic and religious diversity is widely regarded as a primary driver of Sudan's prolonged conflict, intensifying internal divisions and strife through unequal power sharing, the marginalization of certain groups, and resource disputes exacerbated by identity politics, which further complicates their assimilation process in host countries (Mahmoud, 2011). This has led to several internal disputes within Sudan.

The First Sudanese Civil War (1955-1972), or Anyanya Rebellion, began pre-independence, fueled by deep ethnic, religious, and cultural divides between the North and South, exacerbated by colonial policies. Southern fears of northern domination and the imposition of Arabic and Islamic influence led to a southern military mutiny, escalating into a brutal guerrilla war with widespread atrocities, massive displacement, and up to a million deaths (Johnson 2011, 23-45; Deng 1995, 87-92; Sharpe 2018, 56).

Although the 1972 Addis Ababa Agreement granted limited southern autonomy, underlying grievances persisted. The Second Sudanese Civil War (1983-2005) reignited due to the abrogation of this agreement and the imposition of Sharia law nationwide. This spurred the formation of the The Sudan People's Liberation Army (SPLA), expanding the conflict beyond the south to regions like Darfur and the Nuba Mountains, driven by intensifying struggles over power, resources, and identity (Prendergast 2008, 112; Beswick 2011, 78-85). This war was even more devastating, causing an estimated 2 million deaths and displacing 4 million people (UNHCR 2006), ultimately leading to the 2005 Comprehensive Peace Agreement and South Sudan's independence in 2011. These historical conflicts highlight a deep-seated pattern of displacement rooted in unresolved grievances and political marginalization that continues to shape Sudan's humanitarian landscape.

The current drivers of displacement from Sudan after the 2023 conflict are predominantly rooted in the fierce power struggle among the Sudanese Armed Forces (SAF), the paramilitary Rapid Support Forces (RSF), and allied militias, resulting in pervasive violence and insecurity. Since April 2023, the fighting has been characterized by attacks on civilians and civilian infrastructure, obstruction of humanitarian aid, widespread sexual violence, and ethnically targeted killings (Cone & Sullivan, 2025). In December 2023, the U.S. government officially determined that the RSF and SAF had committed war crimes, and that the RSF and allied militias were responsible for crimes against humanity and ethnic cleansing. An updated atrocity determination in January 2025 found the RSF responsible for genocide (Cone & Sullivan, 2025). This conflict has had catastrophic human consequences, leading to widespread violence, severe humanitarian crises, and mass increase in internally displaced persons (IDPs) within and outside of Sudan.

Figure (7) IDPS in Sudan by Year The number of IDPs rose gradually until 2022, then surged sharply from 2023, reaching nearly 12 million by 2025



Source: UNHCR (2025)

Approximately 12.7 million people had been forced to leave their homes as of July 2025, including 7.7 million internally displaced persons (IDPs) within Sudan and 4.1 million seeking refuge in neighboring countries (Migration Policy Institute, 2025; USAID, 2024). This marks a significant increase from 2022, and makes Sudan the country with the highest number of IDPs globally (IDMC 2025a; UNHCR, 2025). The conflict has also precipitated widespread and expanding famine in Sudan (Cone & Sullivan, 2025). Communication restrictions have been severe, with government forces often isolating Sudan from the rest of the world, effectively placing residents under house arrest with unreliable internet and phone access (Vella Gregory, 2025). The conflict zone has seen an increased armed presence, accompanied by reports of intense scrutiny, raids, theft, property destruction, and death threats targeting Sudanese civilians and academics, coupled with environmental factors such as severe flooding leading to many Sudanese people being forced to leave their homes (IDMC 2025a; UNHCR 2024; Vella Gregory, 2025).

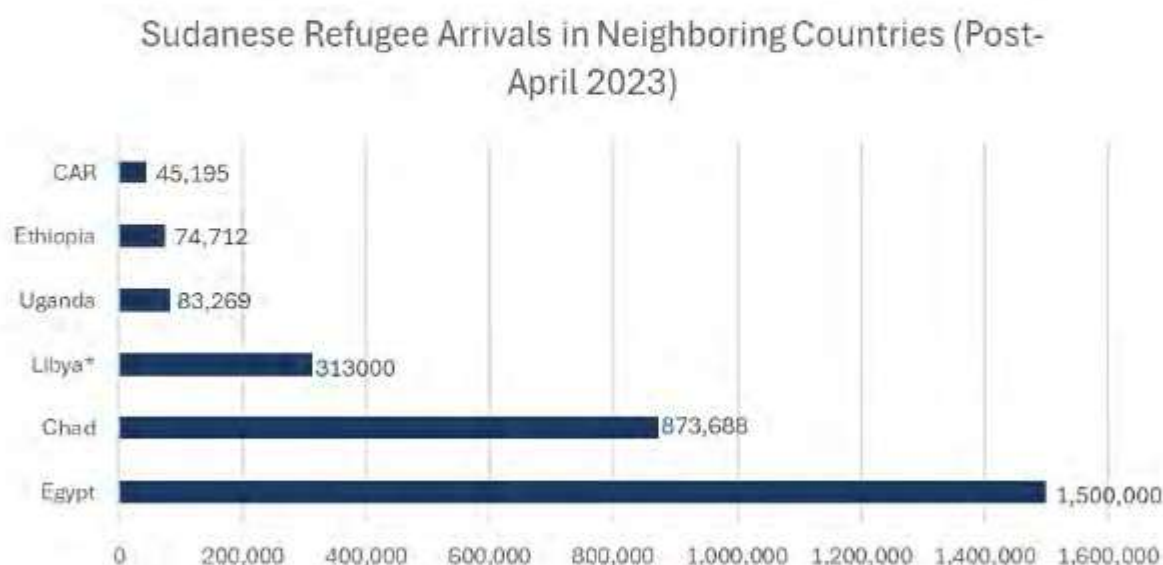
The humanitarian consequences are multifaceted and severe. Over half of Sudan's population, approximately 30.4 million people, are in urgent need of humanitarian assistance in 2025, with children accounting for a substantial portion of those affected (UNHCR, 2025). Acute food insecurity has more than tripled since the pre-conflict period, with millions at risk of famine in conflict-affected areas, and humanitarian access remains severely restricted (IDMC 2025a; UNHCR 2025b). Furthermore, the crisis has fueled alarming levels of gender-based violence, disproportionately affecting women and girls, who face increased risks in shelters and at checkpoints (IDMC 2025a).

The destruction of urban centers and overcrowding in displacement camps have also led to critical shortages of water and healthcare, contributing to disease outbreaks across two-thirds of the country's states (IDMC 2025a). This deepening crisis underscores an urgent need for de-escalation of conflict, unimpeded humanitarian access, and robust international support to address the immediate and long-term needs of displaced and affected populations in Sudan.

Historically, the relationship between republican Egypt and Sudan has been largely strained, driven by divergent political ideologies and alliances (Darwisheh, 2019-2020). Egypt has traditionally sought to influence Sudan, particularly concerning the utilization of Nile River waters, which are vital to Egypt's existence (Darwisheh, 2019-2020). This historical relationship can be traced back to the Turco-Egyptian conquest of Sudan in 1820, a period that shaped long-standing political and cultural ties between the two countries. Throughout much of the modern era, Egypt has maintained a significant influence over Sudanese affairs, shaped by shared history and strategic interests.

In a gesture aimed at fostering unity and strategic interdependence, Egypt and Sudan signed an "Agreement on freedom of movement, residence, work and property ownership" in Cairo on April 4, 2004. This agreement officially came into force on September 8, 2004 ("Egypt-Sudan Four Freedoms Agreement," 2004). Concurrently, in 2004, UNHCR suspended refugee status determinations for Sudanese, recognizing progress in the Sudanese peace process (CPA), and relations between Egypt and Sudan improved. However, despite its ambitious scope, the 'Four Freedoms' agreement was never fully implemented, largely due to bureaucratic hurdles, a lack of consistent political will, and Egypt's concerns about potential mass influxes and security implications (Sudan Tribune, 2007). The agreement also ceased to apply to southerners following South Sudan's independence (Jones, 2024). Despite this Egypt receives the largest arrivals of Sudanese migrants and refugees. Especially after the most recent conflict, there has been a staggering 1037% increase in Sudanese refugee registrations between March 2023 and April 2025 (UNHCRf, 2025).

Figure (8) Sudanese Refugee Arrivals in Neighboring Countries (Post-April 2023). Sudanese refugee flows to neighboring countries surged after April 2023, reflecting the regional impact of the ongoing conflict. Egypt receives the highest refugee arrivals at an estimate of 1,500,000



Source: UNHCR (2025f)

As depicted in the figure above, Chad and Egypt emerge as the primary host nations, accommodating the largest numbers of Sudanese refugees and asylum seekers. Chad leads with approximately 870,000 individuals, closely followed by Egypt with approximately 714,940 registered refugees in the UNHCR, and approximately 30,000 individuals are being registered per month (UNHCR, 2025f). The total estimated arrivals in Egypt since April 2023 are considerably higher, exceeding 1.5 million, pointing to a substantial unregistered population (ACAPS, 2025; Migration Policy Institute, 2025). Significant numbers of Sudanese have also sought refuge in Libya (approximately 310,000), with smaller, yet considerable, populations in Uganda (approximately 75,000), Ethiopia (approximately 50,000), and the Central African Republic (CAR) (approximately 35,000). This distribution underscores the immediate geographical impact of the conflict, with Sudan's direct neighbors bearing the brunt of the displacement crisis. The substantial influxes into these countries place immense and often unsustainable pressure on their existing public services, infrastructure, and economies, highlighting the critical and ongoing need for robust international humanitarian assistance and support for host communities.

1. Demographic Profile and Settlement Patterns of Sudanese Refugees and Migrants in Egypt

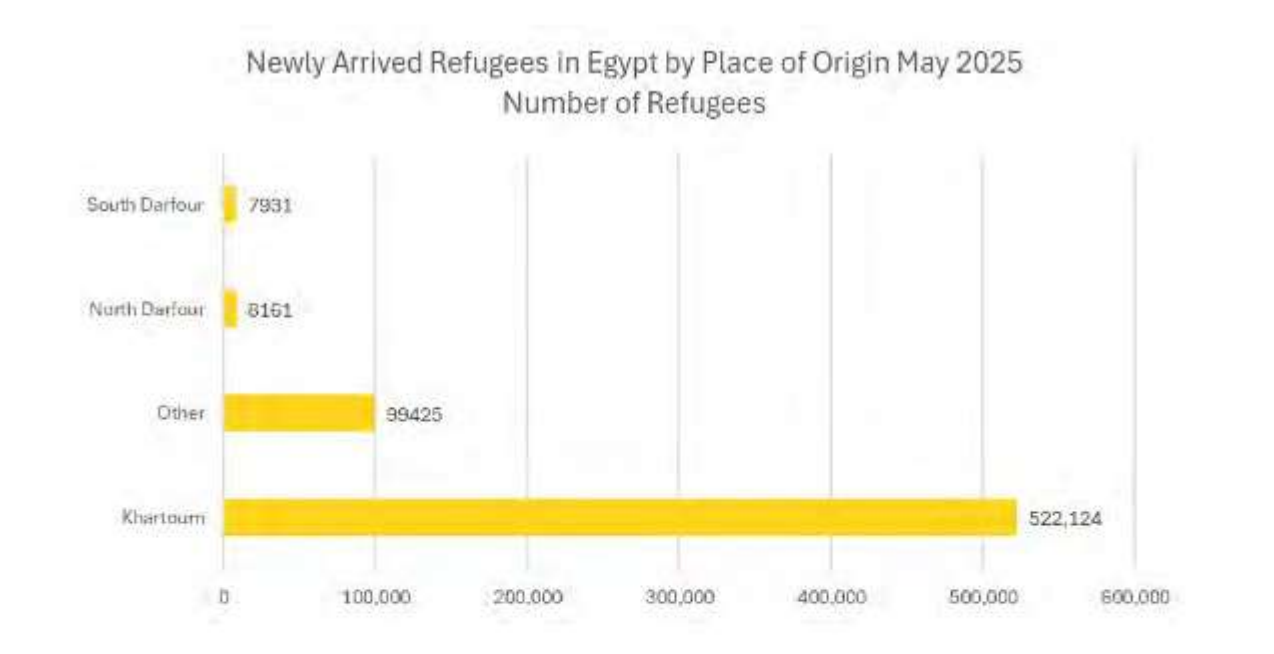
Sudanese migration to Egypt is a historical phenomenon, driven by a long-standing pursuit of safety and economic opportunities. Prior to the 2023 conflict, like many African refugees (Desjarlais et al., 1995; Hansen, 1992, cited in Mahmoud, 2011), Sudanese migrants in Egypt were largely self-settled, meaning they were not part of an official resettlement policy, and many had been living as refugees for years. They typically resided in groups among local populations within Cairo's impoverished districts or urban slums. Most were employed illegally, and their living conditions were often dire (Mahmoud, 2011). They received minimal protection in Egypt and were frequently subjected to arbitrary detention and racist attitudes. Many entered Egypt on visas that expired after one month, subsequently remaining illegally under the constant threat of deportation. For these individuals, the lengthy and uncertain process of obtaining official refugee status from UNHCR was often the most hopeful path to securing international assistance and potentially permanent resettlement in a First World country (Mahmoud, 2011). Despite this approximately 4 million Sudanese migrants have lived in Egypt before the outbreak of the 2023 conflict, the pre-conflict ties have also helped pave the way for the current Sudanese migrants to make settle in Egypt (Abuswar and Bassi 2025).

Egypt distinguishes itself from other African host countries by not having refugee camps and arguably offering a comparatively better economic situation. Furthermore, Sudanese refugees frequently choose Egypt over other nations due to profound cultural, linguistic, and historical ties (Cone & Sullivan, 2025). Both nations share Arabic as their primary language and have predominantly Sunni Muslim populations, fostering an environment of cultural familiarity that eases the transition for Sudanese migrants and facilitates their integration into Egyptian society. Additionally, Egypt's geographical proximity to Sudan provides a sense of continuity and connection to their homeland, which is particularly vital for those who perceive their displacement as temporary (Cone & Sullivan, 2025).

Economic and logistical considerations also play a significant role in this choice. Compared to Gulf countries like Saudi Arabia or the UAE, Egypt offers a more affordable cost of living, a crucial factor for migrants with limited financial resources. Many Sudanese families already have established ties to Egypt through property ownership, education, or personal travel, making it a practical destination. Moreover, the existing Sudanese diaspora in Egypt provides a relatively supportive network (Cone & Sullivan, 2025).

Most Sudanese migrants have reached Egypt through its southern border with Sudan. In the initial days of the crisis, tens of thousands of Sudanese fled north, congregating near the Sudanese town of Wadi Halfa while awaiting visa approvals or travel documents. Those with sufficient means arrived via flights, often departing from Port Sudan. Currently, some migrants continue to arrive via smuggling networks, encountering grave risks en route, including extortion, frequent road accidents, targeting by authorities, and, in some cases, death (Cone & Sullivan, 2025). Official statements estimate that at least several hundred Sudanese arrive daily. Given the restrictions on regular entry, many Sudanese migrants are left with no alternative but to enter through illicit smuggling channels, facing considerable danger (Cone & Sullivan, 2025).

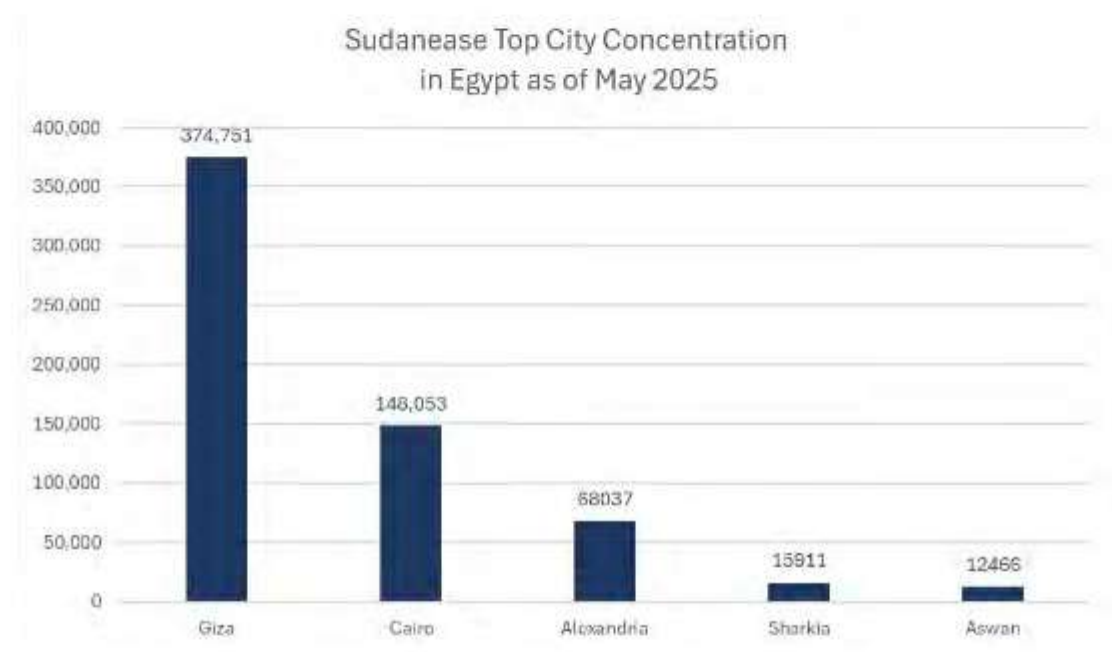
Figure (9) Newly Arrived Refugees in Egypt by Place of Origin May 2025. Number of Refugees Departures from Sudan by area of origin, with Khartoum accounting for the majority since April 2023. Most refugees have come from Khartoum.



Source: (IDMC, 2024; UNHCR, 2023; UNHCR, 2025f).

The graph shows that the vast majority of Sudanese refugees who arrived in Egypt in May 2025 came from Khartoum, with over 500,000 individuals fleeing the capital amid escalating violence and the breakdown of essential services. As noted in the UNHCR Operational Update (May 2025), many of these individuals entered through the Arqeen and Qustul border crossings, seeking safety and stability in Egypt. In comparison, lower numbers from North and South Darfur likely reflect significant challenges in mobility and access, rather than an absence of need or displacement. According to the IOM's Displacement Tracking Matrix, Khartoum accounts for over 38% of all internally displaced persons (IDPs) in Sudan, underscoring the scale of forced movement from the capital and helping explain the high number of cross-border arrivals into Egypt (IOM 2025). The "Other" category, representing around 100,000 individuals, likely includes people from conflict-affected areas such as Gezira and White Nile.

Figure (10) Sudanese Top City Concentration: Distribution of new Sudanese arrivals in key Egyptian cities, with Giza hosting the largest number since the 2023 conflict.



Source: (UNHCR, 2025f).

The concentration of Sudanese migrants in specific Egyptian cities, as shown in the figure above, reflects broader trends documented by multiple humanitarian sources. The data indicates that Giza hosts the highest number of new arrivals, followed by Cairo, Alexandria, Sharkia, and Aswan. This urban distribution is supported by the UNHCR, which reports that the vast majority of refugees and asylum-seekers in Egypt reside in urban centers, particularly Greater Cairo (Giza and Cairo), Alexandria, and Sharkia (UNHCR 2025). The prominence of Giza and Cairo aligns with the fact that these areas already host well-established Sudanese communities and offer relatively greater access to informal housing, livelihood opportunities, and humanitarian assistance.

Alexandria, Egypt's second-largest city, continues to attract displaced populations due to its economic significance and established infrastructure, while Sharkia has emerged as a lower-cost, peri-urban alternative for new arrivals (UNHCR 2024). Aswan, although less frequently highlighted in national overviews, is confirmed by UNICEF as a critical transit and settlement point for refugees and migrants entering through Egypt's southern border crossings such as Arqeen and Qustul (UNICEF 2024). While precise numerical estimates vary, this distribution is broadly consistent with patterns identified in both the UNHCR's operational updates and IOM's mobility tracking, which underscore urban preference and geographic accessibility as key factors shaping refugee settlement (IOM 2025). These patterns emphasize the importance of targeted, city-level responses and greater municipal support to meet the diverse and growing needs of Sudanese refugees across Egypt.



Source: (UNHCR, 2024).

2. Wellbeing and Integration of Sudanese Migrants in Egypt

Integration is understood as a dynamic, reciprocal process that impacts both migrants and their host communities, leading to mutual adaptation over time (Grabska, 2005). In Egypt, despite allowing migrants to self-settle among local communities, resettlement to a third country has generally been the preferred solution, both for the host government and the migrants themselves. With limited prospects for full integration, especially given that both migrants and the Egyptian government often view their presence as temporary, the majority of refugees tend to live on the margins of host society, yet maintain constant interaction with its members. The process of integration can culminate in four distinct outcomes: assimilation, adaptation, separation, or marginalization (Grabska, 2005).

Barriers to social integration, such as housing insecurity, exclusion from social protection systems, and cultural marginalization, significantly undermine the economic integration of Sudanese refugees and migrants in Egypt. Social vulnerability limits their ability to pursue stable employment, invest in small businesses, or participate in vocational training, as immediate needs for safety, shelter, and food take precedence over long-term economic goals. The lack of secure housing often forces refugees into overcrowded and substandard conditions, where high rental costs, sometimes exceeding 60% of household income, consume resources that could otherwise support economic mobility (Zawia3 2023; MDPI 2024). Exclusion from Egypt's national welfare systems and limited access to humanitarian aid further exacerbate insecurity, particularly amid inflation and rising food prices, leading to widespread undernutrition (UNHCR 2025c; IPC-IG 2022). For many, daily survival supersedes any opportunity to build livelihoods or formalize their work. Meanwhile, social isolation and identity-related stress, compounded by ethnic tensions within the Sudanese community and a lack of cultural recognition in host communities, contribute to poor mental health and diminished agency, especially among youth and women (Mahmoud 2011; Cone and Sullivan 2025). Without addressing these interlinked social challenges, economic inclusion efforts risk remaining superficial and unsustainable.

Identity confusion is recognized as one of the most common stressors experienced in forced migration (Stein, 1986, cited in Mahmoud, 2011), and Sudanese migrants must grapple with this challenge alongside the demands of adapting to a new country and its associated adjustment difficulties. Beyond the immediate physical challenges, Sudanese migrants in Egypt face a significant burden of mental health issues. Notably, cultural differences within the migrant population itself can be as significant a source of distress as differences with the host population. In this context, such internal cultural diversity has been observed to cause two primary problems for migrants: confusion and uncertainty in interactions with other Sudanese groups, and social isolation stemming from an inability to interact effectively or partake in social activities as they would in Sudan (Mahmoud, 2011).

For Sudanese women and girls, this vulnerability is compounded by high levels of sexual violence experienced in Sudan and ongoing risks of gender-based violence in Egypt, coupled with critically insufficient mental health and psychosocial support services (Cone & Sullivan, 2025; OHCHR, 2025). Beyond mere communication difficulties, it appears that the ethnic tensions prevalent in Sudan extend into the lives of migrants in Cairo, manifesting as stereotyping members of other tribes and internal ethnic strife among different Sudanese groups (Mahmoud, 2011). Paradoxically, Egyptians often perceive Sudanese individuals as a singular "Sudanese" group, largely disregarding their diverse tribal affiliations (Mahmoud, 2011). This complex socio-cultural landscape profoundly impacts the wellbeing and assimilation prospects of Sudanese migrants, further shaping the informal economic opportunities available to them and the challenges they face in achieving self-sufficiency within Egypt. These factors underscore the significant challenges and limited opportunities Sudanese migrants face in achieving economic self-sufficiency and integration within Egypt.

2. Economic Inclusion and Livelihood Pathways: Engaging with Egypt's Labor Market and Support Systems

The economic integration of Sudanese migrants in Egypt is shaped by a complex interplay of legal, structural, and socio-economic barriers. As of 2025, the mass influx of Sudanese nationals fleeing conflict has intersected with Egypt's volatile macroeconomic conditions, strained public services, and deeply informal labor market. Although Egypt hosts one of the largest Sudanese refugee populations in the region, refugees face significant exclusion from formal economic participation due to restrictive labor laws, bureaucratic hurdles, and social tensions. Most are funneled into the informal sector, where wages are low, job security is minimal, and legal protections are virtually absent. These dynamics are further compounded by inflation, currency devaluation, and a surge in anti-migrant sentiment, all of which limit both access to livelihoods and prospects for self-reliance. This section explores the key dimensions shaping Sudanese migrants' economic survival, including labor market integration, access to services, legal frameworks, and community-based coping mechanisms.

1. Egyptian Economic Context and Employment Trajectories

The ongoing displacement of Sudanese nationals into Egypt has placed considerable strain on the country's already fragile socio-economic fabric, particularly in relation to labor market integration. Informal employment dominates Egypt's labor market, with approximately 67% of the workforce engaged in informal jobs, particularly among younger, less-educated individuals in low-skilled occupations. The agricultural sector exhibits the highest informality, with over 97% of its workers employed informally, while part-time and seasonal labor also shows a strong informal presence (ILO 2025). Informal economic units are primarily micro-enterprises with fewer than five employees, operating under significant constraints such as outdated technology, limited capacity, and minimal access to finance, factors that hinder their growth and formalization. These units are especially prevalent in agriculture, trade, and manufacturing, and account for 53% of establishments recorded in Egypt's most recent national economic census (ILO 2025).

The persistence of informality is compounded by Egypt's volatile macroeconomic context, shaped by external shocks like the COVID-19 pandemic and the Russia-Ukraine war, as well as internal structural challenges. High inflation, interest rate hikes, currency devaluations, and mounting public debt have pressured businesses, particularly small enterprises, to avoid the burdens associated with formalization. Furthermore, complex regulations and a heavy tax load have reinforced informality as a coping mechanism, despite businesses acknowledging the potential long-term benefits of formal operations (ILO 2025).

Egypt's official unemployment rate showed a slight decline in Q2 2023, dropping to 7% from 7.1% in the previous quarter, it remains relatively stable although high in absolute terms, particularly when compared to the pre-pandemic period. The labor force continued to expand modestly, reaching 30.97 million individuals in Q2 2023, marking a 1.3% increase from 30.6 million in Q1 2023. However, gender disparities persist sharply in labor market participation, with males comprising 25.5 million of the workforce compared to only 5.5 million females, underscoring significant structural imbalances in labor force engagement (ILO 2025). This economic reality significantly shapes the limited opportunities and precarious conditions under which Sudanese migrants and migrants seek livelihoods. The vast majority of Sudanese refugees and migrants are pushed into informal and precarious employment, not by choice but by necessity, largely due to systemic barriers to formal labor market access.

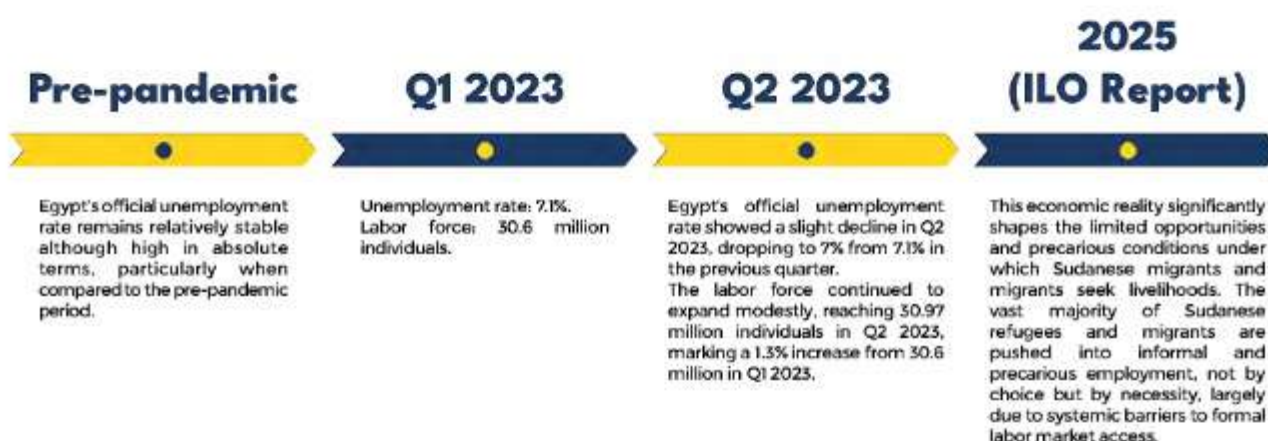
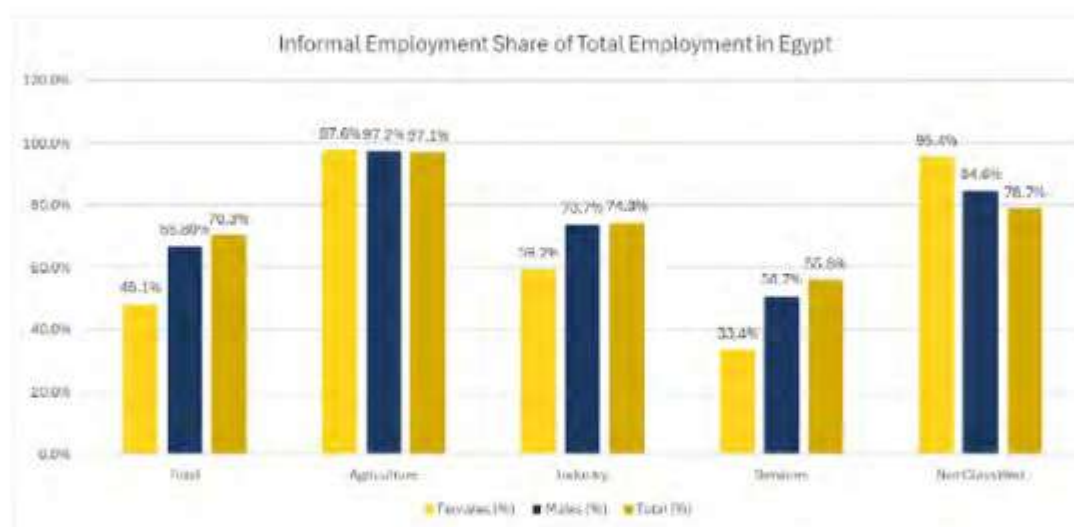


Figure (11) Informal Employment Share of Total Employment in Egypt by Gender and General Sector



Source: (ILO, 2025)

The graph illustrates the prevalence of informal employment across various sectors in Egypt, disaggregated by gender in 2021. The data reveals that informality is a pervasive issue, with the agricultural sector exhibiting the highest rates for both females (97.6%) and males (97.2%), culminating in a total informality rate of 97.1%. This significantly surpasses other sectors such as industry (74.3% total), services (55.8% total), and overall employment (70.3% total). Notably, while overall informal employment is higher for males (66.8%) than females (48.1%), there are interesting gender dynamics within specific sectors. While males dominate overall informality, sector-specific data reveals high rates of informality among women in undefined sectors—likely reflecting domestic and care work not captured in formal classifications. For instance, in "Not Classified" informal employment for females (95.4%) is considerably higher than for males (84.6%), suggesting that women in less defined roles are more susceptible to informal work. Conversely, in the services sector, males experience a higher rate of informality (50.7%) compared to females (33.4%). This detailed breakdown underscores the varied landscape of informal employment in Egypt. These findings are particularly relevant in understanding the challenges faced by vulnerable populations, such as Sudanese migrants, who frequently enter informal sectors due to systemic barriers, thus exacerbating their precarious economic situation.

Consequently, Sudanese migrants are overwhelmingly absorbed into the informal labor market, engaging in low-paying and often exploitative work such as construction, domestic labor, street vending, and small-scale food production (Cone & Sullivan, 2025). This reliance on the informal sector, while crucial for immediate survival, exposes them to inherent vulnerabilities including a lack of legal protection, job insecurity, and generally low wages (ILO, OECD, and UNDP 2024). Women, in particular, attempt to sustain themselves through micro-enterprises like selling traditional Sudanese bread or perfumes, but report limited profitability due to the saturated informal economy and the high cost of living in urban centers like Cairo and Alexandria (Refugees International 2025).

A significant number of Sudanese-owned businesses have been established in the Faysal neighborhood, primarily catering to a Sudanese clientele. The prolonged displacement has led many Sudanese to rely on solidarity networks and small-scale income generation. These enterprises are typically small-scale, family-run operations employing only a few individuals, and offer a range of culturally specific products such as spices, oils, cosmetics, food items, household goods, and incense (bakhour) (Abuswar and Bassi, 2025). Some also provide personal care and beauty services. Operating predominantly outside the formal tax system, these businesses are part of Egypt's extensive informal economy. This informal status enables business owners to navigate the constraints of the regulatory environment while remaining responsive to the needs of both the host market and the displaced Sudanese community. An estimate of 45% and 70% of employment in the Egyptian informal market is highly concentrated in areas like Faysal (Abuswar and Bassi, 2025).

Refugees and migrants lacking financial or political capital are often excluded from formal financing channels. Over time, humanitarian aid has shifted toward support for microenterprise development, particularly within Egypt's expansive informal sector. The so-called "Baladi market", comprising lower-income, small-scale informal enterprises, faces significant constraints, including limited access to credit and tight regulatory controls (Abuswar and Bassi, 2025). Some community-based organizations, often in partnership with UNHCR, offer modest grants and business training; these programs have limited reach and visibility among recent arrivals (Abuswar and Bassi, 2025). In this context, strong kinship ties and community-based systems such as *nafeer*, a traditional model of collective emergency support, remain essential for economic survival and resilience.

Beyond direct participation in Egypt's informal labor market, remittances from abroad constitute a crucial financial lifeline for many Sudanese refugees and migrants, significantly shaping their strategies for economic survival in Cairo. These remittances often supplement the meager and unstable earnings from informal jobs, helping families meet essential needs such as rent, food, and medical expenses. Due to limited access to formal banking systems and documentation barriers, many migrants rely on informal financial channels, particularly *hawala* networks, for transferring money. It is an informal value transfer system that operates outside the traditional banking system. The *hawala* services have gained popularity among Sudanese in Cairo, being perceived as faster and more reliable than Sudanese-operated alternatives for reaching remote or insecure locations (Jacobsen, Ayoub, and Johnson 2012). The strategic dependence on these remittances reflects not only the economic precarity of migrant life in Egypt but also the persistence of transnational familial and community ties as vital survival mechanisms.

The situation is compounded by broader economic challenges within Egypt, including the devaluation of the Egyptian pound in 2023, which drastically increased the cost of goods, housing, and services, making basic subsistence difficult even for citizens, let alone displaced communities. This economic pressure and the heavy influx of Sudanese migrants, among other factors, place significant pressure on Egypt's economic, political, and security infrastructure (Skinner 2023), fueling growing resentment toward migrants among segments of the Egyptian population. As the number of Sudanese arrivals has surged, anti-migrant rhetoric has proliferated, particularly across social media platforms. Campaigns under hashtags like #Deporting_Refugees_Is_A_Public_Demand reflect a rising perception that refugees and migrants are draining national resources and displacing Egyptian workers, and are often promoted through traditional and social media (Abdullah 2025; Amer 2025). Refugees and migrants are frequently scapegoated for Egypt's structural employment issues, despite lacking legal access to formal work and contributing modestly through low-wage informal labor. Despite these vital community efforts, structural obstacles to economic integration remain formidable. A pervasive challenge is the non-recognition of previous qualifications and work experience. Many Sudanese refugees, who held professional roles as teachers, engineers, doctors, and civil servants in Sudan, are unable to validate their credentials in Egypt. Consequently, they are often compelled into low-skilled, informal jobs that do not align with their expertise or training (Gohar 2025). This downward mobility erodes self-esteem, limits socioeconomic advancement, and entrenches long-term precarity.

2. Legal Frameworks, Bureaucratic Barriers, and Facilitations for Sudanese Refugees

Although Egypt is a signatory to major international refugee instruments, including the 1951 Refugee Convention, its 1967 Protocol, and the 1969 Organization of African Unity (OAU) Convention, the country's domestic legal and institutional framework has long fallen short of delivering comprehensive protection. Despite the ratification of the 1951 Convention in 1980 and constitutional protections, Egypt's implementation has been inconsistent, particularly due to significant reservations on provisions related to employment, education, and public assistance (UNHCR, 2025). These limitations have undermined the socio-economic rights of refugees, particularly Sudanese, who constitute more than 70% of the current refugee population in the country (Refugees International 2025). While a legal framework exists for refugees and migrants in Egypt, its implementation frequently establishes systemic barriers that hinder their access to essential protection and opportunities for socio-economic integration.

Over time, the administrative and legal challenges faced by Sudanese refugees and migrants in Egypt have grown increasingly complex. A major obstacle is the requirement for entrepreneurs to deposit substantial funds into designated bank accounts and undergo security clearance procedures. However, Sudanese individuals recognized as refugees by UNHCR are systematically excluded from the formal banking sector (Abuswar and Bassi, 2025). In the aftermath of the war in Sudan, Egypt's progressively restrictive entry policies have forced many to resort to irregular border crossings, often through desert routes, with some applying for asylum upon arrival while others remain undocumented for extended periods. Even those who entered the country with valid visas, primarily in the early weeks of the conflict when such documentation was more accessible, face significant barriers in accessing financial services. Frequent and opaque changes to regulatory procedures over the past two years have further complicated the situation. Additionally, strict limitations on both the transfer of funds into personal bank accounts and the amount of cash permitted upon entry have deterred many Sudanese from attempting to navigate the formal banking system, pushing them instead toward informal economic channels (Abuswar and Bassi, 2025).

Before December 2024, Egypt managed the presence of vulnerable populations, including Syrians and Sudanese, within its existing migration framework, often utilizing temporary visas under the kafala system as a de facto "asylum policy by proxy" or "quasi-asylum policy" (Charles 2021). This approach grants the host state reputational advantages and international funding while spending minimally on services, as civil society and international actors often step in (Ahmed et al. 2025). However, it also leaves migrants and refugees with uncertain legal status, making them vulnerable to sudden policy changes (Charles 2021).

The legal framework is characterized by ambiguous policies, particularly evident in the government's approach to Sudanese nationals following the 2005 ceasefire agreement, and later to Syrians (Ahmed et al. 2025). While the UNHCR handles registration and documentation, the ability to obtain a legal residence permit is contingent on the type of UNHCR document issued. For instance, an Asylum-seeker Certificate (White Paper) does not enable a residency permit, while an Asylum-seeker Registration Card (Yellow Card) allows holders to obtain a legal residence permit. The constant changes in these policies complicate refugees' legal status, fostering a climate of uncertainty and fear, which exacerbates their vulnerability and limits their access to basic services (UNHCR 2022).

This difficulty is compounded by Egypt's lack of a comprehensive national asylum law, which, until recently (December, 2024), led to fragmented and ambiguous policies. Consequently, Sudanese refugees are overwhelmingly absorbed into the informal labor market. This reliance on the informal sector, while crucial for immediate survival, exposes them to inherent vulnerabilities including a lack of legal protection, job insecurity, and generally low wages (ILO, OECD, and UNDP 2024).

For decades, the United Nations High Commissioner for Refugees (UNHCR) has assumed the responsibility for refugee registration and status determination under a 1954 Memorandum of Understanding. However, UNHCR's system is overburdened, and its operations increasingly underfunded. Between March 2023 and December 2024 alone, the number of Sudanese refugees seeking registration rose by an astonishing 892% (Refugees International 2025). UNHCR's staff in Cairo have admitted that delays, arbitrary case outcomes, and poor case management, particularly for applicants whose files were closed, have become normalized due to institutional overstretch. As of December 2024, the agency was operating with a \$62 million shortfall, severely affecting its ability to provide basic services like documentation, healthcare, and legal support (Refugees International 2025).

Egypt's enactment of Law No. 164 in December 2024 signifies a transformative moment in its asylum framework, introducing the country's first comprehensive asylum legislation. While ostensibly designed to institutionalize refugee protection, the law has triggered deep concern among human rights organizations and international observers, primarily due to its transfer of refugee status determination from the UNHCR to a newly formed inter-ministerial Standing Committee for Refugees' Affairs (SCRA), which is endowed with extensive discretionary powers. Furthermore, while the law recognizes refugees' right to work (including self-employment), this will occur only under conditions such as certification of qualifications and obtaining a temporary permit, with penalties, including fines or prison, for employers who hire refuge seekers without notifying authorities (Asylum Information Database 2025; Hegazy & Partners 2024).

UNHCR has critically highlighted significant concerns regarding Egypt's Law No. 164 of 2024, emphasizing that it does not explicitly incorporate the principle of non-refoulement, a cornerstone of international refugee law. The organization points out that Article 10, pertaining to national security and public order exceptions, is excessively broad in scope, potentially leading to actions inconsistent with international protection standards (UNHCR, 2025a). To address this, UNHCR further recommends a clear prohibition against rejection at the frontier, expulsion, or return to territories where life or liberty would be threatened. It also advocates for an independent, individual decision-making model for asylum applications, with authority delegated to independent adjudicators. Echoing these concerns, critics similarly argue that the law introduces vague criteria for the denial of status, such as failure to adhere to "Egyptian values and traditions," and provides insufficient safeguards against arbitrary detention or forced deportation. Compounding these issues, the imposition of a strict 45-day limit for asylum applications, coupled with the criminalization of aid to undocumented refugees, is expected to further marginalize new arrivals (Refugees International, 2025).

In mid-2023, Egypt abruptly suspended the 2004 Four Freedoms Agreement, which had previously allowed Sudanese nationals to move freely and work within Egypt. This sudden suspension led to the immediate imposition of visa requirements for all Sudanese individuals seeking to enter Egypt. The new visa application process introduced significant delays, with wait times stretching up to three months. Consequently, many Sudanese refugees found themselves unable to afford lawful entry, forced instead to rely on informal brokers who charged exorbitant fees ranging from \$2,000 to \$3,000 per person. This drastic policy change effectively rendered legal entry financially impossible for a large majority of those fleeing Sudan, significantly tightening border procedures and increasing the vulnerability of new arrivals. Visa requirements were suddenly imposed on all Sudanese, with wait times stretching to three months (Amnesty International UK 2024).

Prime Ministerial Decree No. 3326 of 2023, introduced by the Egyptian government in August 2023, requires irregular migrants and foreigners with expired residency to regularize their status by paying a \$1,000 administrative fee and obtaining an Egyptian sponsor. However, this decree explicitly excludes refugees and asylum seekers registered with UNHCR. According to statements by UNHCR and the Refugees Platform in Egypt (RPE), registered refugees are exempt from these residency requirements and associated fees. Despite this legal exemption, reports from human rights organizations and refugee advocates indicate that in practice, some refugees still face arbitrary detention, harassment, or difficulties renewing documents due to bureaucratic confusion or lack of awareness among local authorities. This reflects the broader legal ambiguity surrounding the protection of refugees in Egypt, where official exemptions may not always translate into consistent enforcement on the ground (RPE 2023; UNHCR 2023; Arab Center DC 2024; Reuters 2024).

Figure (12) Key Policy Changes Affecting Sudanese Entry/Status in Egypt. This figure highlights significant legal and policy shifts that have shaped the experience of Sudanese migrants and refugees in Egypt.



The figure above underscores how Egypt's legal and policy landscape regarding Sudanese migrants and refugees has undergone constant, profound shifts, moving from a period of relative openness to one dominated by restriction and securitization. This dynamic environment, marked by the abrupt suspension of the Four Freedoms Agreement, the imposition of stringent visa requirements, and the recent enactment of Law No. 164 of 2024, has not merely presented new challenges; it has fundamentally reshaped the realities for Sudanese individuals seeking safety. These evolving policies create structural barriers to legal entry and formal economic participation, pushing the vast majority into precarious irregular status and the informal economy. Crucially, this legal ambiguity, coupled with frequent and opaque procedural changes, generates profound confusion and distress, undermining their ability to access basic protection, plan for the future, and achieve genuine socio-economic integration.

Although the Egyptian government has justified the new policy reforms as a means of asserting sovereign control over migration, it arrives at a time of intensifying refugee vulnerabilities. The influx of Sudanese migrants, alongside other factors, places "significant pressure on Egypt's economic, political, and security infrastructure" (Skinner 2023), exacerbating existing strains on urban systems in cities like Cairo where public services and infrastructure are already challenged. Deportations have escalated: in November 2023, Egypt forcibly returned approximately 1,600 Sudanese nationals, including some with registered refugee status (Refugees International 2025). Refugees with denied claims or expired residency permits, many of whom cannot afford the \$1,000 fee to regularize their status, face constant risk of arrest or removal. This is exacerbated by inflated costs of documentation and a convoluted payment system requiring scarce U.S. dollars to be converted through regulated channels. At the border, entry procedures have also tightened significantly.

Refugees and Migrants Social Protections and labor laws

Typically Egypt treats refugees as foreign residents for legal and administrative purposes, their actual access to rights and protections is often more limited than that of regular expatriates or migrant workers, primarily due to their humanitarian status. Refugees are excluded from national welfare systems, including social insurance, public housing, and most employment benefits. In practice, they are treated as foreigners under Egyptian labor law, facing significant barriers to obtaining work permits and accessing formal employment.

Without legal status equivalent to nationals or even migrant workers with bilateral agreements, refugees are left vulnerable to exploitation, informal labor conditions, and poverty, with little recourse to justice or protection mechanisms. The labor and social protection laws are typically tangential to migrants and refugees with legal residence and work permits.

Table 1 Tangential Laws affecting Refugees and Migrants in Egypt

Law	Explanation	Impact on migrants
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.	Despite the exemption, many refugees still face bureaucratic obstacles, arbitrary detention, or difficulties with documentation due to inconsistent enforcement and lack of awareness among authorities, highlighting Egypt's broader legal ambiguity regarding refugee protection.
Law No. 12 of 2003 – Amended by Labour Law No. 14 of 2025	Currently governs employment in Egypt, covering contracts, working conditions, wages, and disputes the amendment introducing modernized regulations, stronger worker protections, especially for women, mandatory salary increases, expanded leave, and specialized labor courts for faster dispute handling.	Requires all refugees and migrants to hold a valid work permit in Egypt to fall under these labor protection. The law also caps the percentage of foreign employees in any enterprise at 10%.
Law no.152 of 2020	The MSME Development Law introduces a progressive framework for nurturing micro, small, and medium enterprises, simplifying the formalization of informal businesses and offering generous financial and non-financial incentives (e.g., tax exemptions, access to land, and one-stop-shop registration services)	Creates a potential pathway for registered refugees to formalize businesses and access incentives, but legal, administrative, and informational barriers limit real access and uptake.
Law no.148 of 2019 – Amended by decree no. 2437 of 2021	Mandates social insurance is an obligatory system enforced by governments to protect both regular and irregular workers.	Under the 2021 amendment, foreign nationals with valid work visas fall under the social insurance scheme.
Law No. 12 of 2025	The law entitles Egyptians without social insurance and unable to support themselves to assistance through the Takaful and Kerama Fund, and extends this support to foreign nationals, provided their home countries offer Egyptians equivalent benefits.	This reciprocity clause effectively excludes most refugees from this provision, as most conflict riddled countries including Sudan cannot offer protections to Egyptians. Additionally, even when eligible on paper, access is often blocked by bureaucratic barriers, lack of awareness, or administrative discretion.

Egypt's labor protection is currently governed by Law No. 12 of 2003 which entails employment contract enforcement, working conditions, wages, and dispute resolution (Asylum Information Database 2025). This law will be replaced by Labour Law No. 14 of 2025, effective of September 2025, which replaces the long-standing, and introduces a more modern regulatory framework governing employment, wages, and workers' rights (Andersen Egypt 2025). Among its key reforms are enhanced protections for female workers, expanded paid leave entitlements, mandatory annual salary increases, and the establishment of specialized labor courts to streamline dispute resolution (Riad & Riad Law Firm 2025). However, both laws retain critical structural limitations for foreign workers. While the laws don't differentiate between Egyptian nationals and foreigners in terms of basic protections, foreigners require a mandatory work permit system and strict national workforce quotas, which cap the percentage of foreign employees in any enterprise at 10%.

Although the new law aims to align Egypt's labor market with international standards, it does not directly address the unique legal and administrative barriers that refugees and asylum seekers face. Instead, refugees are still treated under the same regulatory category as other foreign nationals, despite their often limited documentation, precarious legal status, and inability to meet the formal prerequisites of the permit system. This creates a persistent legal grey area in which refugees and migrants remain vulnerable to labor exploitation and are systematically excluded from formal employment opportunities.

Obtaining a formal work permit as a refugee or migrant involves a complex and often prohibitive process. Migrants and refugees must hold valid residency status, typically through documentation issued by UNHCR or other legal channels, and must apply for a permit through the Ministry of Manpower, generally with employer sponsorship. The application requires several documents, including a passport or official travel document (which many refugees lack), a UNHCR registration card (yellow or blue), a health clearance including HIV testing, and evidence that the job in question cannot be filled by an Egyptian national. Additionally, applicants must submit an employer-provided labor market needs statement and pay significant fees, which can reach thousands of Egyptian pounds annually. These permits must also be renewed each year.

Egypt's MSME Law No. 152 of 2020 introduces a supportive framework for formalizing micro, small, and medium enterprises through streamlined registration, reduced taxation, access to industrial land, and institutional support via MSMEDA (Fahmy and Aboushair 2020). For refugees, especially those registered with UNHCR and holding valid residency permits, the law theoretically opens a pathway to transition from informal to formal economic activity. This includes eligibility for temporary business licenses, reduced income tax based on turnover, and access to one-stop-shop services designed to lower bureaucratic hurdles (Fahmy and Aboushair 2020). However, in practice, the ability of migrants and refugees to open and operate a formal business in Egypt remains severely constrained. Refugees and migrants must possess a valid residency permit, UNHCR documentation alone is insufficient, and are often excluded from work permits or financial services, such as opening business bank accounts or applying for loans. Those who meet the criteria must still navigate a complex and bureaucratic system involving commercial registration through GAFI, obtaining a tax ID, and acquiring local municipal licenses, often with little support.

Despite the existence of this legal pathway, numerous challenges hinder access to formal employment. The high cost of permits and bureaucratic inefficiencies discourage both refugees and employers from pursuing legal employment arrangements. Many employers choose not to hire foreigners formally to avoid administrative burdens. Furthermore, UNHCR-issued documentation is not always recognized as valid identification for work permit applications, and many refugees lack officially recognized educational or professional credentials (Refugees International, 2025). Discrimination and limited awareness of procedures further obstruct access. Despite the formal eligibility, only a tiny fraction of refugees manage to secure a work permit. This is due to inflexible legal criteria, high costs, and prolonged administrative delays (Wilson Center 2023). Even highly skilled refugees, including medical doctors, report being shut out due to inability to meet permit requirements or employer reluctance (The New Humanitarian 2023). Consequently, most refugees are pushed into informal employment, where they work without legal protections or access to social services. Furthermore, foreign nationals are restricted from certain professions (e.g., tourism, exports, imports, customs clearance) and are subject to a 10% quota within registered companies.

While social insurance is theoretically extended to foreign nationals with "regular employment contracts," the actual provision of social security coverage for refugees often remains unmet (UNICEF and IPC-IG 2021). The signing of the 1951 Refugee Convention and the OAU Refugee Convention, have not been transposed into domestic law to guarantee equal treatment in welfare schemes (Asylum Information Database 2025; Asylum Information Database 2025). The Social Insurance and Pension Law no. 148 of 2019 executed by the prime minister issued decree no. 2437 of 2021 mandates social insurance is an obligatory system enforced by governments to protect both regular and irregular workers (Tax at Hand 2021). The system is applied by the employer whereby they deduct a percentage of the employee's salary each month and pay it to the social insurance as a protection to the Employment, whether regular or irregular, from the dangers of work. Foreign are liable under the 2021 decree, if they have a valid work permit (Lockton 2022). Significantly, the new Social Protection Law No. 12 of 2025 provides support to Egyptians who are not covered by any social insurance program and are unable to support themselves or their families, particularly in cases of old age or disability.

The law also allows foreign nationals residing in Egypt to access state-provided cash and in-kind assistance through the Takaful and Karama Fund, on the condition that their home countries offer similar benefits to Egyptian nationals. This reciprocity clause presents a limited but possible pathway for migrants and refugees to access social protection (State Information Service 2023). In practice, refugees rarely benefit: they often remain excluded from public healthcare, education subsidies, and social assistance programs, relying instead on limited aid from UNHCR and NGOs (Asylum Information Database 2025; UNHCR 2025).

Many Sudanese remain undocumented or await asylum decisions, placing them in a precarious legal limbo. While some churches, refugee-led NGOs, and humanitarian actors like Caritas and CRS offer limited support, rejected asylum seekers typically fall outside any formal protection framework. Even recognized refugees encounter substantial barriers to accessing essential services, employment, and mobility. Legal and bureaucratic insecurity not only undermines physical safety but also restricts refugees' ability to participate meaningfully in Egypt's economy.

3. Access to Services and Community Initiatives

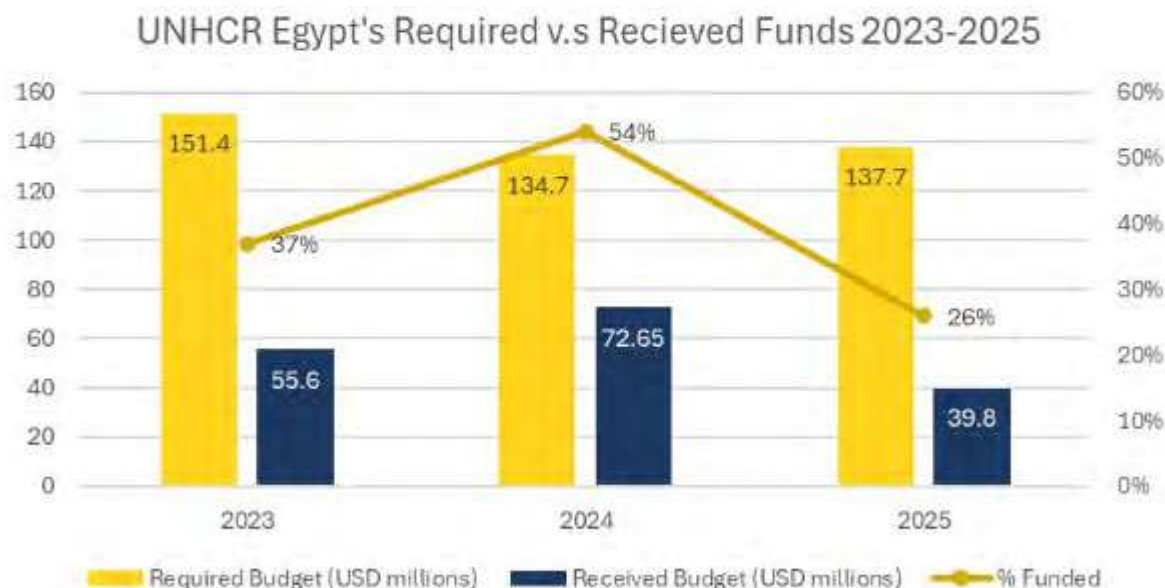
Sudanese refugees in Egypt face a range of structural challenges that significantly hinder their access to basic services and opportunities for stability. Among the most pressing issues are access to education, healthcare, housing, and food security, each shaped by intersecting legal, economic, and social constraints.

From a governance and resource standpoint, both the Egyptian government and international partners like UNHCR face major limitations in responding to the crisis. The UNHCR has been operating under acute budget constraints, with the Egypt Refugee and Resilience Response Plan (ERRRP) for 2025 outlining a total financial requirement of \$339.3 million to address humanitarian and development needs, including lifesaving assistance, protection services, and promotion of self-reliance, however the UNHCR receives much less (UNHCR 2025). The funding shortfalls have led to tangible consequences; for example, UNHCR has been forced to shut down key programs such as medical and child protection services, leaving refugees without access to basic assistance (Refugees International 2025).

**\$339.3
million**

Meanwhile, the Egyptian government, already dealing with infrastructure constraints and economic volatility, has struggled to absorb this growing population. Urban systems in Cairo and other cities are under severe stress, and the labor market's inability to accommodate new entrants has created a volatile dynamic where refugees and migrants are both marginalized and resented. Ultimately, the integration of Sudanese refugees into Egypt's labor market remains constrained by systemic barriers, resource scarcity, and public hostility. Without significant improvements in refugee work access, public communication, and international funding, both the livelihoods of Sudanese migrants and the broader stability of host communities will remain at risk.

Figure (12) UNHCR Egypt's Required vs. Received Funds 2023-2025. The graph illustrates the gap between the required and received humanitarian budgets for refugee support in Egypt over three years, highlighting a significant shortfall in funding, especially in 2025.



Sources: (UNCHR, 2024b; UNHCR, 2024c; El Gundy, 2025).

The bar chart visually reinforces the severity of the funding crisis faced by humanitarian actors in Egypt. While financial requirements for refugee support have remained relatively stable between 2023 and 2025, averaging around \$141 million annually, the actual funds received have declined significantly. In 2023, only 37% of the required budget was met, dropping further to 26% in mid-2025. This downward trend in donor contributions has directly undermined the capacity of agencies like UNHCR to deliver critical services, including healthcare, education, and protection programs. The widening gap between needs and resources not only signals a weakening humanitarian response but also places increased pressure on already overstretched Egyptian urban and social systems.

Access to education has emerged as a major hurdle, particularly for children and youth. An estimated 54 percent of newly arrived Sudanese children are currently out of school (UNICEF 2025; UNHCR Sudan Socioeconomic Profile 2024; Arab Center Washington DC 2025). Key barriers include rising tuition fees, discriminatory enrollment practices, and bureaucratic obstacles, most notably the requirement for proof of residency to enroll in public schools, a condition often impossible for refugee families to meet (Human Rights Watch 2024). The crisis worsened in June 2024 when Egyptian authorities shut down nearly all Sudanese-operated community education centers due to their unlicensed status, leaving many families with no educational alternatives (Migration Policy Institute 2025; Human Rights Watch 2024). Compounding the issue, ministerial decrees have made it nearly impossible to establish new community schools, requiring approval from the Sudanese embassy, an unfeasible demand for those displaced by conflict (Human Rights Watch 2024). The impact is particularly acute for children who lack documentation or academic records, and many face bullying and discrimination within Egyptian schools (Human Rights Watch 2024).

Higher education has also become increasingly inaccessible. Prior to the conflict, Sudanese students benefited from tuition subsidies under the Four Freedoms Agreement, paying only 10 percent of standard fees. These subsidies have since been suspended, preventing many from continuing their studies (Ali 2023). From 2023, all international students, including Sudanese, are required to pay in U.S. dollars. Annual fees have risen from \$300–\$600 to \$900–\$2,400, alongside additional one-time charges. These costs, coupled with challenges related to residency permits and the lack of recognition for Sudanese academic credentials, have rendered tertiary education out of reach for most (Gohar 2025; Ali 2023).

Similar obstacles exist in the healthcare system. While UNHCR offers some support, public health services are often inaccessible, forcing refugees to rely on private clinics or NGO-run services, which are frequently unaffordable or overburdened (Noori and Hassan 2024). Financial barriers, limited awareness of available services, and bureaucratic hurdles, such as the requirement for valid residency documents, further restrict access, sometimes resulting in outright denial of care (Refugees International 2025; Baker Institute 2023). Refugees with complex or chronic conditions are often left to seek help from overstretched NGOs or informal community networks (The New Humanitarian 2023). In 2025, over 20,000 refugees were affected when UNHCR suspended non-urgent medical services due to budget constraints, underscoring the fragility of the existing support systems (Refugees International 2025). The situation is especially dire for Sudanese women and girls, many of whom are survivors of conflict-related violence and face additional vulnerabilities due to inadequate mental health and psychosocial services.

Housing conditions have similarly deteriorated amid the growing influx of Sudanese refugees into Egypt, particularly since the outbreak of conflict in Sudan in 2023. This rapid and large-scale displacement has significantly intensified demand in Egypt's already overburdened urban housing market, especially in cities like Cairo, Giza, and Alexandria. As a result, rental prices have surged, sometimes doubling within months, placing immense pressure on both refugee and low-income Egyptian households competing for limited, affordable spaces (Zawia3 2023; RLI Blog 2025; Amnesty International 2025).

Many Sudanese families, especially those lacking formal documentation or UNHCR registration, are pushed to the margins of the housing system, forced to rely on overcrowded, substandard dwellings in informal settlements or peri-urban areas. These units often lack secure tenancy agreements, running water, electricity, or sanitation services, and tenants are frequently exposed to exploitation by landlords. The absence of legal protections further exacerbates their vulnerability, placing them at constant risk of harassment or eviction, particularly when unable to meet inflated rent demands.

Housing expenses have become one of the most significant burdens on refugee households, often consuming more than 60 percent of monthly income, well above the affordability threshold defined by humanitarian standards. This leaves little room for other essential needs such as food, healthcare, and education, deepening the cycle of precarity. Some families resort to overcrowding, sharing a single room with multiple households, or live in makeshift accommodations with no legal status. The lack of targeted housing assistance or formal integration mechanisms only worsens the situation, highlighting a major gap in Egypt's refugee response system.

Food insecurity is an urgent and deepening concern for Sudanese refugees in Egypt, particularly for those who are newly arrived or remain unregistered with UNHCR. Excluded from Egypt's national social protection systems, including food subsidy programs and ration cards, these refugees face significant challenges in accessing adequate nutrition. Without access to stable income or legal employment opportunities, many are entirely reliant on humanitarian assistance or informal coping mechanisms. Organizations such as the World Food Programme (WFP) and UNHCR offer limited support in the form of cash stipends and food vouchers, but the effectiveness of these interventions has been increasingly undermined by Egypt's ongoing economic crisis. The country's high inflation rate and the sharp depreciation of the Egyptian pound have drastically reduced the purchasing power of refugees and made basic food staples prohibitively expensive. As a result, many households are unable to meet even minimal dietary requirements, leading to widespread undernourishment, food rationing within families, and growing reliance on overstretched community-based food sharing networks.

This growing food insecurity has had severe consequences, especially for vulnerable groups such as children, pregnant women, and the elderly. In many households, parents report skipping meals to prioritize feeding their children, while others are forced to consume nutritionally inadequate diets, primarily consisting of cheap carbohydrates with little protein or fresh produce. Malnutrition among refugee children is a rising concern, with long-term implications for physical development, cognitive capacity, and school performance. Additionally, the psychological stress associated with chronic food scarcity further exacerbates the already precarious living conditions for Sudanese refugees, many of whom are also grappling with trauma, housing insecurity, and unemployment. Despite the critical role played by humanitarian agencies, funding shortfalls, bureaucratic delays, and increasing demand have limited the scope and consistency of food assistance programs.

Despite the limitations of formal systems and international aid, community-led initiatives have emerged as vital support structures for Sudanese refugees across Egypt. Sudanese diaspora networks, informal education centers, mutual aid groups, and faith-based organizations have filled critical gaps, particularly in housing, food sharing, and psychosocial support. For example, many Sudanese families participate in rotating savings associations (known locally as sanduq) to collectively manage rent or emergency costs. Informal tutoring networks and volunteer-run community classes have attempted to keep children engaged in learning, especially after the closure of unlicensed Sudanese schools. Local mosques and churches, both Sudanese and Egyptian, also serve as key sites for food distribution and emotional support. While these grassroots responses are often underfunded and unrecognized, they underscore the agency and resilience of displaced communities in navigating chronic neglect and policy exclusion (Migration Policy Institute 2025).

3. Refugee and Migrant Overviews: Demographics, Integration Initiatives, and Legal Frameworks in Host Countries

This section provides a comprehensive overview of refugee and migrant populations, examining their demographic profiles, the various integration initiatives undertaken, and the legal frameworks governing their presence in host countries. Beginning with a statistical look at Egypt's significant role as a host nation, it delineates the diverse populations residing within its borders, with a particular focus on the contrasting experiences of Syrian and more recent Sudanese refugees. The analysis then extends to the economic integration strategies, highlighting both the self-reliance efforts within refugee communities in Egypt and comparing these with more structured programs implemented in other host nations. Finally, the section delves into the legal and regulatory environments that either facilitate or impede the full economic integration of refugees and migrants, drawing parallels and distinctions between Egypt's evolving framework and those adopted by countries like Germany and the United Arab Emirates. This comparative approach aims to contextualize Egypt's challenges and illuminate potential pathways for more effective refugee inclusion.

1. Refugee and Migrant Populations in Egypt: Statistical Overview of Numbers and Demographics of other refugees in Egypt compared to the Sudanese Population

Even prior to the Sudanese conflict, Egypt hosted approximately nine million international migrants, of which four million are Sudanese (IOM, 2022). With almost one million refugees officially registered in the country from 62 nationalities, Egypt is one of the largest refugee host countries on the African continent, providing protection for refugees and asylum-seekers from Sudan, Syria, Yemen, Eritrea and other nationalities (IOM, 2022). The number of total expats in Egypt as of late 2024 is estimated to be 11.09 million individuals who come from over 113 countries (Central Agency for Public Mobilization and Statistics 2024; IOM, 2022). As of June 2025, Egypt hosts over one million registered refugee and asylum seeker individuals, with Sudanese refugees comprising more than half of this population (UNHCR, 2025). Most refugees live in Cairo, Giza, Alexandria and Damietta (Ahmed et al., 2025; UNHCR, 2022).

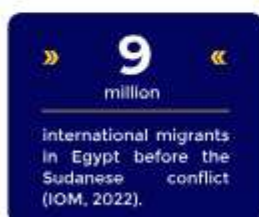
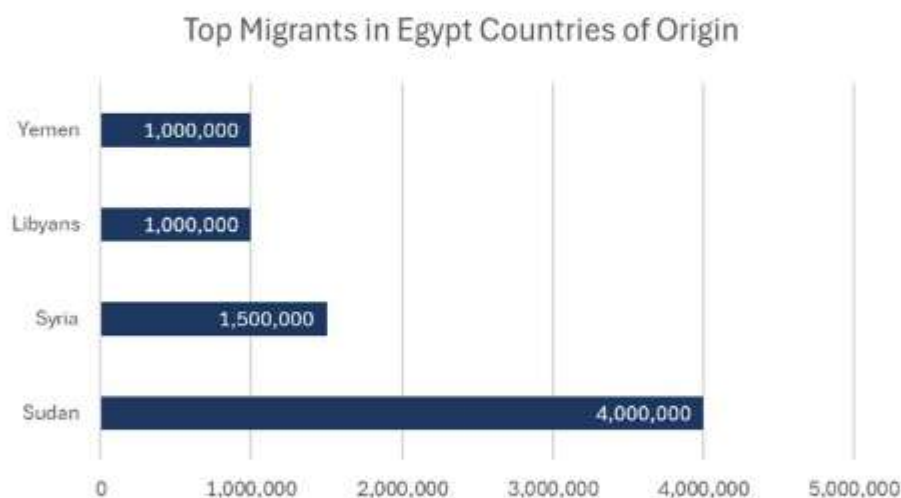


Figure (13) Top migrants in Egypt Countries of Origin. The Sudanese population consist of 78% of all migrants in Egypt



Source: (IOM, 2022)

This bar chart, drawing on IOM data from 2022, provides a critical overview of Egypt's migrant landscape prior to the most recent large-scale displacement from Sudan. It strikingly illustrates that approximately 4 million Sudanese nationals constituted, by a significant margin, the largest migrant group residing in Egypt at that time. Other substantial communities included 1.5 million Syrians, and 1 million each from Libya and Yemen, alongside populations from other countries. This pre-existing demographic reality underscores Egypt's enduring role as a major host for individuals fleeing conflict and instability in the region, placing considerable, long-standing pressure on its socio-economic fabric. This foundational population of Sudanese migrants has since been substantially augmented by an estimated 1.5 million new arrivals who have sought refuge in Egypt following the outbreak of conflict in Sudan in April 2023, bringing the total estimated Sudanese population in Egypt to 5.5 million individuals as of early 2025 (IOM, 2022; UNHCR, 2025). This combined figure highlights the immense scale of the Sudanese presence and its profound implications for host communities and national resources.

Egypt has consistently been a host and transit nation for refugees, with a long history of welcoming diverse populations including Africans, Greeks, Romans, and Turks. However, recent decades have seen a significant influx of displaced persons, particularly from conflicts in Syria and Sudan, placing considerable pressure on the country's lower-middle-income economy and existing infrastructure. This growing presence of refugees has contributed to both social and economic strain, especially in urban centers like Cairo, where housing, education, healthcare, and employment systems are already overstretched. Despite this, Egypt has largely maintained an open-door policy, often extending temporary protections and services to displaced populations, albeit with limited state resources and international support. The dynamic interplay between traditional hospitality and the challenges posed by large-scale displacement creates a complex environment for refugees and migrants in Cairo and other parts of Egypt, where legal ambiguity, informal coping mechanisms, and local solidarity coexist with economic hardship and rising xenophobia (Ahmed et al. 2025).

The UNHCR, in coordination with the Egyptian Government and partners, provides protection and assistance to refugees in Egypt, including registration and documentation of asylum-seekers. This process serves as a vital entry point into the formal humanitarian support system, enabling access to basic services such as healthcare, education, and legal aid. Refugees residing in various governorates, including Greater Cairo (Cairo, Giza, Qalyubia), Monofeya, North and South Sinai, Ismailia, Suez, The Red Sea, Fayoum, Bani Souwaif, Sharkeya, Menia, New Valley, Assiut, Sohag, Qena, Luxor, and Aswan, are directed to UNHCR's reception centers in Cairo (UNHCR 2022). Registration with UNHCR formalizes the stay of asylum-seekers in Egypt, assists with interactions with Egyptian authorities, facilitates the issuance and renewal of legal residency permits, and provides protection against involuntary return to their country of origin (refoulement), in accordance with international law.

While the exact comprehensive statistics on all refugee and migrant populations in Egypt can be fluid, the available information highlights the significant presence of Syrian and Sudanese communities, among others from the Horn of Africa, Yemen, and Palestine. Syrians have maintained a large presence for over a decade, while many Sudanese refugees arrived more recently, particularly in the course of the past year (Ahmed et al., 2025). This allows for an analysis of evolving trends in line with changing political and economic situations, particularly their movements and aspirations shaped by the conflict (MMC & UNHCR, 2024b). These groups are not only numerically significant but have also shaped the spatial and cultural makeup of several urban areas. For instance, 6 October City is colloquially known as "Little Damascus" due to its vibrant Syrian-run markets, restaurants, and services, which serve both refugee and Egyptian customers, highlighting the integration of displaced populations into the urban fabric (Ahmed et al. 2025). Meanwhile, the more recent influx of Sudanese refugees following the outbreak of conflict in 2023 has led to increased visibility of Sudanese communities, particularly in southern Cairo and in low-income neighborhoods. These population shifts have significantly impacted Cairo's social dynamics, public services, and demographic composition, further underscoring the need for comprehensive, localized responses to the evolving refugee presence across Egypt.

A comparative look at Syrian and Sudanese refugee trajectories reveals marked differences in both demographic makeup and policy treatment. Syrian refugees, who largely arrived during the early 2010s, often brought with them mid-level professional skills and entrepreneurial experience, settling in areas with more stable infrastructure such as 6 October City. In contrast, recent Sudanese arrivals, many of whom are young men and low-income families displaced by the 2023 conflict, have settled in less-serviced neighborhoods, facing increased precarity and overcrowding. These spatial and demographic divergences, compounded by differences in administrative processing and public perceptions, create varied starting points for economic integration. These demographic realities fundamentally shape the economic integration of the migrants.

2. Economic Integration Initiatives: Programs and Efforts Supporting Refugees and Migrants in Host Countries

The economic integration of refugees and migrants in Egypt presents a complex picture, marked by both challenges and unique initiatives, especially when comparing the experiences of different nationalities. The Egyptian government has adopted an ambiguous stance towards refugees, which can lead to uncertain legal status and vulnerability to sudden policy changes. This often pushes refugees and migrants into the informal economy, where they face risks of abuse and exploitation, lacking protection under labor laws against discrimination in salaries or contract termination. Sectors like garment, food, industrial work, and domestic work are common areas of informal employment for refugees and migrants (Ahmed et al., 2025). The pre-displacement labor market in Sudan also had high informality (98% in the private sector), with most employment in microenterprises and low percentages of private sector wage workers receiving benefits, indicating a pre-existing vulnerability to informal labor (Siddig et al., 2025).

Despite these systemic challenges, refugee and migrant communities, particularly Syrians, have demonstrated remarkable resilience and self-reliance through various initiatives. Syrian investments and the economic insertion of displaced Syrians in the Egyptian labor market have been a subject of specific study. Research indicates that Syrian business owners, particularly those with middle to large-scale investments in the hospitality and textile sectors, significantly contribute to the economic insertion of displaced Syrians (Khattab, 2024). This self-reliance model, where refugees actively engage in intricate economic lives rather than being solely dependent, is crucial for their integration. The presence of Syrian-established NGOs, such as DAMAS and Syria Al Ghad, with community schools within their structure, further reinforces community cohesion and sustains heritage, which can indirectly support economic integration by building social capital (Ahmed et al., 2025). Notably, Sudanese women in Ard El-Lewa, Cairo, also exhibit remarkable agency, resilience, and proactively establish self-organized community structures like community associations, schools, and informal savings groups (*sanadiq*), demonstrating a similar capacity for building trust and resilient communities despite facing legal limbo and other vulnerabilities (Refugees International, 2024).

The deliberate inclusion of Egyptian workers in Syrian enterprises also represents a conscious effort towards social inclusion and integration within the host country's business environment. This highlights a degree of reciprocal economic benefit, where Syrian investments not only provide livelihoods for their own community but also contribute to local employment opportunities, helping to ease some of the tensions associated with competition over limited economic resources. By employing Egyptians alongside Syrians, these businesses foster mutual cooperation and contribute to local economic resilience, especially in sectors such as food, textiles, and services, where many Syrian ventures have flourished. This model of inclusive entrepreneurship helps to bridge social divides and may serve as a blueprint for broader refugee-host integration strategies. However, the literature acknowledges the limited availability of information on formal Syrian businesses in host countries, particularly regarding their registration status, regulatory challenges, and long-term sustainability. As a result, researchers are often compelled to adopt a broader focus on the overall experiences of Syrian refugees in Egypt, including informal economic participation, social networks, and barriers to formalization (Khattab 2024).

In contrast, while the general challenges for Sudanese migrants in accessing formal employment are similar to those faced by other refugee populations in Egypt, the specific dynamics of their economic integration are less detailed in the provided documents compared to the extensive focus on Syrian investments. Sudanese migrants, like others, are susceptible to the vulnerabilities of the informal economy due to the lack of clear legal frameworks and policies supporting their formal economic participation (Ahmed et al., 2025). Both Syrian and Sudanese communities exhibit considerable resilience; their ability to cope is tested by an increasingly unwelcoming context shaped by contemporary economic pressures and media narratives that often frame them as burdens (Ahmed et al., 2025). However, the Syrian refugee presence has benefited from strong public sympathy and initial government support under the Arab Spring narrative, while Sudanese arrivals post-2023 have encountered stricter entry procedures and slower integration pathways (Yahia, 2024; UNHCR Egypt, 2023; Kara, 2024).

While Egypt's approach to refugee and migrant integration largely relies on a complex interplay of community-led initiatives and individual resilience within a largely informal economic landscape, Tunisia faces a very similar model. Both contrast sharply with the more distinct, though varied, models observed in other host countries. Germany, for instance, has embraced a comprehensive integration model, characterized by extensive legislative frameworks and structured programs aimed at integrating refugees into its labor market, education system, and society at large, often driven by humanitarian concerns and a long-term integration perspective (OECD 2017). In stark contrast, the United Arab Emirates operates primarily under a structured temporary labor migration system, meticulously designed to facilitate orderly and legal pathways for migrant workers based on economic needs, with robust contractual and insurance mechanisms, but typically without an explicit long-term integration goal for refugee populations (UN, 2024). These differing approaches, Egypt's de facto community-driven and informal reliance (Ahmed et al. 2025), Germany's comprehensive integration, and the UAE's structured temporary labor migration, are not inherently superior or inferior. Rather, they represent diverse policy choices shaped by distinct economic contexts, political priorities, and historical relationships with migrant populations, each presenting its own set of advantages and challenges for the economic inclusion and overall well-being of refugees and migrants.

Tunisia's experience with refugee and migrant economic integration reveals structural challenges that closely resemble those faced by Egypt, highlighting broader patterns common across host countries. Both nations, situated along key migration routes from Sub-Saharan Africa to Europe, function as transit and host states where many migrants and refugees engage in the labor market not as part of a long-term integration plan, but as a means of survival and preparation for onward movement. In both contexts, refugees recognized by UNHCR are legally permitted to work, yet face significant administrative, institutional, and social obstacles—such as bureaucratic complexities, lack of inter-ministerial coordination, and widespread discrimination from employers unfamiliar with refugee rights or unwilling to navigate legal processes.

As a result, migrants and refugees in both Tunisia and Egypt are often pushed into informal, precarious work in sectors like agriculture, domestic labor, construction, and street vending—without access to social protections, job security, or pathways to stability. This informality is reinforced by larger structural factors, including high unemployment, fragile social safety nets, and regional economic disparities.

Although civil society organizations and international partners in both countries have introduced livelihood programs—such as vocational training, small business grants, and entrepreneurship support—these efforts remain fragmented, short-term, and poorly integrated into national policy frameworks. The combination of economic hardship, limited state capacity, and rising xenophobia further undermines sustainable integration, illustrating how systemic and structural issues continue to shape refugee and migrant inclusion in host countries like Tunisia and Egypt (UNHCR 2017; The New Humanitarian 2023).

Germany on the other hand, is considered the largest refugee-hosting country in the EU. In 2024, about 3.3 million people were registered in Germany's Central Register of Foreign Nationals, with 2.7 million holding recognized humanitarian residence status and 427,000 individuals still in the asylum process (DW News 2025). Germany approaches the economic integration of refugees as a comprehensive, long-term process requiring coordinated efforts across political institutions, civil society, and the private sector. A key component of this strategy is the provision of language and orientation courses, alongside advisory services, to both recognized refugees and asylum-seekers with a strong likelihood of receiving protection (UNHCR n.d.). These foundational services are supported by targeted labor market integration measures, such as training programs and work-related language courses, often implemented in collaboration with private companies. The education system has also been a focal point, with initiatives aimed at integrating minors into schools through enhanced language instruction and offering bridging courses and university aptitude assessments to support access to higher education for qualified refugees (UNHCR n.d.).



Civil society organizations and NGOs play a vital role in facilitating integration through mentoring, buddy projects, and community-based language programs. Internationally, Germany complements its domestic efforts with significant humanitarian aid and development cooperation, ranking as the second-largest bilateral donor to both UNHCR and global refugee support. Through flexible initiatives like "Tackling the Root Causes of Displacement and (Re-)integrating Refugees," Germany advances the goals of the Global Compact on Refugees, aiming to reduce pressure on host countries, enhance refugee self-reliance, and improve conditions for safe, dignified return.

The United Arab Emirates (UAE) is the Second-highest migrant destination country in the Middle East and the Gulf. Its framework for economic integration is primarily built around a system of temporary labor migration designed to facilitate safe, orderly, and regular migration pathways. The country has proactively enhanced the availability and flexibility of regular migration avenues through various reforms, including flexible grace periods for residency visas and simplified requirements (UN, 2024). The UAE has historically relied on the kafala (sponsorship) system to recruit migrant labor. In 2016, the UAE introduced labor law reforms aimed at phasing out key elements of the kafala system to better protect migrant workers (Migrants and Refugees Section 2021). These reforms targeted issues such as contract substitution, employer abuse, and restrictions on changing jobs. Beginning in 2018, Tadbeer centers, privately managed under government supervision, began replacing traditional recruitment agencies. Around 250 recruitment centers were closed and replaced with 54 Tadbeer centers to improve oversight and transparency in the recruitment process (Migrants and Refugees Section 2021). While these legal changes represent a step forward, their overall impact remains limited due to slow policy implementation and weak enforcement mechanisms (Migrants and Refugees Section 2021). A key focus is on ensuring fair and ethical recruitment processes and safeguarding conditions for decent work for migrant laborers. The UAE has signed Memoranda of Understanding (MOUs) with several countries, including India, the Philippines, and Thailand, covering a significant proportion of its migrant workers. Furthermore, to enhance worker protection, the UAE introduced a mandatory insurance-based system in 2018 to replace traditional bank guarantees for end-of-service payments (UN, 2024).

Despite this gap, the UAE's infrastructure for supporting migrant entrepreneurship remains considerably more developed than in Egypt. It is a comparatively accessible environment for migrants to start businesses, especially in free zones and liberalized mainland sectors. Legal residents, including labor migrants, can register and own 100% of a business in many sectors, supported by streamlined digital procedures, business incubators, and a regulatory environment geared toward foreign investment. Under Federal Decree-Law No. 26 of 2020, foreigners can establish companies without requiring an Emirati partner, reflecting a significant liberalization of business laws. Business ownership can also serve as a pathway to self-sponsored residency visas, offering a legal mechanism for long-term economic inclusion. However, it is important to note that the UAE does not formally recognize refugees or provide protection under international refugee frameworks, and therefore refugees as defined by international law cannot legally establish businesses or regularize their status through refugee-specific channels.

Overall, economic integration initiatives for refugees in Egypt appear to be a mix of community-led efforts, particularly notable within the Syrian community, and the broader, more challenging landscape of informal sector employment. The lack of comprehensive government-led formal integration programs means that much of the economic insertion relies on individual and community resilience, coupled with the ambiguous and often restrictive legal environment. This contrasts with the more systematic, though varied, approaches seen in countries like Germany, which prioritize comprehensive integration, and the UAE, which focuses on structured temporary labor migration pathways.

3. Legal and Regulatory Environment in Host Countries

Despite a Memorandum of Understanding (MoU) between the Ministry of Health of the Arab Republic of Egypt and UNHCR, aimed at enhancing access to public primary health care and referral curative services for persons of concern (including refugees and asylum-seekers), the broader legal and institutional framework continues to present significant barriers to full economic integration (Ahmed et al., 2025). While humanitarian agreements have improved access to essential services, they do not extend to formal labor rights or economic entitlements. The absence of explicit legal provisions allowing refugees to work lawfully or register businesses severely limits their participation in Egypt's formal economy. Even those with entrepreneurial ambitions, such as Syrian refugees who have been notably active in small business sectors, must navigate opaque, bureaucratic, and often restrictive procedures that inhibit full economic participation (Khattab, 2024).

The legal and regulatory environments in host countries play a decisive role in shaping the economic integration trajectories of refugees and asylum seekers. While international humanitarian agreements and bilateral frameworks often provide for the delivery of essential services, such as education, healthcare, and legal protection, these arrangements rarely extend to secure access to formal employment or entrepreneurial opportunities. In many cases, displaced populations are granted temporary protection or limited residency without accompanying labor rights, leaving them in a state of legal and economic limbo. This disconnect between humanitarian obligations and economic inclusion mechanisms creates a structural gap that undermines long-term self-reliance.

As a result, many refugees and migrants resort to the informal economy, where legal protections are virtually absent. Without access to labor laws that safeguard against discriminatory wages, exploitative working hours, or arbitrary dismissal, they remain highly vulnerable to abuse. This legal exclusion entrenches economic precarity, limits social mobility, and undermines any long-term integration prospects (Ahmed et al., 2025). The Egyptian case thus illustrates a significant gap between humanitarian protection and economic inclusion, one that is not addressed by existing migration or asylum laws.

In Egypt, for instance, a Memorandum of Understanding (MoU) between the Ministry of Health and UNHCR aims to improve access to public primary healthcare and referral curative services for refugees and asylum-seekers. However, the broader legal and institutional framework continues to impede full economic integration. There are no explicit legal provisions that allow refugees to work lawfully or register businesses, which severely restricts their participation in the formal economy. Even entrepreneurial refugees, such as Syrians active in small business sectors, face opaque, bureaucratic, and restrictive procedures that hinder full economic engagement.

Consequently, many refugees and migrants are forced into the informal economy, where legal protections against discriminatory wages, exploitative working hours, or arbitrary dismissal are virtually nonexistent. This legal exclusion perpetuates economic precarity, limits social mobility, and undermines long-term integration prospects. The Egyptian case thus exemplifies a considerable disparity between humanitarian protection and economic inclusion, a gap not addressed by existing migration or asylum laws.

Differing approaches to legal and regulatory environments for refugees and migrants are highlighted by examples such as Germany, the UAE, and Tunisia:



Table 2 Host Countries refugee and Asylum Laws, Rights and Protections

Country	Laws	Rights and Protections
Germany	• Article 16a of the Basic Law (Grundgesetz). This is a constitutional provision, part of Germany's Basic Law (its constitution). It establishes the fundamental right to asylum: "Persons persecuted on political grounds shall have the right of asylum." (BMI n.d.) However, it also limits that right in practice, especially through the "safe third country" rule, meaning asylum can be denied if the person entered from a country considered safe. • The Asylum Act (AsylG) governs the asylum process; it is a federal law that implements Article 16a of the Basic Law in detail by regulating how asylum applications are submitted and processed, designating responsible authorities such as the Federal Office for Migration and Refugees (BAMF), defining the rights and obligations of asylum seekers, outlining the conditions for granting or rejecting asylum and other forms of protection (e.g., subsidiary protection), and establishing procedures for appeals and legal safeguards.	• Four types of protection are afforded to refugees: political asylum, refugee status, subsidiary protection, and deportation ban-based residence (BMI n.d.). • Asylum seekers are afforded the right to interpretation during interviews, access to shelter, food, healthcare, and, if granted status, longer-term social welfare and integration support (BMI n.d.). • Refugees and asylum seekers also have access to integration courses, schooling for minors, and higher education pathways like bridging courses and aptitude assessments (Global Compact on Refugees n.d.).
UAE	• No Formal Asylum Law: The UAE has not ratified the 1951 Refugee Convention or its 1967 Protocol, and does not maintain a formal national asylum or refugee law (Migrants and Refugees Section, 2021). • Any recognition of refugee status occurs on an ad-hoc, case-by-case basis through cooperation with UNHCR, which operates through the UNDP in UAE.	• While the UAE generally adheres to the principle of non-refoulement, in practice the absence of a national asylum framework leads to limited, case-by-case protection arrangements (Migrants and Refugees Section 2021). • Individuals recognized by UNHCR may be granted temporary residence and some access to basic services such as healthcare, education, and employment, but these rights are not guaranteed or uniformly implemented.
Tunisia	• Tunisia has ratified the 1951 UN Refugee Convention and its 1967 Protocol, and its Constitution (Article 26) formally	• In the absence of national legislation, refugee status is determined solely by UNHCR, which manages applications, registration, and Refugee Status Determination (RSD). However, as of mid-2024, UNHCR suspended RSD at the request of the Tunisian authorities,

Germany's Basic Law (Grundgesetz), specifically Article 16a, establishes a fundamental right to asylum but includes limitations like the "safe third country" rule. The Asylum Act (AsylG) further details the asylum process, defining rights and obligations, and outlining conditions for protection. Germany provides four types of protection, political asylum, refugee status, subsidiary protection, and deportation ban-based residence, and affords asylum seekers rights to interpretation, shelter, food, healthcare, and longer-term social welfare and integration support upon receiving status. They also have access to integration courses, schooling for minors, and higher education pathways.

In contrast, the UAE has not ratified the 1951 Refugee Convention or its 1967 Protocol and lacks a formal national asylum or refugee law. Recognition of refugee status occurs on an ad-hoc, case-by-case basis through cooperation with UNHCR. While the UAE generally adheres to the principle of non-refoulement, the absence of a national asylum framework leads to limited, case-by-case protection arrangements, with no guaranteed or uniformly implemented rights for those recognized by UNHCR.

Tunisia has ratified the 1951 UN Refugee Convention and its 1967 Protocol, and its Constitution formally recognizes the right to political asylum. However, no domestic asylum law has been enacted, meaning refugee status is determined solely by UNHCR. As of mid-2024, UNHCR suspended Refugee Status Determination (RSD) at the request of Tunisian authorities, effectively halting the asylum process. Recognition by UNHCR in Tunisia does not result in legally guaranteed residency, employment, or social benefits, often leaving refugees reliant on UNHCR or limited NGO support. Although Tunisia accepts the principle of non-refoulement, violations, including unlawful collective expulsions and arbitrary detentions, have been documented.

These examples highlight varied models of refugee economic integration, from Germany's inclusive, rights-based system to the UAE's structured but limited labor migration framework. In contrast, Egypt's approach remains fragmented. While recent legal reforms suggest progress, refugees still face significant barriers to formal economic participation due to policy gaps, weak enforcement, and limited access to services. A more coherent and inclusive strategy is needed to move beyond short-term responses and support sustainable refugee livelihoods.

In conclusion, this literature review has underscored the intricate and often precarious nature of refugee economic integration in Egypt, particularly for the recently arrived Sudanese population. With Egypt hosting nearly one million refugees and asylum seekers, Sudanese comprise the largest group, with over 937,000 having approached UNHCR since the 2023 conflict, though only 71% are fully registered (UNHCR, WFP, and Partners, 2024; UNHCR, 2025, Registered Population). While highlighting the remarkable resilience and self-reliance demonstrated by communities like the Syrians through entrepreneurial endeavors and by Sudanese women in Cairo who establish self-organized community structures such as informal savings groups and community schools, it has simultaneously exposed the systemic challenges posed by Egypt's ambiguous legal framework, its reliance on the informal economy, and the differential treatment across nationalities (Ahmed et al., 2025; Refugees International, 2024).

Obstacles for Sudanese refugees include a lack of legal status, barriers to healthcare and education, housing precarity, and xenophobia, exacerbated by Egypt's de facto non-recognition of them as refugees, forcing them into a legal limbo (Refugees International, 2024). The comparative analysis with Germany's comprehensive integration policies and the UAE's structured temporary labor migration system further accentuates the unique hurdles faced in Egypt, where formal pathways to employment remain largely elusive.

The review also brought to light the historically tense Egypt-Sudan border relations, marked by mutual suspicion despite agreements like the 2004 Four Freedoms Agreement, which aimed to facilitate movement, residence, work, and property ownership. Persistent issues such as the disputed Halayeb triangle and visa restrictions have continued to hinder full normalization and implementation of such agreements, leading to economic costs and illicit trade (Mohyelddeen, 2020). The recent enactment of Egypt's first asylum law in 2024 signals a transition to a nationally led asylum management system, a new development that may impact future integration efforts. Ultimately, this review establishes that despite existing efforts, significant gaps persist in understanding the specific dynamics of Sudanese refugee integration, particularly concerning their skills, aspirations, and the precise mechanisms for their formal economic inclusion. It is upon this critical analytical groundwork that the subsequent sections of this report will build, leveraging primary data to offer a more granular diagnosis and actionable insights for fostering humane and economically sound integration pathways.

Section 03

Adopted Methodology

Explains the methodological research approach: large-scale surveys and secondary data review. Details sampling locations (Cairo, Giza, Alexandria, Aswan), respondent demographics, and data triangulation methods.



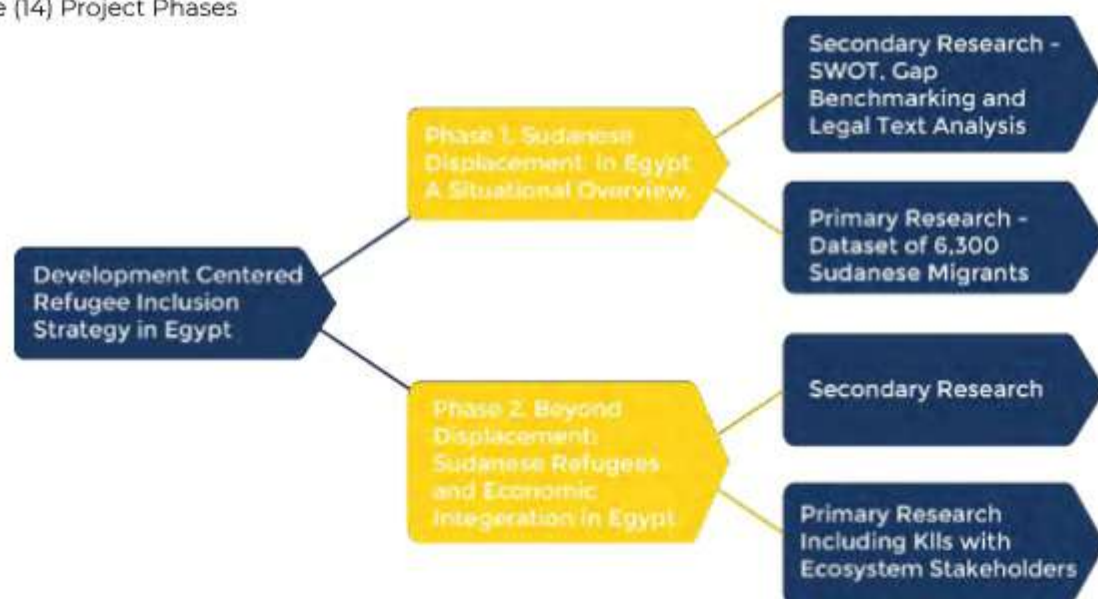
03 Adopted Methodology

1. Overview of Research Approach

Entlaq's research approach is grounded in the principle that complex ecosystem challenges require multi-method, multi-level, and participatory diagnostics. In designing this Sudanese migrants labor market integration analysis, Entlaq has combined analytical tools from public policy, development economics, innovation systems research, and entrepreneurship studies to generate a holistic, inclusive, and actionable assessment.

This study unfolds in two distinct phases, each meticulously designed to progressively map, analyze, and ultimately reshape the policy and economic environment for Sudanese refugees in Egypt. Entlaq's core objective is to shift the discourse from immediate humanitarian concerns to a robust, development-centric strategy for refugee inclusion. This approach acknowledges the significant, long-term contributions Sudanese individuals can offer to Egypt's labor market, tax revenue, and various productive sectors.

Figure (14) Project Phases



The current phase produces the foundational report, "Sudanese Displacement in Egypt – A Situational Overview." This report employed a rigorous quantitative research methodology, centrally focused on the analysis of a meticulously cleaned dataset of 6,300 Sudanese individuals in Egypt. This invaluable dataset, collected through Savannah Innovation Labs' rigorous survey, provided the bedrock for this report's initial insights. The quantitative approach allowed for a strong emphasis on descriptive analytics and comparative framing, which, when coupled with grounded legal interpretations, offered an authoritative diagnosis of the current state of Sudanese displacement in Egypt and their diverse methods of labor market integration. Secondary data collected concurrently serves to contextualize these quantitative survey results, thereby providing a comprehensive overview.

Building on this, the second report, "Beyond Displacement: Sudanese Refugees and Economic Integration in Egypt," transitions from observation to actionable integration strategies, aims to offer Egypt's most comprehensive and data-driven roadmap for Sudanese refugee/Migrants inclusion to date. The subsequent report uses a mixed method research approach leveraging the findings from the cleaned dataset of 6,300, of Sudanese migrants in Egypt, analyzed in report one, and qualitative research that is to be conducted through Key Informant Interviews with stakeholders from the private sector, regulatory institutions, civil society, and refugee-led organizations.

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

1. Inception and Framework Alignment
2. Secondary Data Collection and Analysis
3. Primary Data Collection
4. 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.

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.



Aligning Research Priorities: Entlaq's team aligned with Savannah to further validate the project inception. Other significant stakeholders were contacted including the UNHCR, the IOM and the Permanent Committee of Refugee Affairs in Egypt to connect the dataset findings with official data.



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.

2. 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;
- 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.
- Economic Impact Analysis, used to quantify the effects of a policy, program, or population on Egypt's economy, including outcomes such as GDP, employment, and tax revenue.

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

1. 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 Sudanese 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 Sudanese Youth (target population of 18-35) and Education and Skills Transferability to the Egyptian economic sector, remain 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 Data Set (2025) in Report 1, and later substantiated with Key Informant Interviews, field visits, and two multi-stakeholder roundtables held in Cairo, which included representatives from government agencies, Sudanese-led organizations, labor market intermediaries, and private employers in Report 2.

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.

2. 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 Sudanese youth 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:

1. 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 UAE, private sector inclusion models in Germany)

2. Compare the Current System Against These Benchmarks:

- Survey-based diagnostics and field data on Sudanese migrants' employment and sectoral participation in Egypt (via the Savannah DataSet).
- Stakeholder interviews and institutional mapping of service providers, employers, and training bodies (to be done in Report 2).

3. 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 Sudanese 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.

3. 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 pathway(s) for Sudanese migrants, its laws, institutions, infrastructure, financing mechanisms, and inclusion policies for MSMEs, against those of other countries with similar refugee influxes but better (or sometimes very similar) integration methods. 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 Sudanese migrants, especially youth, 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 global peers that have succeeded in enabling refugee inclusion and migrant upskilling 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:

- **Germany** approaches refugee and migrant integration as a comprehensive, long-term process involving language and orientation programs, vocational training, and civil society partnerships to support access to education, employment, and self-reliance (UNHCR n.d.).
- **The United Arab Emirates (UAE)** facilitates migrant integration through flexible labor migration pathways, entrepreneurship-friendly legal reforms, and improved recruitment practices, though refugees are not legally recognized or protected under international frameworks (UN 2024; Migrants and Refugees Section 2021).

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 Sudanese 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 three countries, United Arab Emirates and Germany, based on the following selection criteria:

Selection Criteria

- Geographic and socio-economic relevance: Germany and the UAE represent varied migration contexts, spanning host, transit, and labor-destination countries, offering comparative models for Egypt's dual role as a host and destination country for migrants and refugees.
- Policy and regulatory approaches to migrant inclusion: Each country has enacted targeted legal or programmatic reforms to facilitate migrant and refugee participation in the formal economy, whether through work permits, entrepreneurship pathways, or labor protection reforms, providing actionable policy models for Egypt.
- Institutional comparability and ecosystem constraints: All three countries face challenges similar to Egypt, including administrative fragmentation, enforcement gaps, and social integration hurdles, making their policy responses instructive for strengthening Egypt's migrant integration systems.

Selected Comparators**1. Germany: Rights-Based Integration and Multi-Sectoral Coordination:**

Germany leads Europe in refugee hosting, with 3.3 million people registered in its Central Register of Foreign Nationals as of 2024. Its integration model is grounded in legal access to the labor market, supported by state-funded language courses, vocational training, and job placement services implemented in partnership with civil society and private sector actors (UNHCR, n.d.).

Key Rationale for Inclusion

- Comprehensive Integration Strategy: Germany provides refugees and high-likelihood asylum seekers with language and orientation courses, access to skills development, and formal labor market inclusion (UNHCR, n.d.).
- Education and Higher Ed Access: Bridging programs and university aptitude assessments support refugee access to tertiary education (UNHCR, n.d.).
- Civil Society Infrastructure: NGOs and local initiatives deliver mentorship and community-based support services, reinforcing long-term integration (UNHCR, n.d.).
- Global Compact Alignment: Germany complements domestic inclusion with global support through flexible funding mechanisms like "Tackling the Root Causes of Displacement," strengthening refugee self-reliance and returns (UNHCR, n.d.).

Germany offers Egypt a model for integrated labor market access, structured skills transfer, and multi-level institutional coordination that strengthens refugee employment outcomes.

2. United Arab Emirates (UAE): Migrant Entrepreneurship and Labor Market Reform:

The UAE is the second-highest migrant destination country in the Middle East. While it does not formally recognize refugees, it has reformed its labor migration model to improve protections for migrant workers and expand access to entrepreneurship opportunities through legal, financial, and procedural reforms (UN, 2024; Migrants and Refugees Section, 2021).

Key Rationale for Inclusion

- Labor Market Reforms: Abolished key elements of the kafala system, introduced fair recruitment processes via Tadbeer centers, and implemented insurance-based worker protections (Migrants and Refugees Section, 2021; UN, 2024).
- Entrepreneurship Infrastructure: Migrants can own 100% of a business, register digitally, and access incubators and free zones, supported by Federal Decree-Law No. 26 of 2020 (UN, 2024).
- Residency-Business Linkage: Business ownership enables access to self-sponsored residency visas, creating legal pathways for long-term inclusion (UN, 2024).
- Global Mobility and Skills Recognition: UAE has signed MOUs with labor-sending countries to support skill mobility and improve employment conditions (UN, 2024).

The UAE demonstrates how migrant entrepreneurship can be structurally enabled through legal liberalization and business-friendly regulatory ecosystems, offering Egypt practical lessons in SME facilitation for migrants.

Summary Table: Rationale for Benchmark Selection

Country	Relevance to Egypt	Primary Strengths	Learning Value
Germany	The largest refugee-hosting country in the EU. In 2024, about 3.3 million people were registered in Germany's Central Register of Foreign Nationals.	Rights-based integration model, which combines legal access to the labor market with structured language, skills training, and social inclusion programs for refugees and migrants.	It demonstrates how legal labor market access, combined with targeted language and skills training programs, can enhance the long-term economic integration of refugees and migrants.
UAE	The Second-highest migrant destination country in the Middle East and the Gulf.	Supporting migrant entrepreneurship lies in its streamlined business registration processes, free economic zones, and flexible residency pathways that enable migrants to legally establish and operate businesses with relative ease.	Demonstrates an example of a cohesive infrastructure for supporting migrant entrepreneurship

2. 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

4. 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), 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, 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 Labor 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 and UAE as Global South or host/transit countries
- Credible data availability, or fallback to qualified proxies in case of gaps

Where standardized datasets are not available, particularly for Egypt, national or CSO-level documentation will be used, with contextual interpretation of qualitative findings.

5. Synthesis of Findings and Relevance to Egypt

Once data is collected and organized by dimension and comparator country (Germany and UAE), 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 structured language and skills training (Germany), and business-enabling legal pathways (UAE).
- Gap triangulation: Systematically linking Egypt's institutional, regulatory, and programmatic limitations, such as weak labor market access, limited formal skills certification, or barriers to micro-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:
 - Germany's integrated approach to refugee skills training and employer engagement;
 - UAE's flexible residency and business registration schemes for migrant entrepreneurs;

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, and tested through multi-stakeholder validation workshops to ensure realism, policy ownership, and alignment with Egypt's economic development and youth employment goals.

6. Economic Impact Analysis

1. What It Is

The economic impact analysis presented in this report is a scenario-based modeling exercise aimed at quantifying the tangible costs and benefits of Sudanese refugee and migrant inclusion into Egypt's economy. With over 1.5 million new arrivals since April 2023 and a total Sudanese-origin population exceeding 4 million, the economic implications of refugee presence extend far beyond humanitarian response. Given Egypt's macroeconomic vulnerabilities—high youth unemployment, widespread informality, and sectoral labor shortages—this analysis serves to reposition migrant integration as a developmental and fiscal issue. Economic impact modeling enables stakeholders to understand how policy decisions regarding refugee work permits, legal status, and service access translate into measurable outcomes in GDP, tax revenue, labor productivity, and public expenditure.

2. Why It Matters

Conventional narratives often treat refugees as burdens rather than potential contributors. However, global evidence shows that host economies that invest in structured inclusion strategies—such as Jordan, Colombia, and Uganda—have realized gains in job creation, tax base expansion, SME growth, and external development financing. For Egypt, failure to act imposes escalating fiscal, social, and reputational costs, including labor market distortions, increased public service strain, and erosion of donor confidence. The methodology matters because it reframes migrant presence from a short-term expense to a long-term investment opportunity, offering policymakers an evidence-based rationale to guide labor market reforms, funding negotiations, and urban service planning. It also quantifies the cost of inaction, allowing for comparative prioritization in an increasingly constrained fiscal environment.

3. How It Will Be Done

This economic impact analysis follows a structured, multi-scenario methodology built on demographic data, sectoral labor demand, international modeling benchmarks, and macro-fiscal parameters. The core methodological components are as follows:

1. Baseline Demographic and Labor Market Profiling

- Quantify the Sudanese refugee and migrant population using UNHCR, IOM, and Ministry of Foreign Affairs data.
- Disaggregate by age, gender, legal status, and employment potential to identify the working-age population.
- Analyze labor market indicators including unemployment, informality, and sector-specific shortages using CAPMAS and ILO datasets.

2. Scenario Development

- Construct three policy scenarios:
 - Status Quo (Baseline): Predominantly informal refugee and migrant employment.
 - Moderate Inclusion: Partial legal pathways and labor integration.
 - Full Economic Integration: Comprehensive access to formal labor markets, services, and entrepreneurship.
- Define labor force participation rates, employment rates, productivity levels, and tax contribution potential under each.

3. Economic Modeling Parameters

- Apply average productivity and tax revenue multipliers derived from national statistics (CAPMAS, IMF).
- Adjust productivity estimates by informality status (e.g., -30% for informal workers).
- Use labor participation and employment rates to estimate GDP contributions and tax revenue under each scenario.

4. Cost of Exclusion Modeling

- Quantify annual fiscal losses due to refugee exclusion (e.g., foregone income tax, VAT, licensing fees, and social insurance).
- Compare these to documented labor market deficits in agriculture, construction, caregiving, and services.

5. Return on Investment (ROI) Calculation

- Estimate five-year fiscal and economic returns on structured inclusion programs (e.g., legal regularization, entrepreneurship support, vocational training).
- Benchmark against comparable host countries and international studies.

6. Sensitivity Analysis and Policy Simulation

- Include sensitivity tests (e.g., variations in productivity or labor participation) to assess model robustness.
- Simulate short-, medium-, and long-term outcomes to inform policy phasing.

7. Data Sources and Tools

- Primary data: CAPMAS Labor Force Surveys, UNHCR registration dashboards, Ministry of Finance fiscal reports.
- Comparative models: OECD, World Bank, UNDP Refugee Economics Toolkits.
- Modeling tools: Excel-based fiscal models, sectoral match-rate matrices, and ROI projection tables.

By applying this integrated methodology, the report transforms abstract refugee and migrant statistics into actionable economic forecasts, arming Egyptian policymakers with the tools to evaluate, design, and advocate for reforms that unlock both human potential and fiscal resilience.

3. Primary Data Collection and Stakeholder Engagement

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.

1. In-person and Phone Surveys

The primary research phase for the current report was implemented by Savannah's team, using a quantitative approach, through the conduction of comprehensible survey, 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.

Purpose and Rationale:

To extend the reach of this assessment and quantify key trends, Entlaq proposes the optional deployment of online surveys and digital polling instruments. These tools are especially valuable for:

- Capturing the realities of the Sudanese migrants economic participation in Egypt, who are geographically dispersed, time-constrained, or outside formal institutional networks;
- Testing specific hypotheses that emerge during the secondary research (e.g., bottlenecks in licensing, and the prominence of informality);
- Aggregating perception-based metrics that complement structural indicators (e.g., "Perceived ease of formal economic participation" vs. actual difficulties faced).

This approach will offer a rapid, low-cost, and scalable mechanism for triangulating data, validating assumptions, and enhancing the inclusiveness of the research.

What It Involves

Figure x Fieldwork Process



To systematically explore the entrepreneurial experiences of Sudanese individuals in Egypt, the research adopted a rigorous, multi-method fieldwork approach designed to generate contextually grounded and actionable insights. This phase focused on capturing the lived realities of Sudanese entrepreneurs through a combination of in-person and phone-based, semi-structured interviews. Fieldwork was conducted across three urban areas with high concentrations of Sudanese residents, Cairo, Alexandria, and Aswan, to ensure geographical and socio-economic diversity. By engaging directly with entrepreneurs in real-time business settings, the study aimed to understand their operational challenges, resource strategies, customer engagement practices, and support needs within Egypt's evolving entrepreneurial landscape. The following section provides a detailed overview of the data collection process and sampling methods employed.

Fieldwork Plan and Sample Split Strategy:

- **Field Locations:**
Interviews were conducted in neighborhoods and urban areas with high concentrations of Sudanese residents, as identified through preliminary mapping in Greater Cairo - with focus on Madinty, Rehab, and Giza - Alexandria, and Aswan.
- **Systematic Sampling:**
A structured approach was employed by selecting participants at regular intervals, every 10th person passing by, ensuring an unbiased and evenly distributed sample across field locations.
- **Snowball Sampling:**
Snowball sampling was also used to ensure a mixed method sampling strategy. Participants were invited to refer others within their networks, enabling access to more specialized or informal entrepreneurial groups.

The target group for this study included Sudanese business owners and economically active individuals residing in Egypt, regardless of their formal legal or refugee status. This focus was intentional to capture a broad spectrum of Sudanese entrepreneurial activity, particularly among those who may not be formally registered with UNHCR or recognized as refugees but are nonetheless actively participating in Egypt's informal or formal economies. By including individuals without official status, the study aimed to reflect the realities of undocumented or partially documented migrants who often face unique challenges in accessing services, legal protections, and business support systems, yet contribute significantly to local economies through their entrepreneurial efforts.

Survey Structure and Design

The survey was designed around 100 short answer questions, multiple choice and Likert-scale items, clustered into four thematic domains. (See Annex (3) for the full survey).

The survey was designed to meet four thematic areas:

Thematic Area	Thematic Objective
Entrepreneurial Track	Captures the experiences of Sudanese individuals engaged in self-employment or running small businesses, including challenges, support needs, and growth strategies.
Formal Employment Track	Examines access to and experiences within formal wage employment, focusing on job search methods, workplace conditions, and barriers to entry.
Demographic Mapping	Collects key demographic data such as age, gender, education level, and legal status to contextualize economic participation and identify subgroup patterns.
Inclusion & Formal Labor Market Entry	Assesses the extent to which respondents are integrated into Egypt's formal economy, including legal, social, and institutional enablers or obstacles to inclusion.

Mode of Deployment

Approximately 8,000 data points were initially collected between November/December 2024 and April/May 2025, with a final cleaned sample of approximately 6,300 individuals. The mode of deployment was

- Semi Structured survey Interviews followed a semi-structured guide to ensure consistency across key themes while allowing flexibility to explore individual experiences in depth.
- Phone and in-person Survey Survey interviews were primarily conducted in person to facilitate direct engagement and contextual understanding. However, in locations such as Aswan, where heightened security measures and sensitivities may influence respondent comfort, phone interviews were utilized as an alternative. This approach was adopted to ensure both the safety and privacy of participants while maintaining data quality and ethical standards.

To ensure data quality, responses were anonymized, and demographic filters (e.g., age, gender, location, sector) will be built into the survey design. Where response rates are high enough, cross-tabulated analyses are used to disaggregate findings by region, gender, or lifecycle stage.

Recruiting and Training Enumerators

Prior to full deployment, all 20 volunteer enumerators were recruited and underwent structured training sessions focused on the survey tool, cultural sensitivity, and respondent engagement techniques. The training aimed to ensure that enumerators could conduct interviews ethically, respectfully, and in a manner that fostered trust and accurate data collection. Emphasis was placed on understanding the socioeconomic and legal realities of Sudanese migrants in Egypt, as well as on maintaining respondent privacy and consent procedures.

A pre-test was conducted in the field to:

- Pilot the questionnaire and assess question clarity, flow, and length.
- Evaluate enumerator readiness and refine their interviewing approach.
- Identify and resolve logistical challenges in the field (e.g., locating respondents, language variations).

Adjustments Based on Pre-Testing:

- The expected number of surveys per enumerator per day was refined to ensure quality and manageability.
- Modifications were made to fieldwork strategies, including adopting phone-based interviews in Aswan, where in-person access was limited due to local sensitivities and logistical constraints.

Synthesis, Validation, and Roadmap Development

The collected survey data was first reviewed for completeness and consistency, with incomplete or duplicate entries removed during the data cleaning phase. After validation, the dataset was organized and coded in Microsoft Excel, enabling efficient sorting, filtering, and analysis. Descriptive statistics, such as frequencies, percentages, and cross-tabulations, were used to identify patterns across key variables, supporting both thematic insights and visual data representation through charts and graphs.

The combined application of these methodologies were designed to:

- Broaden the empirical base of ecosystem analysis by directly engaging with Sudanese business owners and economically active individuals, including those without formal refugee status, who are often excluded from official datasets but play a critical role in Egypt's informal economy.
- Capture a more comprehensive and inclusive dataset by strengthening gender and geographic representation across key urban centers such as Cairo, Alexandria, and Aswan.
- Quantify undocumented ecosystem bottlenecks that impact refugee and migrant entrepreneurs, particularly those navigating legal ambiguity, limited access to services, and informal regulatory pressures.
- Provide an empirically grounded understanding of the lived entrepreneurial experiences, challenges, and coping strategies of Sudanese migrants in Egypt.
- Identify key barriers and emerging opportunities for refugee integration into Egypt's entrepreneurial landscape, with attention to both structural constraints and informal support systems.
- Generate actionable, evidence-based recommendations to inform targeted support programs that promote economic inclusion, self-reliance, and success in both entrepreneurial and employment pathways.
- Enable rapid data visualization and communication, including bar charts and perception heatmaps, to support stakeholder engagement, policy dialogue, and effective presentation in donor and implementation deliverables.
- Create preliminary recommendations. The survey analysis will be combined with the secondary data analysis to create preliminary recommendations that will be further validated and expanded in the second report.

This structured approach ensures that the analysis is empirically grounded, methodologically transparent, and institutionally useful.

2. 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 marginalised voices	• Code of conduct that prohibits harassment and ensures respectful discourse. • Use of remote phone interviews 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.

Section 04

Data Analysis



Analyzes the Sudanese economic integration in Egypt using SWOT, gap analysis, benchmarking and economic impact analysis to come up with the reports core insights. This includes: regulatory and legal ambiguity, labor market segmentation, service access barriers, gendered inequalities, and weak data coordination. This section also identifies the mismatch between refugees' prior skills and current informal employment, and the need for targeted interventions to unlock their economic potential while ensuring rights and protections.



04 Data Analysis

1. SWOT Analysis: A Systemic Diagnostic of Egypt's Economic Integration for Sudanese Migrants

As Egypt confronts one of the most significant human mobility shifts in its recent history, driven by the ongoing Sudanese crisis, the need for a structured, system-wide diagnostic of migrant labor integration has never been more urgent. Existing assessments often remain fragmented, limited to humanitarian snapshots, narrow labor statistics, or siloed policy evaluations. This report departs from that piecemeal approach. Instead, we adopt a SWOT analytical lens, focusing on Strengths, Weaknesses, Opportunities, and Threats, to assess the structural, legal, and socio-economic conditions shaping the livelihoods of Sudanese migrants and refugees in Egypt.

This framework is not descriptive; it is diagnostic and directional. It integrates three layers of insight:

1. Empirical findings from the Savannah Innovation Lab dataset (2024–2025);
2. Contextual analysis drawn from national labor laws, refugee protection frameworks, and macroeconomic indicators;
3. Community-level realities reflected in localized resilience strategies, informality trends, and informal support networks.

In doing so, the SWOT captures both internal dynamics (skills, adaptability, vulnerabilities) and external conditions (legal regimes, market entry barriers, and sociopolitical shifts). The goal is to surface actionable leverage points for reform and inclusive policy design, anchored not just in humanitarian imperatives, but in Egypt's broader development goals and labor market needs.

Each quadrant of the matrix is elaborated in detail below and is paired with a visual summary grounded in verified, triangulated data. These visuals are followed by in-depth commentary to inform future programmatic design, regulatory reform, and multi-stakeholder engagement.

1. Strengths:

Sudanese migrants in Egypt demonstrate a constellation of structural, community-led, and legal assets that enable their partial economic integration despite regulatory and socio-economic constraints. This section unpacks the eight primary strengths, each substantiated with evidence, and introduces Figure 1, a visual synthesis of self-reliance pathways grounded in verified data from Savannah's 2024–2025 survey, ILO reports, and national policy analysis.

1. A Large, Embedded Sudanese Diaspora:

As of mid-2025, Egypt hosts an estimated 5.5 million Sudanese migrants, including over 4 million pre-2023 residents and more than 1.5 million arrivals since the April 2023 conflict (UNHCR, 2025f; IOM, 2022). This deep-rooted presence fosters layered kinship, housing, and job referral systems. The diaspora plays a critical role in informal onboarding, offering newcomers housing leads, work in family-run microbusinesses, and basic orientation to urban life.

2. Cultural Proximity and Historical Mobility:

Linguistic similarity (Arabic), religious affinity (predominantly Muslim), and regional familiarity, stemming from Egypt-Sudan mobility traditions since the 19th century, are significant assets (Cone & Sullivan, 2025). These factors ease social integration and reduce employer hesitation in informal labor markets, particularly in services, construction, and domestic work.

3. Community-Led Economic Resilience:

Sudanese migrants, particularly in neighborhoods like Faysal, Ain Shams, Ard El Lewa, and Imbaba, have organically built micro-economies centered around goods and services catering to their own communities. These include tea stalls, street food vendors, barbershops, and tailoring services (Abuswar and Bassi, 2025). Despite precarious conditions, these businesses provide critical income while bypassing exclusion from formal labor markets.

4. Grassroots Mutual Aid Mechanisms:

Sudanese communities have revived traditional forms of communal finance and crisis support such as:

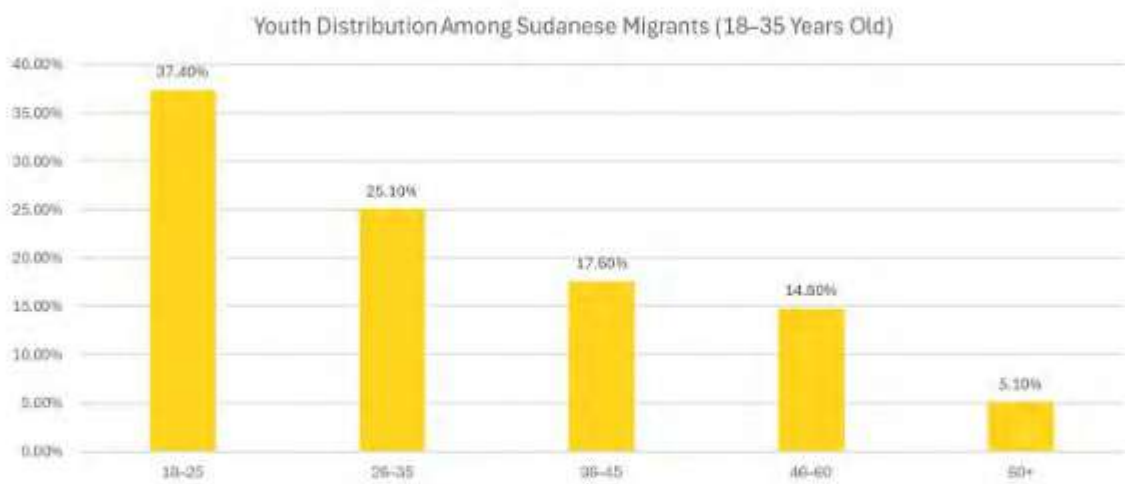
- Sanduq (rotating savings and credit associations)
- Nafeer (collective fundraising and emergency response)

These informal financial institutions act as shock absorbers, helping households manage rent, medical emergencies, and education costs. Their function is particularly important given limited access to formal financial services (Refugees International, 2025).

5. Youth-Heavy Demographics:

Savannah's primary dataset shows that 62.5% of surveyed Sudanese respondents were aged 18-35, a demographic often associated with higher labor adaptability. This population could offset aging trends in Egypt's informal sectors if legal and policy pathways are mobilized to integrate them (ILO, 2023; ERRRP, 2025).

Figure (15) Youth Distribution Among Sudanese Migrants (18-35 Years Old). This figure illustrates the share of Sudanese migrants aged 18-35 based on Savannah Innovation Lab's 2024-2025 sample.



Source: Savannah Innovation Lab Primary Dataset, 2024-2025

This demographic advantage has clear implications for urban productivity, especially in sectors like retail, delivery, domestic services, and construction. However, without formal employment access or vocational accreditation, this potential remains under-leveraged. Programs targeting upskilling and recognition of prior learning would amplify this latent strength into measurable labor market gains.

6. Legal Frameworks Offering Partial Inclusion:

Although inconsistently applied, Egypt’s Four Freedoms Agreement (2004) with Sudan provides reciprocal rights to work, reside, move, and own property. This agreement laid a foundation for cross-border labor movement, though its enforceability has declined in recent years (Refugees in Egypt: Policy Recommendations, 2024). More recently, the Asylum Law No. 164 of 2024 marks a pivotal moment, moving Egypt from a UNHCR-led asylum regime to a state-led legal framework, which if properly implemented, could bolster work permit pathways and service access (UNHCR, 2025f).

7. Urban Self-Settlement as a Vector of Economic Access:

Unlike camp-based refugee models in other host countries, Egypt’s urban self-settlement policy allows Sudanese migrants to reside in cities where labor demand exists (Mahmoud, 2011; UNHCR, 2025f). This model enables:

- Access to casual labor markets
- Participation in community-based economies
- Independence from encampment aid cycles

Self-settlement, particularly in Greater Cairo, reduces state burden while accelerating community integration through market participation.

Summary Table: SWOT Strengths Overview

Strength	Evidence Source
Large pre-existing diaspora	UNHCR (2025f), IOM (2022)
Cultural proximity	Cone & Sullivan (2025), ERRRP (2025)
Community-based microenterprise	Abuswar and Bassi (2025)
Mutual aid networks (sandug, nafeer)	Refugees International (2025)
Youth-heavy labor pool	Savannah Data (2025), ILO (2023)
Legal frameworks (Four Freedoms, Asylum Law)	Egypt-Sudan Agreement (2004), UNHCR
Urban settlement model	Mahmoud (2011), UNHCR (2025f)

2. Weaknesses:

1. Limited State Capacity and Fragmented Integration Approach:

Egypt's ability to host and integrate Sudanese refugees is increasingly undermined by internal resource constraints and institutional capacity gaps, which in turn reinforce the country's already fragmented integration approach. Since April 2023, Egypt has received over 1.5 million Sudanese refugees and migrants—more than 714,940 of whom are registered with UNHCR as of May 2025—yet this historic influx has not been matched by a comprehensive national strategy or scalable investment in refugee services.

The lack of coordinated state-led planning has resulted in a patchwork response, heavily dependent on overstretched local authorities, underfunded public services, and ad hoc support from NGOs and international agencies, which have also been working over their capacity and faced funding cuts. UNHCR Egypt faced a record \$62 million funding shortfall in 2025 (UNHCR 2025; El Gundy 2025). Core sectors such as education, healthcare, and legal aid have experienced sharp declines in service quality and coverage, particularly in urban peripheries like Giza, Qalyubia, and the Delta. Field reports confirm that primary schooling and maternal health programs in refugee-hosting areas have been reduced or suspended due to Egypt's limited fiscal space and overburdened institutions.

This capacity shortfall not only weakens the immediate delivery of humanitarian assistance but also entrenches the fragmentation of Egypt's integration efforts. In the absence of a unified framework for refugee inclusion, national and local responses remain disconnected, reactive, and short-term. As a result, refugees are often left navigating inconsistent support mechanisms, limited legal pathways for employment, and highly variable access to essential services depending on geography and provider capacity.

Ultimately, Egypt's inability to scale its domestic infrastructure in response to refugee inflows has transformed a resource challenge into a systemic governance issue. Without a shift toward medium-term planning, investment, and coordination, Egypt's fragmented integration approach will remain a core structural weakness in its refugee response.

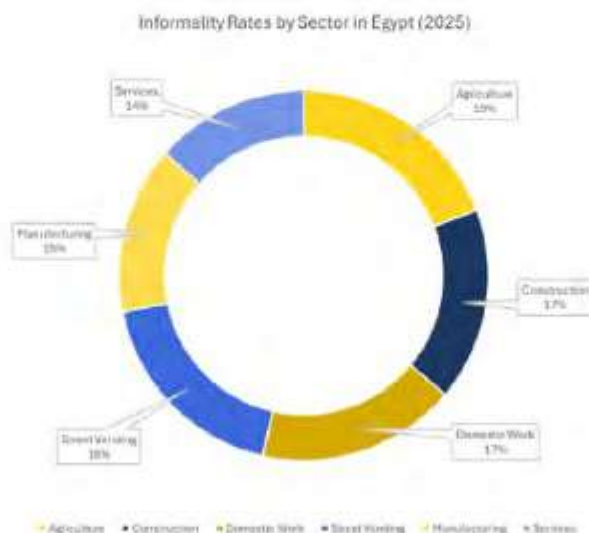
2. Legal Barriers to Formal Employment and Institutional Exclusion:

Sudanese refugees face severe legal and bureaucratic obstacles in accessing Egypt's formal labor market. While Law No. 14 of 2025 modernized aspects of labor governance, it did not explicitly address refugee inclusion. Refugees remain subject to the work permit system, which includes high fees (upwards of EGP 10,000), employer sponsorship requirements, and limited pathways to self-employment.

Moreover, the 2024 suspension of the Four Freedoms Agreement and the passage of Law 164/2024 added layers of uncertainty. Law 164 grants discretionary powers to security actors, criminalizes certain forms of humanitarian aid, and omits protections against refoulement, a cornerstone of international refugee law (UNHCR 2025a; Refugees International 2025).

These factors collectively restrict refugee access to livelihoods and deepen long-term dependence on informal and precarious employment arrangements.

Figure (16) Informality Rates by Sector in Egypt (2025). Refugees are overwhelmingly absorbed into Egypt's informal economy, particularly in high-risk, low-wage sectors like agriculture, construction, and domestic work, where legal protections and pathways to formalization are minimal.



Sources: International Labour Organization (ILO), *Egypt Employment Diagnostic Report (2025)*;
Entlaq analysis based on Savannah primary data

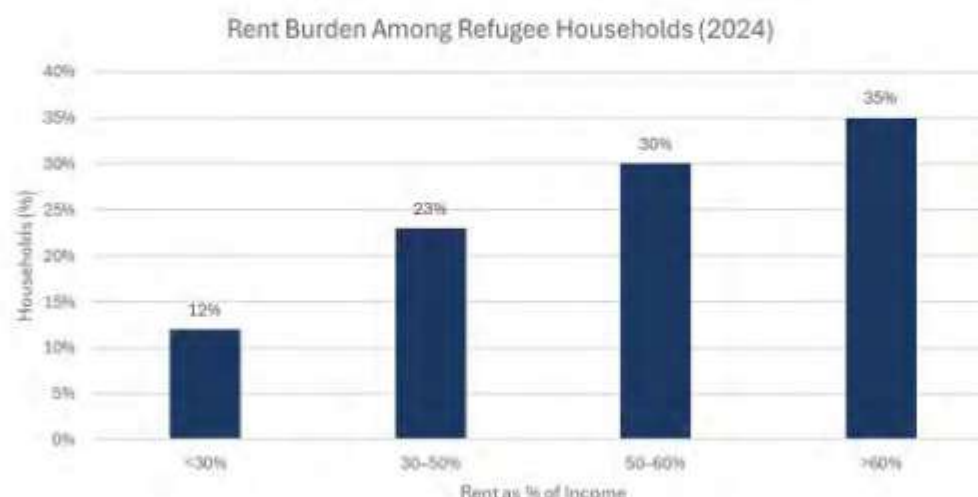
Informality is the default condition for Sudanese refugees navigating Egypt's labor market. According to the ILO (2025), over 70% of Egypt's total workforce is informally employed. In sectors where refugees are concentrated, agriculture, construction, and street vending, informality reaches or exceeds 90%.

For refugee workers, this means no formal contracts, no access to social insurance, and no legal recourse in cases of wage theft, harassment, or unsafe working conditions. Women face compounded vulnerabilities, particularly in domestic work, where employer oversight is opaque and GBV risks are high. The economic cost of this exclusion is substantial. Skills go underutilized, productivity remains low, and government revenues from taxes and social contributions are foregone. Moreover, informality entrenches poverty cycles, limits refugee mobility, and obstructs pathways to durable solutions such as naturalization or long-term residency.

3. Housing Insecurity and the Structural Cost of Integration:

Urban areas absorbing the majority of Sudanese refugees, particularly Cairo, Giza, Qalyubia, and Alexandria, are experiencing mounting housing crises. With no access to state-supported housing schemes or rental subsidies, most refugees rely on informal subletting, where prices are often exploitative.

Figure (17) Rent Burden Among Refugee Households (2024). Over 65% of refugee households spend more than half their income on rent, with 35% spending over 60%, a clear indicator of housing insecurity and economic precarity.



Sources: Savannah & Entlaq Survey Data (2025); MDPI (2024); Zawia3 Urban Housing Tracker (2023)

The vast majority of refugee households are rent-burdened, spending well beyond the 30% affordability benchmark used globally. For 35% of households, rent consumes more than 60% of monthly income, leaving limited resources for food, healthcare, transport, or school fees.

Rent burdens are both a cause and consequence of informality. Families may sacrifice legal residency to redirect funds toward housing. Others resort to overcrowded units shared among multiple households, with limited water, sanitation, or electricity infrastructure, conditions that increase health risks and reduce overall well-being.

This dynamic exacerbates refugee marginalization, entrenching social exclusion and eroding community resilience. For children, unstable housing is correlated with school dropout, poor academic performance, and social isolation.

Absent national housing policy inclusion for refugees, these trends will continue. Long-term integration strategies must address not just legal status but spatial justice, urban affordability, and community cohesion.

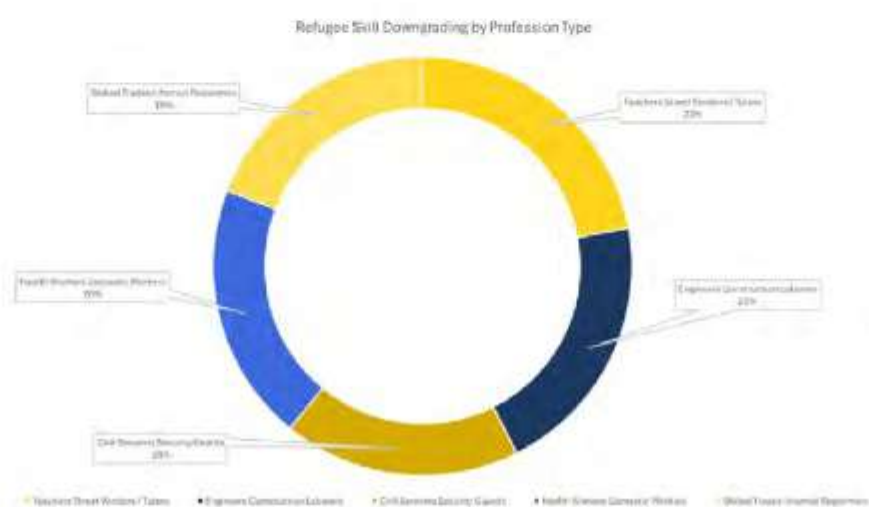
4. Credential Non-Recognition and Labor Market Downgrading:

Sudanese refugees in Egypt often arrive with substantial professional experience and higher education. However, the Egyptian labor market does not recognize foreign professional licenses, degrees, or certifications, especially when issued by Sudanese institutions. This structural exclusion leads to the widespread downgrading of skilled individuals into low-wage, informal jobs, representing one of the most significant barriers to economic integration.

The situation is particularly acute among former teachers, civil servants, engineers, health workers, and skilled tradespeople. Despite their qualifications and experience, most are unable to secure work in their fields due to a lack of legal pathways for credential recognition, bureaucratic barriers to re-licensure, and systemic employer discrimination.

Recent field interviews conducted jointly by Entlaq and Savannah show that over 75% of surveyed Sudanese professionals now work in occupations unrelated to their field of training or previous employment. Women professionals face even steeper downgrading, with female engineers and teachers disproportionately absorbed into domestic work or caregiving roles. The absence of a credential evaluation and conversion mechanism, commonplace in refugee-hosting countries like Canada or Germany, leaves little opportunity for upward mobility.

Figure (18) Refugee Skill Downgrading by Profession Type. A large majority of skilled Sudanese refugees are unable to practice their professions in Egypt, leading to significant underemployment and productivity loss.



Sources: Savannah & Entlaq Key Informant Interviews (March–April 2025); Focus Group Transcripts; Refugees International (2025)

The mismatch between previous occupations and current livelihoods is not just an individual tragedy, it represents a significant loss of economic potential. For example, a former school principal from Sudan now selling fruit in Cairo embodies a systemic failure of integration policy. This form of “human capital wastage” depresses earning potential, limits tax revenue, and delays contributions to host country development.

The inability to transfer professional skills also impacts community trust and cohesion. Many refugees report feelings of identity erosion, professional shame, and long-term despair. As one participant in Savannah’s focus groups noted, “We came here as professionals. Now, we are invisible.” These sentiments reflect a deeper dissonance between capability and opportunity, and they disproportionately affect youth and women professionals whose futures are now uncertain.

Furthermore, this underutilization reinforces gender inequalities. In particular, female teachers and nurses, who previously held respected public roles in Sudan, are now relegated to precarious caregiving roles, often within exploitative private households. With limited legal protections and virtually no oversight, they are at higher risk of abuse, overwork, and psychological distress.

From a macroeconomic lens, the Egyptian economy misses a strategic opportunity. The influx of educated professionals could enhance public service delivery, particularly in underserved governorates like Aswan, North Sinai, or parts of the Delta. However, the absence of credential recognition mechanisms, licensing bridges, or accelerated training modules means Egypt forgoes this potential entirely.

5. Intersecting Vulnerabilities Undermine Economic Integration:

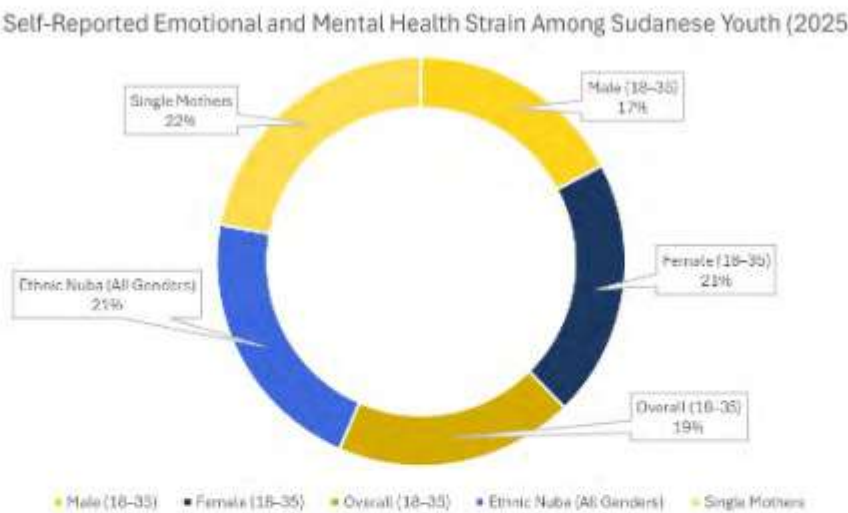
Sudanese refugees in Egypt face a compound crisis of economic exclusion, social vulnerability, and psychological distress. While legal and economic barriers are well documented, social and emotional dimensions, particularly among youth, are often sidelined despite their central role in long-term integration outcomes.

Primary data from Savannah’s 2025 survey reveal that over 78% of Sudanese youth (ages 18–35) report experiencing “constant stress, anxiety, or emotional strain” linked to their displacement status. Among female respondents, this figure rises to 84%, reflecting the compounded burden of gender-based violence, caregiving stress, and exposure to domestic labor abuse. These findings are corroborated by UNHCR assessments (2025), which have flagged Cairo and Giza as zones of “acute psychosocial risk” due to overcrowding, housing insecurity, and social isolation.

Focus group discussions conducted in March and April 2025 revealed frequent references to “invisibility,” “identity loss,” and a pervasive sense of not belonging. This identity stress is most severe among former university students and professionals, many of whom now work in informal or survivalist sectors. Ethnic Nuba and Fur respondents, in particular, reported experiencing double marginalization, first as refugees, and second due to underrecognized racial and ethnic discrimination.

Savannah’s disaggregated data further show that 68% of surveyed youth live in overcrowded housing, often sharing single-room apartments with two or more families. Nearly half reported that rent consumed more than 60% of their monthly income, leaving minimal resources for mental health services, recreation, or community participation. This aligns with external data from MDPI (2024) and Zawia3 (2023), which found similar trends among urban refugee populations in Egypt.

Figure (19) Self-Reported Emotional and Mental Health Strain Among Sudanese Youth (2025). Displacement, exclusion, and housing precarity have produced widespread psychological distress among Sudanese youth in Egypt, particularly women.



Sources: Savannah & Entlaq Key Informant Interviews (March–April 2025); Focus Group Transcripts; Refugees International (2025)

These figures underscore the psychological cost of prolonged displacement in a context where legal protection is ambiguous and community belonging is fragile. Women and ethnically marginalized youth exhibit the highest levels of stress, driven by unsafe housing, labor exploitation, and isolation. The figure for single mothers, 91% reporting persistent emotional strain, highlights the intersection of caregiving burdens and socioeconomic precarity.

What's most concerning is the lack of systemic support. Egypt's national health system excludes refugees from subsidized psychological or psychiatric care, and most NGOs report insufficient capacity to respond. Less than 10% of surveyed respondents knew of any mental health support services accessible to them without documentation.

Furthermore, cultural stigma around mental health, reported by 62% of survey participants, prevents individuals from seeking help. These findings point to the urgent need for community-based psychosocial programs and culturally-sensitive trauma care, particularly for women and youth living in informal housing clusters.

6. Lack of Belonging and Identity Stress Among Young Refugees:

Displacement not only dislocates individuals physically, it fractures social networks, identity structures, and future planning horizons. Youth survey respondents in the Savannah dataset repeatedly noted feeling "invisible," "temporarily parked," or "trapped in limbo." This aligns with Grabska (2005) and Cone & Sullivan (2025), who highlight the psychological toll of viewing refugee presence as temporary, a framing perpetuated by both host state discourse and international humanitarian narratives.

Many Sudanese youth in Egypt have now lived there for over a year, with no clear legal horizon for permanent residency, employment integration, or community belonging. The perception that "this is not permanent" undermines motivation to invest in education, formal work pathways, or social capital formation.

Moreover, the invisibility of ethnic identities within the broader "Sudanese" label obscures specific experiences of racism, colorism, and intra-community discrimination. Respondents from the Darfuri and Nuba communities report systemic exclusion from service provision and employment, sometimes even within refugee networks themselves. This stratification compounds isolation and limits collective organizing.

This diagnostic reveals that social vulnerability is not an adjacent issue, it is a core barrier to economic integration. Emotional distress, housing insecurity, identity erosion, and racial discrimination intersect to create conditions of chronic precarity. Unless integration policy frameworks in Egypt center psychosocial resilience, especially for women and youth, economic inclusion efforts will remain partial and unsustainable.

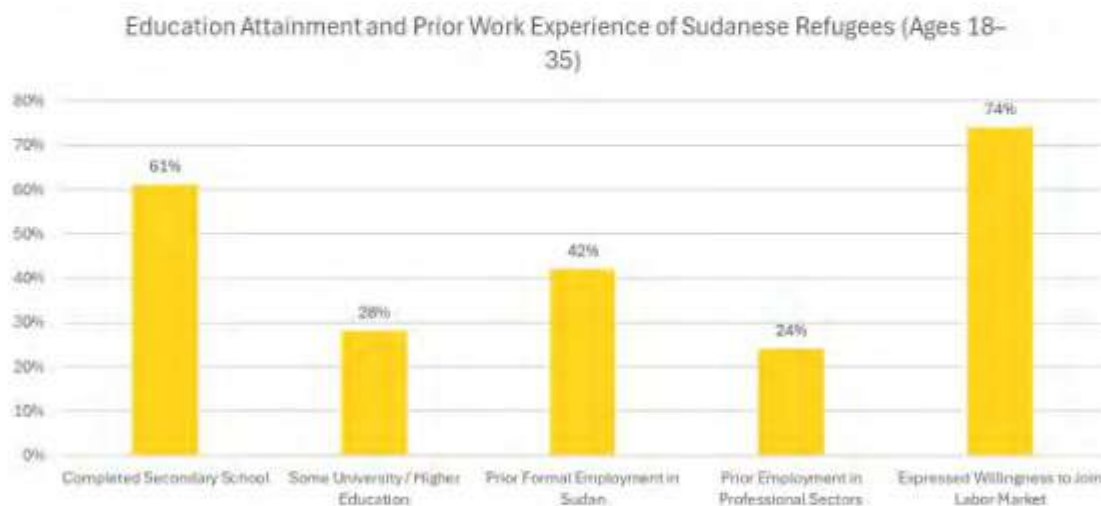
3. Opportunities:

1. Human Capital as an Economic Engine:

Despite the prevailing focus on needs, Sudanese refugees in Egypt represent a significant reservoir of untapped human capital. The Savannah dataset confirms that more than 61% of surveyed refugees aged 18–35 hold secondary or higher education credentials, and nearly one in four had formal work experience in technical, professional, or public-sector roles in Sudan. This baseline capacity, combined with high labor force participation willingness, offers Egypt an opportunity to both boost productivity and meet existing labor shortages.

In sectors like agriculture, healthcare support, logistics, and construction, Egypt continues to face human resource gaps, especially in remote governorates. Strategic inclusion of refugee workers, through credential equivalency systems, legal work pathway reforms, and upskilling programs, could create win-win outcomes. The economic potential is even more pronounced for women, who, while underemployed, report high interest in microenterprise, home-based services, and care-sector work (Savannah Survey 2025).

Figure (20) Education Attainment and Prior Work Experience of Sudanese Refugees (Ages 18–35). A large share of Sudanese refugees in Egypt's youth demographic are educated and experienced, yet structurally excluded from formal economic participation.



Sources: Savannah Youth Survey (2025); Entlaq Primary Analysis

These data reveal that refugees are not only in need of assistance, they are also potential contributors to national development if provided with the right legal and economic frameworks. The 74% labor willingness rate is notably higher than Egypt's own youth employment participation rate, suggesting a strategic opportunity to redirect policy from exclusion to integration.

With the introduction of Labor Law No. 14 (2025), Egypt now has a legal window to create supplementary executive decrees that clarify refugee eligibility, streamline permit systems, and reduce employer risk. Such reforms would align with Egypt's Vision 2030 commitments on labor force expansion, informality reduction, and inclusive growth.

Targeted initiatives, such as fast-track credential recognition, subsidized apprenticeship schemes, and public-private job matching portals, could rapidly absorb skilled refugee youth while improving service delivery in strained sectors. Donor-backed programs that combine refugee hiring incentives with business development grants could also stimulate MSME growth in marginalized governorates.

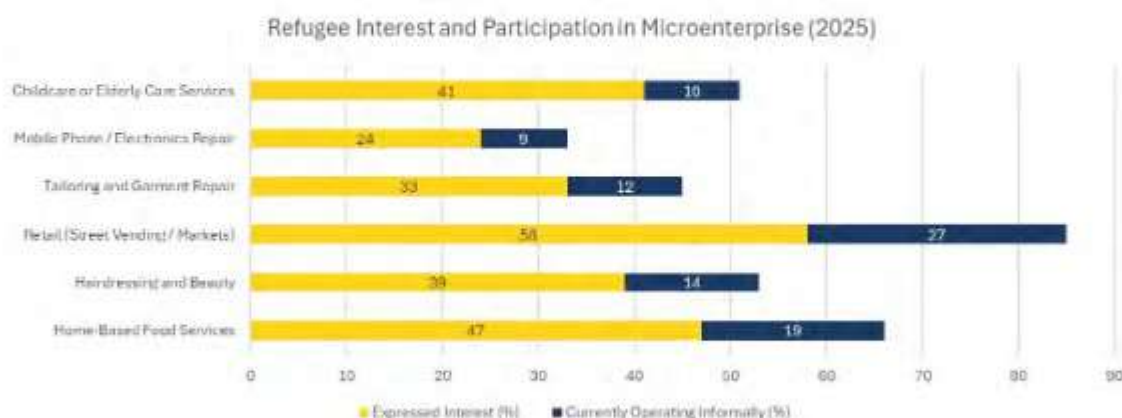
Moreover, with the right signaling, Egypt could become a regional model for skills-based refugee integration, attracting technical assistance, funding, and positive international visibility at a time when humanitarian funding is shrinking.

2. Migrant and Refugee-Led Microenterprise and Informal Innovation:

Sudanese migrants in Egypt have demonstrated high entrepreneurial intent, particularly in low-capital, home-based, and service-oriented businesses. These activities, while informal and precarious, represent a foundation for scalable microenterprise development. With the right legal, financial, and institutional support, refugee-led businesses could evolve into productive economic units that contribute to local economies, job creation, and cross-cultural integration.

Savannah's primary survey shows that more than 58% of respondents expressed interest in launching or expanding small-scale commercial activities, including food services, retail, tailoring, and caregiving. However, only 19–27% of those interested are currently operating informally, citing major barriers such as fear of harassment, inability to register businesses, lack of capital, and mobility constraints for women.

Figure (21) Refugee Interest and Participation in Microenterprise (2025). Refugee-led economic activity remains high in intent but low in operationalization due to structural barriers and legal exclusion from enterprise support mechanisms.



Sources: Savannah Youth Survey and Informal Livelihoods Tracker (2025)

This data reveals a clear opportunity: refugee and migrant entrepreneurship is active in principle but constrained in practice. The gap between expressed interest and actual participation, especially among women, is driven not by lack of skills, but by lack of enabling frameworks.

Egypt's current microenterprise registration system (under Law 152/2020) does not extend to refugees unless they have formal residency and work permits, which very few do. In practice, this pushes otherwise viable enterprises underground, where they operate without legal protections, access to finance, or opportunities to scale.

Programs that bridge this gap could be transformative. For instance, donor-backed microgrant schemes, mobile business clinics, or cooperative licensing models (where one Egyptian co-registers a shared enterprise) could allow refugees to access formal markets while staying within existing legal boundaries. UNHCR and MSMEDA pilot programs from 2021–2023 show that even EGP 5,000–10,000 in startup capital can significantly stabilize informal ventures and increase household income by 30–40% within six months.

Women, in particular, stand to benefit from targeted microenterprise support. Their preferences, centered on home-based food, beauty services, tailoring, and caregiving, align well with growing demand in urban and peri-urban communities, especially in governorates like Qalyubia, Fayoum, and Alexandria. Enabling even 15–20% of interested migrants to scale their businesses could generate ripple effects across host communities. Local market saturation is unlikely in these sectors, and demand is largely elastic, especially when tied to neighborhood reputation and service quality. Supporting refugee-led enterprises also reduces dependency on aid and strengthens dignity-centered approaches to economic inclusion.

3. Pathways for Legal Reform and Multilateral Leverage:

While Egypt's legal framework currently constrains refugee access to employment, enterprise, and social protections, the recent introduction of Labor Law No. 14 of 2025 and the ongoing rollout of the 2024 Asylum Law (Law 164) provide a critical opportunity for targeted policy reform and international engagement.

Egypt has historically maintained flexibility in legal implementation through ministerial decrees, executive orders, and pilot programs, offering strategic openings for temporary legal work permits, exemptions for small business registration, or municipal-level documentation facilitation. International precedent from countries like Jordan, Colombia, and Uganda shows that even without full legal reform, interim administrative solutions can produce significant integration outcomes.

Egypt's position as a key host country and geopolitical actor gives it unique leverage. By signaling incremental reform toward refugee inclusion, particularly economic integration, it can attract additional technical assistance, donor capital, and multilateral goodwill. This is especially relevant as UNHCR, ILO, and the World Bank deepen engagement in the region through regional compacts and private-sector inclusion strategies.

Figure (22) Comparative Models of Legal Pathways for Refugee Economic Integration. Countries facing high refugee inflows have leveraged executive tools, sectoral frameworks, or multilateral compacts to enable work permits, enterprise rights, and social protection access, often without fully revising core refugee laws.

Country	Key Legal Mechanism	Economic Inclusion Outcome
Jordan	Sector-based Work Permit System (construction, agri)	Over 350,000 permits issued since 2016 (ILO 2023)
Uganda	Refugee Self-Reliance Framework (RSRF)	Full right to work and operate businesses
Colombia	Temporary Protection Status (TPS)	Over 2 million Venezuelans regularized (WB 2024)
Turkey	Work Permit Under Temporary Protection	100,000+ formal jobs created via EU-funded programs
Egypt (2025)	Labor Law 14/2025 + potential executive reforms	Opportunity for pilot employment & business access

Sources: ILO (2023); World Bank (2024); UNHCR Regional Compacts Repository; Egypt Gazette No. 17 (2025)

Egypt now finds itself at a policy inflection point. The 2025 Labor Law introduces flexible labor market governance tools, including expanded roles for private employment agencies, formal recognition of gig work, and streamlined employer compliance protocols. While refugees are not yet explicitly included, ministerial decrees or inter-agency MoUs could provide interim access without requiring full legislative overhaul.

The comparative experiences of Jordan and Turkey are instructive. Jordan introduced a sector-based work permit scheme with international support, targeting agriculture, construction, and manufacturing. By 2023, over 350,000 Syrian refugees had received permits, many through simplified procedures linked to specific employers or cooperatives. Similarly, Turkey leveraged EU funding and ILO support to create pathways for formal employment under its temporary protection regime.

Egypt can adopt a tailored approach. For instance:

- A municipal-level refugee enterprise registration pilot in Greater Cairo or Alexandria could test models for micro-permit issuance;
- A sectoral MoU between MoSS, MoL, UNHCR, and ILO could enable limited work permits in agriculture, caregiving, or waste management;
- A donor-supported labor integration compact could link reforms to performance-based financing, mitigating political risk while expanding rights.

These steps would not only support economic resilience for refugees, but also help Egypt leverage multilateral goodwill, especially amid global discussions on shared responsibility for forced displacement.

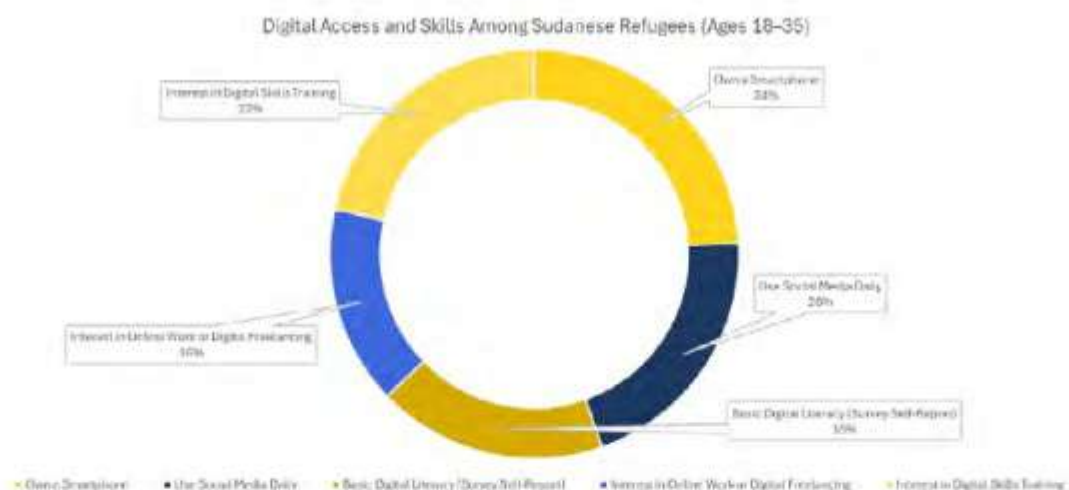
Moreover, enabling economic participation reduces strain on overstretched service systems and informal settlements. As refugees gain financial autonomy, pressure on urban housing, food aid, and health infrastructure would ease, aligning refugee policy with Egypt's national development goals and its Vision 2030 social protection agenda.

4. Youth-Driven Innovation, Digital Inclusion, and Future Labor Markets:

Egypt's refugee youth are not only economically motivated, they are digitally connected and eager to participate in the future of work. Contrary to stereotypes of "refugee dependency," primary data from the Savannah survey show high levels of smartphone ownership, digital literacy, and interest in online income generation among Sudanese refugees aged 18–35. This opens up real opportunities to bridge displacement with digital inclusion, innovation, and skills development aligned with Egypt's own tech and entrepreneurship goals.

More than 72% of respondents own a smartphone and use it regularly for communication, learning, or income generation. Around 47% expressed interest in online freelancing or platform-based work, while 64% want access to digital skills training, including graphic design, e-commerce, data entry, and coding. These figures are comparable to national averages and higher than expected for displaced populations, signaling strong self-investment potential.

Figure (23) Digital Access and Skills Among Sudanese Refugees (Ages 18–35). Sudanese refugee youth exhibit high smartphone access, daily digital use, and strong interest in digital upskilling and online work, indicating readiness for digital livelihoods if enabling pathways exist.



Sources: Savannah Youth Survey (2025); Entlaq Informal Economy Diagnostics

These indicators highlight a major opportunity for digitally-mediated livelihoods, especially as Egypt expands its digital transformation agenda under Vision 2030. With the right support, refugee and migrant youth could be trained and integrated into sectors such as:

- Digital services (e.g., graphic design, translation, customer support)
- Platform-based work (e.g., delivery, e-commerce logistics, tutoring)
- Micro-entrepreneurship through digital marketplaces (e.g., Jumia, Talabat, Meta)

A few key interventions could unlock this potential:

- Mobile-based training modules delivered in Arabic, with low-data options for those in data-poor areas;
- Partnerships with local tech hubs and digital learning platforms (e.g., Almentor, Coursera MENA);
- Subsidized digital access (e.g., data plans or refurbished tablets) for youth in informal settlements;
- Freelance legality reform, allowing limited e-wallet use or platform registration without full documentation.

Egypt's experience with digital youth employment programs, such as the "Mahara-Tech" and "Youth Enablement through Technology" initiatives, could be extended to refugee communities through public-private-NGO collaboration. This would align refugee integration with Egypt's national workforce digitalization goals, reduce dependency on shrinking aid pipelines, and contribute to a culture of self-reliance.

Notably, this is not only about economic value. Digital inclusion also fosters social cohesion, self-expression, and cross-cultural connectivity, reducing the isolation, identity erosion, and invisibility described in the Weaknesses section.

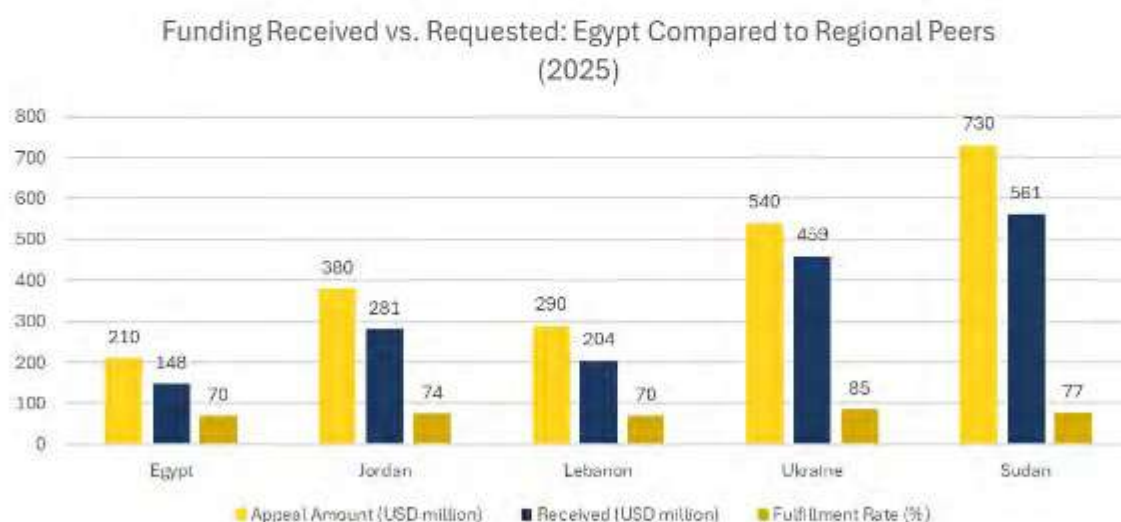
4. Threats:

1. Shrinking Humanitarian Space and Donor Fatigue:

Despite the scale of Sudanese displacement into Egypt, the international humanitarian funding environment is contracting. Egypt's refugee response, historically underfunded, is now at risk of structural erosion. UNHCR's 2025 Egypt operations faced a \$62 million deficit, leading to the suspension of healthcare, education, and legal aid programming. As global crises multiply, from Gaza to Ukraine to the Sahel, donor priorities are shifting, and Egypt's protracted refugee situation receives less visibility and lower per capita aid allocation than newer or geopolitically prioritized crises.

The 2024–2025 UN OCHA Global Humanitarian Overview confirmed that only 43% of Egypt's appeal was funded, compared to 74% in Jordan and 85% in Ukraine. This disparity is partly due to Egypt's reluctance to frame Sudanese arrivals as a formal "refugee crisis," preferring bilateral management or informal containment.

Figure (24) Funding Received vs. Requested: Egypt Compared to Regional Peers (2025). Egypt's humanitarian appeal in 2025 received the lowest fulfillment rate among major refugee-hosting countries in MENA, reflecting global donor fatigue and weak crisis framing.



Sources: UN OCHA Global Humanitarian Overview (2025); UNHCR Egypt Operational Snapshot Q2 (2025)

Egypt's low fulfillment rate exposes refugees and host communities to dual risks: service collapse and political backlash. NGOs have reported program suspensions in Greater Cairo and the Delta due to budget cuts, while Egyptian service providers face growing pressure without increased resources.

Without donor re-engagement or a shift in Egypt's strategic framing, the humanitarian space will likely contract further. This creates spillover risks, such as increased informal settlements, public health challenges, child labor, and protection failures for women and girls.

Moreover, donor fatigue can breed policy regression. As funding shrinks, political incentives to restrict access and visibility rise, especially in contexts of economic strain, inflation, and subsidy reform. Egypt's tightening of visa policies in early 2025 and the restrictive language in Law 164/2024 may reflect these dynamics.

Finally, failure to meet needs doesn't just harm refugees, it undermines Egypt's regional credibility as a key actor in migration governance and puts long-term development goals (e.g., Vision 2030's inclusivity agenda) at risk.

2. Legal Volatility and Criminalization of Humanitarian Assistance:

Egypt's legal and regulatory environment for refugee protection and civil society support remains fragmented, volatile, and increasingly securitized. While the 2024 Asylum Law marked a milestone in formalizing refugee status recognition, it introduced ambiguous criteria for eligibility and deferred critical protections, such as the right to work and access to public services, to future executive decrees. As of August 2025, those implementing regulations have yet to be issued, leaving the law in legal limbo.

Simultaneously, Egypt's NGO Law No. 149 of 2019 continues to criminalize unregistered humanitarian activity, restricting civil society's ability to deliver aid to refugees, especially in informal settlements or outside of UNHCR's operational zones. In 2025, at least 11 community-based organizations (CBOs) reported harassment, license denial, or asset freezes for attempting to operate without official registration, despite serving vulnerable refugee populations in Greater Cairo and the Delta.

Figure (25) Legal Environment for Refugee and Civil Society Activity (2024–2025). While Egypt adopted a new asylum law in 2024, implementation remains stalled. Civil society actors report rising constraints under NGO Law No. 149/2019.

Legal Domain	Status (as of Aug 2025)	Key Risk
Asylum Law 164/2024	Passed but not fully implemented	Legal ambiguity; no access to work or services
Executive Decrees for Law 164	Not issued	No enforcement mechanism or operational guidance
NGO Law No. 149/2019	In force and tightly enforced	Criminalization of unregistered assistance
Data Protection and Reporting Laws	Expanding under security lens	Refugee-serving orgs at risk of data seizure

Sources: Egyptian Gazette, Law No. 164 of 2024; UNHCR Egypt Legal Update (June 2025); ICNL (International Center for Not-for-Profit Law) Civic Space Monitor; EIPR Civil Society Restrictions Tracker (2024–2025)

The legal precarity faced by both refugees and humanitarian actors introduces a chilling effect on services, coordination, and innovation. Even informal refugee-run initiatives (e.g., community kitchens, education groups) are vulnerable to shutdowns unless they partner with formally registered NGOs, a partnership often inaccessible due to resource or political constraints.

Moreover, Sudanese youth aged 18–35, many of whom have been organizing small-scale education, health, and community support initiatives, face significant barriers to formalization. Their efforts are neither recognized nor protected under current frameworks, exposing them to legal consequences.

In interviews conducted with legal aid NGOs (Savannah 2025), several reported a rise in criminal complaints filed under Article 76 of the NGO Law, targeting refugee-led service initiatives on grounds of “unauthorized activity.”

Finally, donor organizations also face risk: bilateral and multilateral aid agencies have expressed concern over the lack of legal guarantees for implementation, making it difficult to fund programs beyond UNHCR or IOM frameworks.

Unless Egypt moves toward a clearer, rights-based, and operationally grounded asylum regime, the country risks perpetuating a cycle of legal exclusion and service attrition for one of the largest displaced populations in the region.

3. Labor Market Saturation and Rising Xenophobic Sentiment:

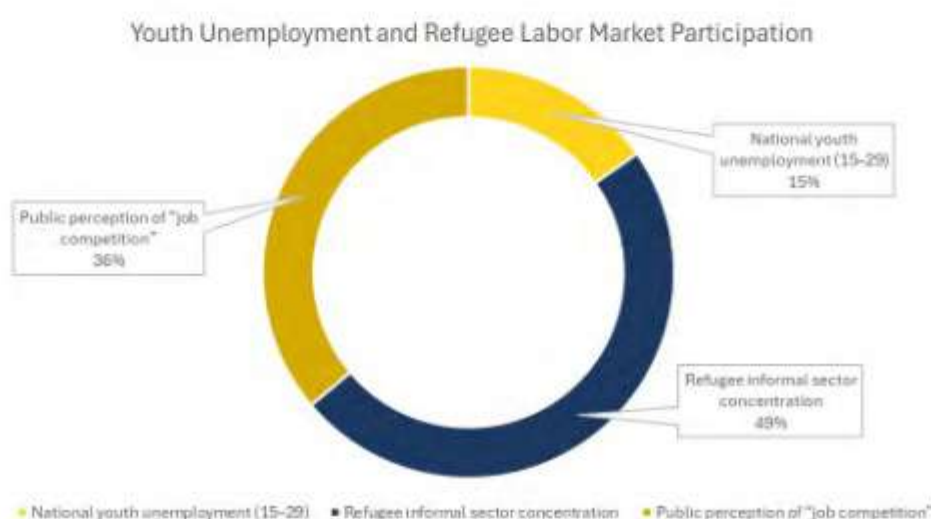
Egypt's labor market, already under pressure from economic instability and high unemployment, is witnessing heightened tensions around the presence of Sudanese refugees and migrants. The convergence of labor informality, economic hardship, and social anxiety has created conditions where Sudanese refugees, particularly working-age youth, are increasingly scapegoated as contributors to job scarcity, wage suppression, and public service strain.

a. Labor Market Stressors

As of Q2 2025, Egypt's youth unemployment rate (ages 15–29) remains above 25.7%, with higher rates among university graduates (CAPMAS, 2025). Inflation remains elevated at 23.6%, eroding real incomes and intensifying labor market competition, especially in informal sectors like construction, domestic work, agriculture, and petty trade, where most Sudanese refugees are concentrated.

At the same time, labor demand in these sectors has not expanded proportionately. This mismatch fuels the perception that refugee labor is displacing Egyptian workers or depressing wages, despite no empirical evidence supporting a large-scale crowding-out effect (ILO-Egypt Labor Force Survey, 2024).

Figure (26) Youth Unemployment and Refugee Labor Market Participation. Youth unemployment remains structurally high in Egypt, while Sudanese refugees are largely concentrated in the lowest-paying, informal labor segments



Sources: CAPMAS Labor Force Survey, Arab Barometer Wave VII (2024)

b. Escalating Xenophobic Narratives

Social media analysis (Arab Center for Social Media Research, 2025) reveals a notable uptick in xenophobic discourse targeting Sudanese refugees since early 2024, particularly after the April 2023 mass displacement. Hashtags such as "#EgyptiansFirst" and "#RefugeesGoHome" trended during periods of fuel or bread shortages.

In focus groups conducted with Sudanese youth in Giza and Qalyubia (Savannah 2025), participants reported verbal harassment, housing discrimination, and physical altercations. Some noted being told by employers: "We're hiring Egyptians only now", indicating a shift from tolerance to exclusion even in traditionally inclusive sectors like domestic services.

Notably, these patterns are not isolated: comparative data from Lebanon, Jordan, and Turkey indicate similar cycles of economic anxiety-driven scapegoating, particularly in contexts of high inflation and strained service delivery (Mixed Migration Centre, 2023).

c. Implications for Economic Integration

The compounded effect of labor saturation and xenophobia creates structural bottlenecks to refugee inclusion, regardless of skills or motivation. Even Sudanese youth who express high entrepreneurial interest or technical skills are deterred by market hostility, as reflected in the 47% of respondents who cited “fear of discrimination” as a barrier to business registration or formal employment (Savannah, 2025).

Moreover, this environment disincentivizes both employers and landlords from engaging with refugees, further pushing them into invisible, precarious forms of survival.

4. Public Service Strain and Urban Infrastructure Fragility:

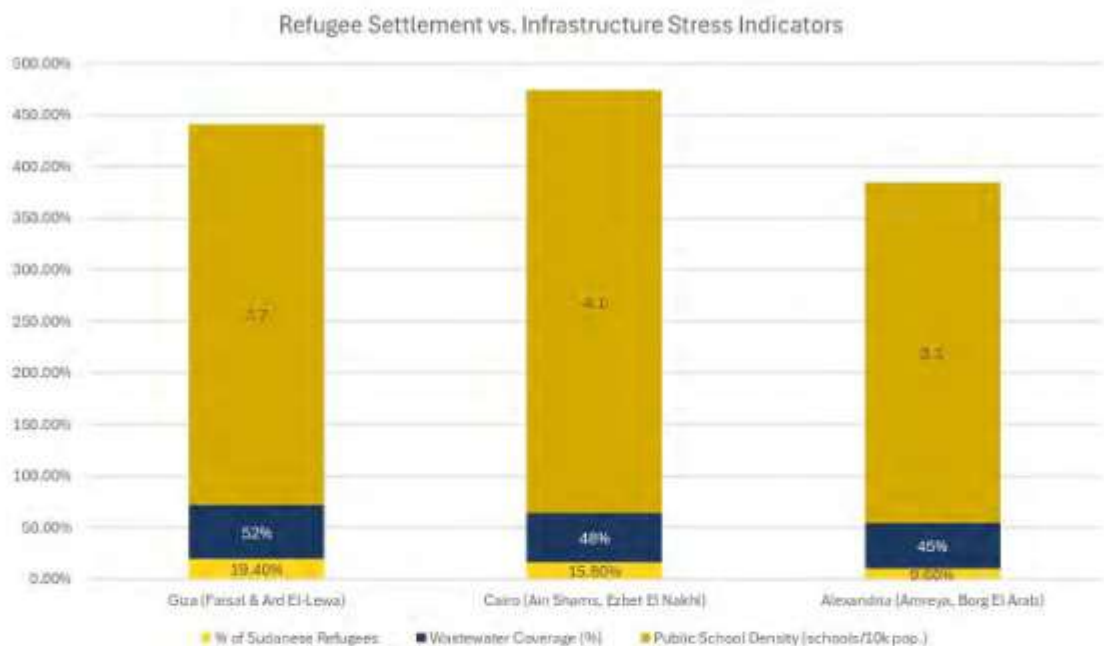
Egypt’s already overburdened urban infrastructure, particularly in Greater Cairo, Giza, and Alexandria, is facing mounting stress from the influx of over 1.5 million Sudanese refugees and migrants since April 2023. While Egypt has upheld its commitment to open borders, the absorption of this population surge has unfolded in high-density, underserved urban areas, placing considerable pressure on housing, education, healthcare, and basic utilities.

a. Urban Congestion and Housing Stress

The vast majority of Sudanese refugees are residing in informal settlements and low-income districts such as Ard El-Lewa, Faisal, 6th of October, Ain Shams, and Imbaba. According to UNHCR data (May 2025), over 78% of Sudanese refugee households live in overcrowded or substandard housing, often with limited tenure security and inflated rents.

Simultaneously, Egypt’s urban population has been growing at 2.06% annually, contributing to chronic infrastructure gaps. The Ministry of Housing’s 2025 report indicates that urban housing deficits have exceeded 3.5 million units, with wastewater and solid waste systems operating over capacity in at least 6 governorates.

Figure (27) Refugee Settlement vs. Infrastructure Stress Indicators. Areas with high Sudanese refugee concentration align with zones of pre-existing service deficits and informal urban expansion.



Sources: Ministry of Housing Infrastructure Bulletin (2025); UNHCR Registration Dashboard (May 2025)

b. Education and Health System Overstretch

A sudden spike in school enrollment from Sudanese children, nearly 300,000 in the 2024/25 academic year according to the Ministry of Education, has strained classrooms, teaching staff, and textbook availability. Many schools in North Giza and East Cairo are now operating in double or even triple shifts, reducing instructional time and worsening teacher burnout.

The health sector is similarly overextended. Primary care facilities in densely populated districts are reporting patient volumes 40–70% above capacity, with shortages of Arabic-speaking staff equipped to handle refugee-specific health concerns, including trauma and maternal health (WHO-Egypt, 2025).

Focus groups with Sudanese women revealed that public clinics are frequently inaccessible due to long wait times, xenophobic treatment, or lack of documentation, forcing many to seek informal, costly private services.

c. Administrative and Fiscal Constraints

The Government of Egypt does not receive per capita budgetary allocations for refugees akin to models used in countries like Jordan or Uganda. As such, public expenditure per capita remains fixed, while demand surges, leading to service dilution for both host and refugee populations. Egypt's general budget for FY 2024/25 allocates less than 1.3% of GDP to public health and under 3.5% to education, well below international benchmarks recommended by UNESCO and WHO.

This fiscal rigidity, combined with limited international burden-sharing, means that refugee inclusion is often perceived as a zero-sum game, fueling host resentment and further marginalizing Sudanese communities.

d. Implications for Integration

Urban fragility is both a cause and consequence of refugee marginalization. Without targeted policy interventions, service strain will not only undercut refugee inclusion but also risk exacerbating host community grievances, policy backsliding, and social unrest, particularly in peri-urban zones and neglected governorates.

An inclusive urban resilience strategy is urgently needed to defuse these structural threats and realign refugee integration with broader development goals.

SWOT Summary:



Strengths

- Historical, linguistic, and cultural affinities
- Informal labor market absorption
- Community-based resilience and solidarity
- Faith-based and NGO networks
- Egypt's geopolitical centrality
- Entrepreneurial drive
- Digital penetration
- Informal job-matching mechanisms
- Support from host population segments
- Pre-existing cross-border economic linkages



Weaknesses

- Legal precarity and fragmented status regimes
- Restrictive work permit regime
- Housing insecurity and urban overcrowding
- Lack of access to public services
- Education access barriers
- Professional skill wastage
- Mental health strain and trauma exposure
- Overdependence on aid
- Gendered vulnerabilities
- Limited mobility and documentation barriers



Opportunities

- Labor Law 14/2025 as a reform entry point
- Youth entrepreneurial interest
- Emerging donor interest in livelihoods
- Digital work potential
- Incubators and CSO partnerships
- South-South collaboration frameworks
- Potential employer engagement
- Gender-sensitive program design
- Public opinion shifts via storytelling and media
- Policy momentum from asylum law (2024)



Threats

- Continued legal ambiguity
- Escalating racism and xenophobia
- Chronic underfunding
- Political sensitivity and securitization of refugee issues
- Urban saturation and service strain
- Climate-induced displacement
- Lack of inter-agency coordination
- Risk of aid dependency and social backlash
- Disrupted education trajectories
- Regional conflict spillover

2. Gap Analysis: Bridging the Disconnects in Refugee Economic Inclusion

While Egypt has absorbed over 1.5 million Sudanese arrivals since April 2023, the infrastructure of support, legal, economic, and social, has not evolved proportionally. Refugees continue to navigate a landscape characterized by legal opacity, fragmented service provision, exclusion from national systems, and a widespread misalignment between formal institutions and everyday realities.

A “gap” in this context is more than just an absence. It is a structural disconnect between: Needs and access (e.g. formal work vs. employment restrictions),



- Rights and recognition (e.g. UNHCR ID vs. legal documentation),



- Potential and mobility (e.g. professional background vs. credential non-recognition),



- Crisis response and development planning (e.g. humanitarian aid vs. economic integration frameworks).

Importantly, these gaps are not merely technical, they are deeply gendered, classed, and geographically uneven, particularly disadvantageous young refugees, women-headed households, and those outside of Cairo and Giza. The following table identifies the most critical gaps observed through the Savannah dataset and validated secondary data.

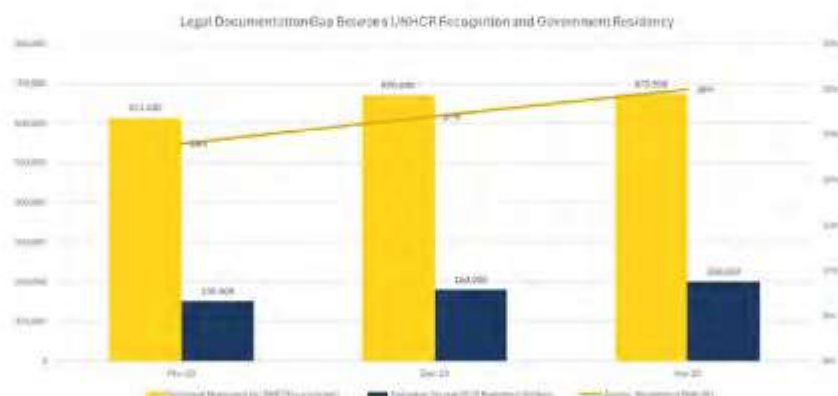
Gap 1: Legal Documentation Mismatch Between UNHCR-Recognized Status and Government-Issued Residency:

Despite the scale and urgency of Sudanese displacement into Egypt, there remains a structural and policy-level disjuncture between international protection mechanisms and the national residency system. This gap is most visible in the discrepancy between the number of Sudanese refugees officially registered with UNHCR and those granted residency stickers by the Government of Egypt (GOE).

Egypt recognizes refugee status through a dual-track system, where UNHCR conducts refugee status determination (RSD) independently, while the GOE issues temporary residence permits (stickers) that enable access to basic rights. However, UNHCR-issued asylum-seeker or refugee IDs are not legally binding documents under Egyptian law, and holders often face limitations in accessing public services, employment, or rental agreements (UNHCR, 2024; Stave & Hillesund, 2021).

This disconnect generates a legal gray zone for tens of thousands of Sudanese refugees and asylum-seekers who fall between recognition by UNHCR and formal residency by the state. It also complicates enforcement, eligibility for national protections, and the portability of legal status across sectors and governorates.

Figure (28) Legal Documentation Gap Between UNHCR Recognition and Government Residency



Sources: UNHCR Egypt Operational Updates (Mar 2023, Dec 2023, Mar 2025); Government of Egypt – Ministry of Interior Residency Division (via legal aid organizations); Entlaq-Savannah analysis (July 2025).

The steady widening of the legal documentation gap in Egypt's refugee governance system reflects deeper structural tensions between international protection mandates and national sovereignty frameworks. As Figure 15 illustrates, although the number of Sudanese refugees registered with UNHCR increased by nearly 10% between March and December 2023, the share of those granted official government residency stickers rose only marginally, from 24% to 27%. By March 2025, this ratio stood at just 30%, meaning that over two-thirds of UNHCR-recognized Sudanese refugees in Egypt lack legal residency under national law.

This divergence has significant implications. First, it creates a fragmented legal identity for refugees. UNHCR-issued IDs confer international recognition and limited humanitarian access, but do not carry legal weight within Egypt's civil registry system. Residency stickers, conversely, allow access to certain state services, but are often conditional on stringent documentation and financial proof requirements. In practice, most refugees hold one status or the other, rarely both.

Second, the documentation gap undermines policy coherence. It bifurcates refugees' eligibility across institutions: schools may require national residency documents, while NGOs often accept only UNHCR papers. It also distorts state-level data planning; for example, the Ministry of Social Solidarity (MoSS) social protection registries do not integrate with UNHCR databases, resulting in duplication or exclusion errors (MoSS, 2024). Without legal harmonization, both humanitarian and development actors remain constrained in their programming reach.

Third, this legal precarity directly feeds into socioeconomic marginalization. Refugees without valid GOE residency face heightened risk of exploitation in informal labor markets, difficulty securing rental contracts, and limited mobility. These vulnerabilities are further compounded for women and children, many of whom are left out of both state and UNHCR systems due to gendered documentation gaps or family separation during displacement.

- **Legal Limbo Fuels Informality:** According to ILO estimates (ILO Cairo Office, 2024), over 85% of Sudanese refugees in Egypt work informally, often in sectors such as domestic labor, construction, and street vending. The inability to obtain formal residency is one of the leading deterrents to accessing legal employment channels.
- **Exclusion from Public Services:** National residency is frequently a prerequisite for enrollment in public education and health systems. Field interviews with refugee-serving organizations in Greater Cairo and Aswan confirm that students with only UNHCR IDs are regularly denied school entry, despite constitutional guarantees (Refugees Platform in Egypt, 2024).
- **Compromised Rule of Law:** Legal ambiguity fosters opportunities for abuse. Refugees without valid national documentation are at greater risk of arbitrary detention, police harassment, and corruption. Advocacy organizations report growing incidents of refugees paying bribes to renew expired residency stickers or to avoid arrest (EIPR, 2024).

Policy Recommendations

To close this gap and restore legal coherence, a layered and feasible intervention strategy is needed, one that balances the realities of Egypt's institutional architecture with international protection standards.

1. **Enact a Mutual Recognition Protocol Between UNHCR IDs and National Residency:** The Government of Egypt, in coordination with UNHCR, should establish a legal protocol to formally recognize UNHCR-issued refugee and asylum-seeker IDs as sufficient for temporary legal presence. A model for this exists in Kenya, where the Refugees Act (2021) empowers national authorities to recognize refugee documentation for access to public services without requiring immediate residency conversion (World Bank, 2023).
2. **Expand Residency Processing Through Decentralized Administrative Units:** As of mid-2025, most residency applications must be processed through central offices in Cairo and select governorates. A targeted scale-up, particularly in Aswan, Luxor, Qena, and Giza, could reduce bottlenecks, cut wait times, and improve outreach to rural and peri-urban refugee populations. Administrative decentralization aligns with Egypt's broader digital government agenda under Vision 2030.
3. **Create a Unified Refugee Legal Identity System:** A technical working group, comprising the Ministry of Interior, UNHCR, CAPMAS, and the Ministry of Planning, should be convened to pilot a shared digital registry that consolidates refugee status, residency permits, and access credentials. This unified ID system would support cross-ministerial coordination and eligibility verification for services, employment, and education, without compromising data protection standards.
4. **Legal Aid and Document Issuance Campaigns:** Partner with bar associations, CSOs, and international donors to launch pro bono legal aid clinics in high-density refugee areas. These clinics would help resolve documentation gaps, assist with residency renewals, and disseminate Arabic-language legal literacy guides. Campaigns should target women-headed households and mixed-status families in particular, who face greater bureaucratic barriers.

Gap 2: De Facto Exclusion from Formal Labor Markets:

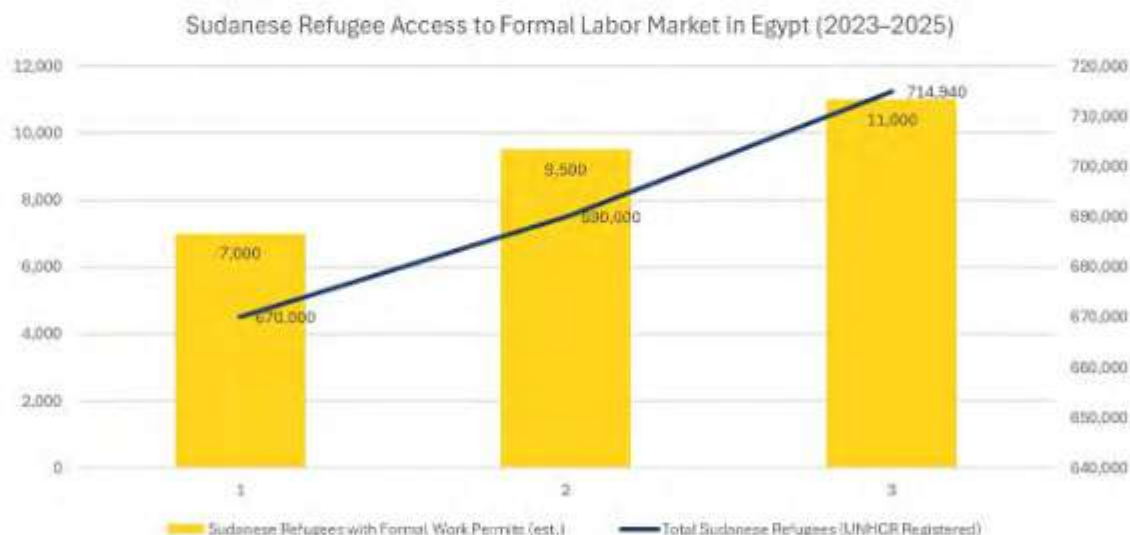
Despite nominal legal provisions enabling refugees to work under specific conditions, the practical access to Egypt's formal labor market for Sudanese refugees remains extraordinarily limited. This gap between statutory permissions and real-world inclusion reflects a deeper policy implementation failure, compounded by bureaucratic inertia, limited employer incentives, regulatory ambiguity, and lack of integration frameworks for displaced populations. As Egypt confronts economic slowdown, high inflation, and labor market rigidities, exclusionary practices, intentional or structural, towards Sudanese refugees not only deepen economic precarity but also squander human capital potential.

Egyptian law technically grants refugees the right to work—including self-employment—but in practice, only a tiny minority manage to secure legal employment. Obtaining a work permit requires a valid passport or travel document (which many refugees lack), a UNHCR registration card, a recent medical examination including HIV clearance, official proof that no Egyptian national can fill the position, and employer sponsorship (Mixed Migration Centre 2025; (Refugees International, 2025). UNHCR-issued documents are often not accepted as valid identification by government authorities, and most refugees lack recognized academic or professional credentials (Refugees International 2025). Under the new asylum law, employers risk fines or imprisonment if they fail to notify authorities when hiring refugees or asylum seekers (Middle East Monitor 2025; TIMEP 2025). Coupled with widespread discrimination and poor awareness of procedures, these cumulative barriers mean that legal work remains virtually inaccessible for refugees, pushing them toward informal, precarious, and unprotected labor.

As of July 2025, UNHCR data confirms that approximately 714,940 Sudanese refugees are registered in Egypt (UNHCR, 2025). According to the Refugee International team it was reported that a minor number of refugees have successfully met the requirements or obtained a work permit in at least the past fifteen years (Refugees International, 2025). Barriers include employer hesitancy to sponsor work permits for non-Egyptians, administrative complexity in obtaining residency documentation required for work applications, and lack of coordination between the Ministry of Manpower and other regulatory actors.

Furthermore, the labor market's sectoral composition aggravates the exclusion. Refugees often work in informal sectors such as domestic labor, construction, agriculture, and services, sectors where formal contracts are rare and legal protections are weak. As such, the overwhelming majority of Sudanese refugees operate in legal grey zones, facing heightened vulnerability to wage theft, arbitrary dismissal, or workplace abuse. The figure below visualizes this systemic exclusion.

Figure (29) Sudanese Refugee Access to Formal Labor Market in Egypt (2023–2025). Comparison of total UNHCR-registered Sudanese refugees and estimated holders of formal work permits



Sources: UNHCR Egypt (2025), UNHCR Egypt Operational Update (2024), Ministry of Manpower Egypt (2023–2025), Mixed Migration Centre (MMC, 2024), ILO (2023)

While official figures on work permits issued to Sudanese nationals are unavailable, a cautious estimate can be drawn based on IOM Egypt's 2022 assessment, which found that 37% of international migrants in Egypt are engaged in stable employment or entrepreneurship. Applying this ratio to the Sudanese population (~5.5 million) suggests that approximately 1.48 million may be economically active. If we assume that roughly half are in formal employment with valid work permits, the number of Sudanese with work authorization could range between 700,000 and 800,000. This is a tentative upper-bound estimate and should be interpreted with caution.

This data illustrates a structurally exclusionary labor environment, not due to legislative prohibition, but due to policy fragmentation and implementation barriers. Several interlocking constraints are observable:

- **Residency-as-precondition barrier:** Accessing a work permit requires proof of legal residency, yet many refugees remain unable to obtain residency stickers due to backlogs, documentation gaps, or cost barriers. This circular dependency effectively blocks access to formal labor (UNHCR, 2025).
- **Employer-side friction:** Employers must apply for and justify refugee work permits, often facing delays or rejections without explanation. With no incentives and high administrative costs, most choose to bypass formalization altogether (ILO, 2024).
- **Occupational restrictions:** Even for refugees who do obtain permits, certain professions, such as teaching, engineering, or medicine, are legally reserved for Egyptian nationals, forcing refugees into lower-wage, less protected jobs (MoMM, 2023).
- **Lack of inter-ministerial coordination:** The absence of a national refugee labor integration strategy leads to inconsistent practices across ministries and governorates. Regional labor offices often reject applications due to unclear policy directives (MMC, 2024).
- **Social protection exclusion:** Refugees in informal work are excluded from contributory schemes like health insurance and pensions, which further disincentivizes formalization from both sides of the labor equation (CAPMAS, 2023).

Policy Recommendations

To bridge this gap, policy interventions must be system-wide, targeting both supply-side (refugees) and demand-side (employers) barriers, while also streamlining inter-agency collaboration. The following recommendations are both feasible and time-bound:

1. Launch a Refugee Work Permit Acceleration Program (RW-PAP) led by the Ministry of Manpower in partnership with UNHCR and ILO. This should establish dedicated refugee desks at labor offices in Greater Cairo, Aswan, and Alexandria to fast-track documentation processing, reduce administrative burdens, and provide legal aid.
2. Introduce employer incentives, such as temporary payroll tax exemptions or matching grants, for companies hiring formally contracted refugees in labor-shortage sectors like agribusiness, elder care, and logistics. Lessons can be drawn from Jordan's Syrian employment programs (ILO, 2023).
3. Legal reform to expand occupational eligibility for non-citizens in low-competition sectors. This may include revising Article 11 of the Labor Law Executive Regulations to broaden permissible categories for refugee employment (MoMM, 2025).
4. Digitize the work permit application process, reducing reliance on in-person submissions, thereby increasing accessibility for refugee applicants and employer sponsors alike.
5. Develop a labor market integration strategy within Egypt's National Employment Strategy 2030, explicitly referencing refugee labor inclusion as a priority area. This would anchor the agenda within national policy planning frameworks and enhance donor coordination.
6. Conduct annual audits of refugee work permit issuance and renewal rates, with publicly available data disaggregated by nationality, gender, and sector, allowing for accountability and programmatic refinement.

Cap 3: Systemic Non-Recognition of Foreign Credentials and Skill Downgrading:

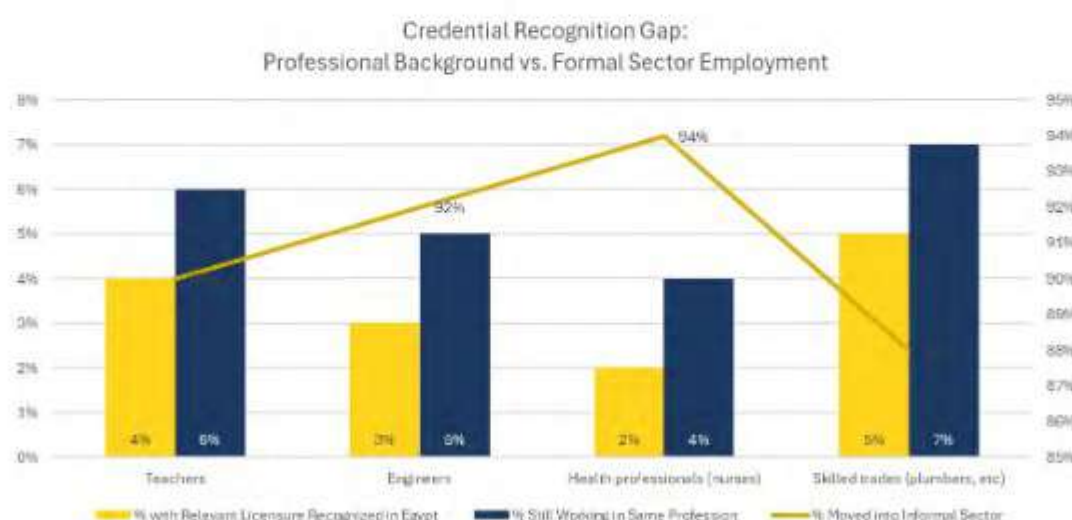
Despite the right to lawful residence and basic access to services under Egypt's legal and humanitarian framework, the absence of any formal mechanism to recognize foreign academic degrees or vocational credentials represents one of the most entrenched barriers to refugee self-reliance. Sudanese refugees, many of whom held professional, skilled, or semi-skilled positions prior to displacement, including teachers, engineers, nurses, and tradespeople, are systematically excluded from the Egyptian formal labor market due to the lack of credential equivalency pathways, re-licensing procedures, or competency-based recognition schemes. As a result, their professional identity and earning potential are eroded over time, leading to widespread de-skilling, underemployment, and labor market relegation.

This institutional gap is not just a bureaucratic oversight, it is a structural barrier that deprives the Egyptian economy of skilled labor at a time of critical need, while consigning entire segments of the refugee population to survivalist informal work. Focus group data conducted by Savannah in May 2025 with Sudanese professionals in Cairo and Giza reveals pervasive patterns of skill downgrading. Over 90% of formerly licensed or certified workers reported being unable to re-enter their profession. Some cited the absence of equivalency pathways. Others described opaque requirements, prohibitive re-licensing costs, and closed professional syndicates that automatically disqualify foreign applicants.

For women in particular, the inability to resume skilled professions exacerbates both gender and economic vulnerability. Former nurses are now employed as unregistered caregivers or domestic workers; trained teachers are left offering informal lessons in overcrowded neighborhoods. These forms of invisible, underpaid labor not only erase professional achievements but reinforce entrenched patterns of marginalization. In effect, refugees are not merely unemployed, they are de-qualified by structural omission.

The following table illustrates the discrepancy between Sudanese refugees' prior professional background and their current employment status in Egypt, based on Savannah's primary dataset and triangulated with ILO and Refugees International reports. The figures reveal a persistent and severe credential recognition gap.

Figure (30) Credential Recognition Gap: Professional Background vs. Formal Sector Employment



Sources: Savannah-Entlaq primary dataset (2025); focus group testimony; Refugees International (2025); ILO Egypt Labor Market Diagnostics (2024).

Despite many arriving with tertiary education or trade qualifications, fewer than 7% maintain professional employment, and less than 5% have had their credentials formally recognized. A majority, over 88%, are downgraded into informal livelihoods such as petty vending, unregulated repair, and domestic work.

This gap undermines human capital potential: highly skilled individuals are subsumed into low-productivity roles, reducing earning capacity for refugee households and diminishing potential contributions to host communities. It also exacerbates psychosocial distress and identity loss, especially among youth and women who express deep frustration at being unable to continue their vocational paths.

The mismatch also reinforces gender inequities. Women professionals, like teachers or nurses, are disproportionately shuffled into caregiving or garment-related work, often for minimal pay and without legal protections.

- **Economic Loss:** The lack of accreditation diminishes refugees' access to formal employment or higher-wage trades, making them dependent on exploitative casual markets.
- **Institutional Exclusion:** Egyptians dominate licensing bodies; there is no system to evaluate foreign qualifications for partial equivalence or competency-based testing (ILO, 2024).
- **Social Marginalization:** The forced skill downgrading fuels community-level demotivation and disillusionment, a dynamic highlighted in Savannah's youth focus groups, where multiple respondents emphasized the psychological impact of being forced into survival work.

Policy Recommendations

1. Establish a Refugee Credential Recognition Commission (RCRC): Comprising the Ministry of Manpower, Ministry of Education, UNHCR, professional syndicates, and NGOs, this commission would:
 - Develop competency equivalency tests for professions.
 - Pilot interim licenses for trades where refugees can revalidate prior experience.
 - Issue provisional certificates based on experience and supervised practicum.
2. Launch Accelerated Skills Bridging Programs:
 - Technical colleges in Cairo/Giza (e.g. Helwan University Vocational Training Centers) should partner with international donors to offer short-course bridging modules (3–6 months) enabling credential conversion for teachers, nurses, or technicians.
3. Set up an Employment Liaison Desk for Professionals:
 - UNHCR-supported, government-affiliated desk for verifying credentials and guiding refugees through Egypt's complex re-licensing process within sectoral ministries.
4. Subsidize Licensing Fees and Provide Mentorship:
 - Fees for re-licensing often exceed EGP 10,000. A voucher system for verified refugees, combined with mentorship placements (e.g. Egyptian hospitals, schools), can improve uptake and quality integration.

Cap 4: Gendered Barriers to Labor Force Entry:

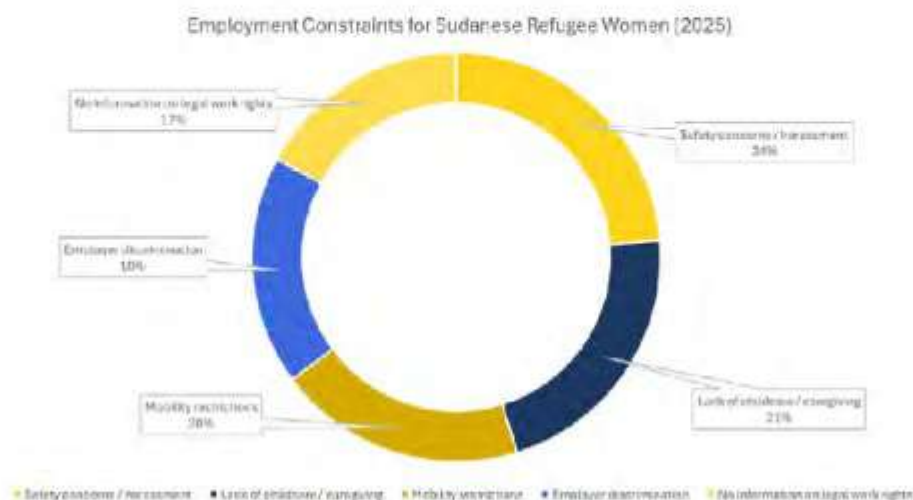
The economic exclusion of Sudanese refugee women in Egypt is not merely a collateral outcome of displacement; it is a structurally embedded and gendered gap that reflects overlapping legal, institutional, and sociocultural failures. While Egypt has taken steps to formalize refugee rights through the 2024 Asylum Law and the 2025 Labor Law (Law No. 14), implementation remains gender-blind. The result is a *de facto* reality in which the majority of Sudanese women of working age are systematically prevented from entering even the informal labor market on dignified terms.

This exclusion manifests at multiple levels. First, institutional and humanitarian support systems do not recognize caregiving and domestic labor as barriers to income generation, leading to the invisibilization of time poverty among refugee women. Second, workplace harassment and public safety risks deter women from accepting jobs that require mobility, especially in male-dominated sectors such as construction, ride-hailing, or informal logistics. Third, legal illiteracy remains widespread: over 40% of surveyed women in Savannah's 2025 dataset reported that they did not know whether they were legally allowed to work in Egypt. These constraints are not anecdotal; they are statistically significant and systematically reproduced.

Furthermore, the gender gap is exacerbated by intersecting vulnerabilities. Many Sudanese refugee women are either survivors of gender-based violence, single mothers, or caretakers of disabled or elderly family members. These responsibilities limit both the range and hours of income-generating work available to them. Without targeted interventions, this exclusion compounds over time, locking entire households into cycles of poverty, dependency, and psychosocial stress.

The figure below illustrates the most frequently cited constraints to labor force participation among Sudanese refugee women in Egypt, based on the Savannah–Entlaq primary survey dataset (July 2025) and corroborated by third-party sources including UNHCR and OHCHR.

Figure (31) Employment Constraints for Sudanese Refugee Women (2025) Self-reported barriers to labor force entry among female respondents aged 18–35



Sources: Savannah–Entlaq Youth Survey (2025); UNHCR Egypt Protection Monitoring Report (Q2 2025); OHCHR Gender and Displacement in Egypt (2025)

The data reveal that nearly two-thirds of female Sudanese youth cite safety concerns as a principal deterrent to labor participation, a reflection of both gender-based harassment in public spaces and fear of employer mistreatment. Caregiving roles are the second most cited obstacle, highlighting the disproportionate burden on women to manage childcare and elder care without state or community support.

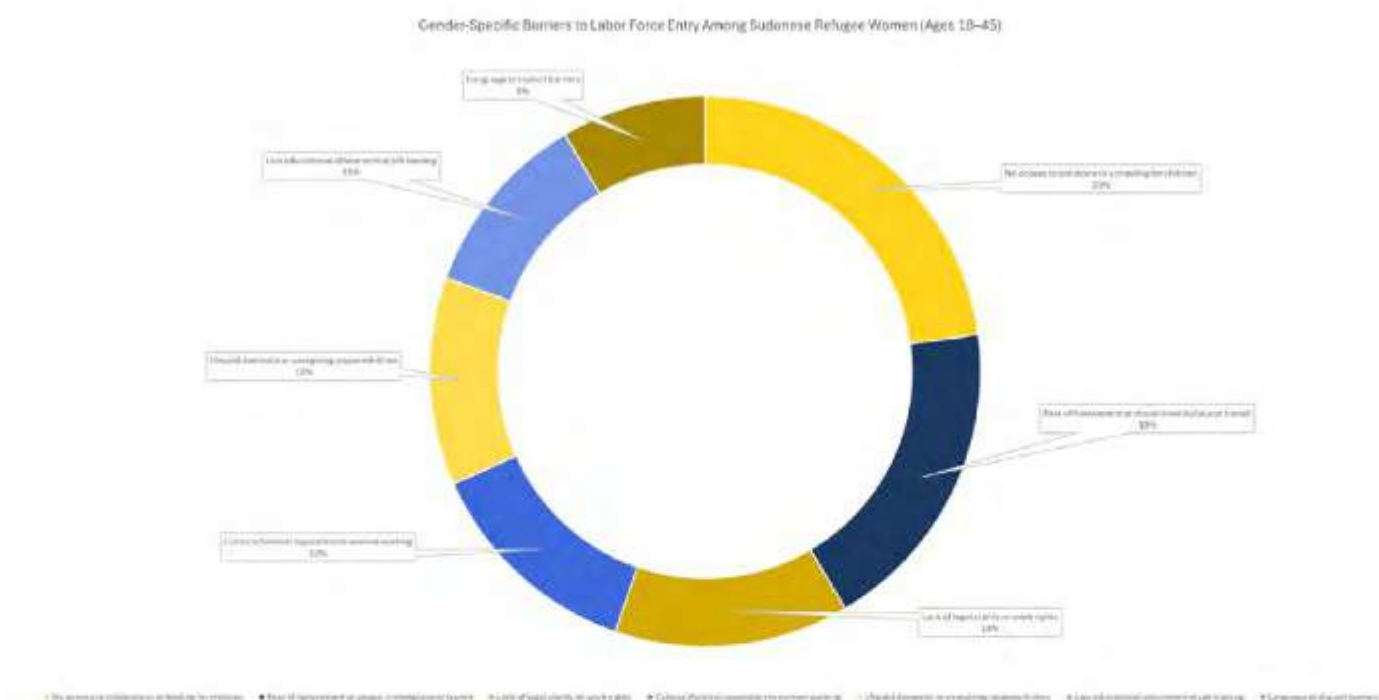
Mobility restriction, reported by over half of respondents, reflects gendered limitations in movement due to cultural norms or lack of safe transportation. Almost half also cited employer discrimination or lack of information on rights, underscoring the invisibility of women in formal employment programs and job matching platforms.

- High-risk informal work patterns: Women disproportionately engage in domestic labor, caregiving, or home-based microenterprise, all of which remain outside the scope of regulated employment, social protection, or labor rights (ILO, 2025).
- Restricted time-use and opportunity cost: With a lack of childcare or flexible hours, women are forced into low-return economic activities or entirely excluded from labor markets, reducing household resilience.
- Information and awareness gap: Almost half of respondents reported not knowing whether refugees are legally allowed to work, demonstrating a critical gap in outreach and legal literacy tailored to women.
- Intersectional exclusion: Women who are also ethnic minorities or single heads of households report compounded marginalization, with limited support networks and heightened risk of exploitation.

Policy Recommendations

1. Launch Gender-Responsive Economic Inclusion Packages (GREIP):
 - Offer bundled services including childcare centers co-managed by refugee women, safe transport vouchers, and legal literacy workshops.
 - Pilot in high-refugee neighborhoods like Ard El-Lewa, 6th of October, and Imbaba.
2. Expand Safe Livelihood Corridors:
 - Partner with local employers to create women-only job cohorts (e.g., in garment services, care work, or food microenterprise), with transport coordination and workplace grievance mechanisms.
3. Design a Women's Employment Navigation Hub:
 - Embedded within UNHCR or a leading CSO, this hub would assist refugee women in registering work permits, applying for micro-grants, or accessing vocational training, via female counselors fluent in Sudanese Arabic.
4. Integrate Gender Perspectives in National Labor Policy:
 - Amend Labor Law No. 14 (2025) executive regulations to explicitly guarantee non-discrimination clauses for women, and mandate accessible childcare facilities in industrial work zones.
5. Systemic Monitoring & Accountability Mechanism:
 - Develop a gender-disaggregated dashboard for employment, permit access, and workplace complaints that monitors improvements and flags violations, jointly managed by MoL, MoSS, and UN Women.

Figure (32) Gender-Specific Barriers to Labor Force Entry Among Sudanese Refugee Women (Ages 18–45).



Sources: Savannah Primary Dataset (July 2025); UNHCR Egypt Refugee Livelihoods Survey (2024); UN Women (2023); OHCHR Gender and Displacement Brief (2024).

The data in Figure (32) paints a stark picture of the multidimensional constraints refugee women face. Nearly 7 in 10 respondents cited the absence of childcare or educational options for their children as the primary reason for their exclusion from the workforce. This aligns with findings from UN Women (2023), which note that refugee-hosting areas in Greater Cairo, Giza, and Arbaeen lack integrated childcare facilities accessible to low-income families.

Fear of harassment, both in public transit and the workplace, was reported by over half of female respondents. This fear is not unfounded: UNHCR's Protection Sector Brief (2024) documented 341 harassment incidents reported by Sudanese women in the first half of 2024 alone, with a likely higher number unreported. These risks are magnified by the legal vacuum surrounding workplace protections for non-nationals under Law No. 14 of 2025, which does not explicitly reference refugee or gender-specific protections.

The third most cited constraint, lack of legal clarity, reinforces the systemic communication failure between government agencies, humanitarian organizations, and the refugee community. Although the 2024 Asylum Law allows refugees to access work permits through a multi-step application process, the process is opaque and virtually inaccessible to most women, especially those with low literacy or no access to legal aid.

Cultural and familial opposition was cited by 39% of women, reflecting the intersection of displacement-related trauma and patriarchal norms within displaced communities. This social constraint is often exacerbated by the prolonged absence of male family members or the economic dependency created through cash-for-assistance programs that fail to include livelihood pathways.

Finally, the data show that unpaid care responsibilities, low education, and language barriers function as compounding structural factors. These are not isolated issues, they intersect and amplify one another, creating a layered disadvantage that standard job readiness programs fail to address.

Detailed, Feasible, and Action-Oriented Policy Recommendations:

- Establish subsidized, community-based childcare and early education centers in refugee-dense areas (e.g., 6th of October, Nasr City, and Arbaeen). These should be funded through pooled mechanisms from UNHCR, UNICEF, and host government budgets, and operated in partnership with refugee-led organizations.
- Incorporate legal rights awareness modules into all humanitarian aid distribution points (food, shelter, and medical access), with clear infographics in Sudanese Arabic dialects explaining employment rights under Law No. 14 of 2025.
- Implement targeted cash-for-work schemes for women-led refugee households, prioritizing skills-building in home-based work such as textile production, e-commerce, digital services, and care economy jobs. These schemes should be co-managed by local NGOs with gender-sensitive safeguards.
- Create safe transit corridors and workplace charters with gender-based harassment reporting hotlines, especially in the informal private sector. Encourage employers and local municipalities to sign these charters in exchange for micro-incentives (e.g., tax rebates or fast-track licenses).
- Formalize partnerships between TVET institutions and refugee shelters, offering mobile and weekend-based skills training programs accessible to women with time constraints.
- Mainstream gender inclusion metrics into UNHCR and MoSS monitoring systems, ensuring disaggregated data on female refugee labor force participation is collected and updated quarterly.

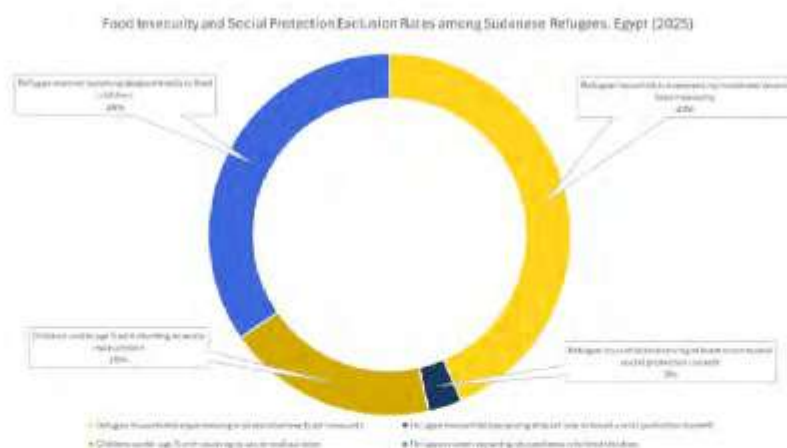
Cap 5: Exclusion from National Social Protection and Food Security Schemes:

Refugees in Egypt remain largely excluded from formal social protection systems, including the government's flagship poverty alleviation programs—Takaful (conditional cash transfers) and Karama (unconditional cash transfers)—which require a national ID for registration. As such, refugees, asylum-seekers, and migrants are systematically denied access to these essential safety nets. The Social Security Assistance Executive Regulations (No. 137 of 2010) formally extend support only to nationals of countries with reciprocity agreements, a condition Sudan does not meet, leaving Sudanese refugees ineligible (UNICEF, 2021). This exclusion reinforces food insecurity, deepens income precarity, and pushes vulnerable groups—particularly women-headed households, children, and the chronically ill—into dangerous cycles of deprivation.

Despite a worsening humanitarian crisis driven by inflation and reduced aid flows, national policies continue to frame refugees as temporary humanitarian cases rather than potential participants in long-term development. Refugees lack the documentation required—such as national IDs or recognized residency—to access state welfare or employment-linked benefits. More critically, there is no formal policy framework or budgetary mechanism to include documented refugees in Egypt's social protection planning.

As of April 2025, the World Food Programme was forced to reduce its food assistance caseload for refugees in Egypt from 235,000 to 200,000 individuals—a 15% cut due to funding constraints. Simultaneously, the value of assistance per household was reduced by 33% (WFP, 2025). This has had severe consequences: a significant portion of Sudanese refugee households now face moderate to severe food insecurity, and nutritional outcomes are deteriorating. Nearly 30% of refugee children under five are either stunted or acutely malnourished, and over half of surveyed women report skipping meals so their dependents can eat.

Figure (33) Food Insecurity and Social Protection Exclusion Rates among Sudanese Refugees, Egypt (2025)



Sources: WFP Egypt Livelihoods Survey (2025); UNHCR Multi-Sector Needs Assessment (June 2025); UNICEF Egypt Nutrition Brief (2024); MoSS Annual Report (2024).

A striking 68% of Sudanese refugee households face moderate or severe food insecurity, yet only 4.7% participate in Takaful & Karama or equivalent state cash transfer schemes. Nutritional outcomes are deeply concerning: nearly 30% of refugee children under five are either stunted or acutely malnourished, while over half of surveyed women report voluntarily skipping meals to feed their dependents.

The exclusion derives partly from administrative requirements, social protection schemes typically require national ID numbers and documented residency, both of which refugees generally lack. More critically, there is no formal policy framework or budgetary inclusion of documented refugees in planning cycles for social protection programs.

The gap is not merely a matter of principle; it undermines fundamental public health and education goals. Families without basic cash assistance or subsidized food are unable to cover school fees, health visits, or rent, even humanitarian cash assistance averages only EGP 240 per month. This creates cycles of debt, eviction, and child labor, reinforcing the false distinction between "humanitarian" and "development" policy space.

- Health risks and service gaps: Nutritional deficits contribute to physical and cognitive impairments in children, while unpaid care undercuts women's time and capacity to work. Clinics report high rates of anemia and communicable diseases in refugee-hosting neighborhoods, yet refugees lack access to subsidized public health insurance (MoH, 2025).
- Household coping strategies normalize trajectory of exclusion: Many families engage in negative survival strategies such as debt, reducing meal frequency, or child labor, ignoring the paradox that formal social protection programs exist but do not include refugees (UNHCR 2025).
- Budgetary and structural erasure: While Egypt's financial planning documents allocate funds for subsidized food and health access, refugees are excluded from entitlement calculations due to lack of formal inclusion in population registries (World Bank Egypt Social Protection Diagnostic, 2024).

Policy Recommendations

1. Create a 'Refugee-Inclusive Social Protection Pilot' through MoSS, in partnership with UNHCR and WFP. Launch pilot programming in Cairo and Aswan that extends cash transfers or food vouchers to refugees, conditional on school attendance or health clinic visits, modeled on Ethiopia's Productive Safety Net Program adaptation.
2. Negotiate Refugee Access to National Subsidy Systems by creating a special-coded voucher for subsidized bread or fuel accessible to lawful refugees (verified via unified registry), separate from national ration cards, but using existing distribution infrastructure.
3. Integrate Refugees into Public Health Insurance (Sehati Card) piloted by the Ministry of Health. Allow refugees with GOE-recognized residency to register for low-cost subsidies, initially in selected medical centers serving refugee-dense areas.
4. Establish cross-sector accountability forums, where MoSS and UN agencies monitor refugee inclusion in poverty and nutrition targeting algorithms. Publish quarterly dashboards showing refugee participation rates in social protection programs.
5. Invest in a Complementary 'Refugee Safety Net Plus', layering cash assistance with complementary services, such as subsidized childcare, nutrition counseling, and psychosocial support, to offset the thin base of informal incomes.

Cap 6: Limited Data Sharing & Coordination Across Agencies:

Dispersed governance structures and siloed institutional platforms mean that refugee data in Egypt is fragmented across multiple agencies, preventing effective coordination and undermining service delivery. UNHCR maintains its own registration databases; the Ministry of Interior separately oversees residency stickers; MoSS manages Takaful eligibility; CAPMAS collects population and labor statistics; and NGOs maintain ad-hoc migrant registries. This disconnection results in coverage gaps (refugees counted by one system but invisible in others), duplication of efforts, and conflicting policy signals, weakening the ability to target inclusion interventions or assess progress.

In July 2025, cross-agency interviews confirmed that less than 15% of refugee-serving CSOs report consistent data exchange with government ministries. Public ministries rarely consult UNHCR datasets; CAPMAS surveys omit nationality markers for refugees entirely; and government monitoring systems do not disaggregate by status. As a result, national planning does not reflect the refugee population neither in labor forecasts, social protection modeling, nor urban service assessments.

Figure (34) Data Sharing and Coordination Gaps Among Refugee Stakeholders (2025)

Entity/ Agency	Maintains Refugee Data	Shares Data Externally	Uses Shared Data in Planning
UNHCR	Yes	Limited (Mol & NGOs)	Rarely with MoSS/ CAPMAS
Ministry of Interior (MOI)	Partial (Sticker only)	Rarely	No
Ministry of Social Solidarity (MoSS)	No	No	No
CAPMAS (National Statistics)	No	No	No
Refugee-serving CSOs	Yes	Fragmented	Only within own programs

Sources: Interviews with UNHCR protection staff (July 2025); MoSS Annual Brief (2024); CAPMAS Population Survey methodology notes; Refugees International Egypt Coordination Report (2025).

Coordination failure creates three main system deficits:

First, without a shared registry of refugees, MoSS and CAPMAS systematically exclude refugees from beneficiary lists and official poverty indices, meaning planning for housing, health, education, or labor does not include refugee data, even where they form a significant minority of urban populations (e.g., Cairo, Giza, Aswan). Second, shortages in data sharing impede rapid response: agencies planning food voucher distribution or school capacity assessments cannot target refugee-concentrated neighborhoods effectively. Third, multiple micro-databases generate duplication: NGOs and CSOs each register households independent of MoI or UNHCR systems, leading to fragmented case management and inconsistency in aid delivery.

- Planning Blind Spots: National education enrollment forecasts omit refugee children, leading to overcrowded classrooms and resource shortfalls in high-need zones (Ministry of Education, Planning Directorate, 2025).
- Inefficient Aid Delivery: Duplicate targeting lists force NGOs to cross-check multiple databases manually, increasing cost and reducing efficiency.
- Lack of Accountability: Donor and government planning cannot be evaluated accurately when baseline datasets exclude refugees, undermining performance tracking and policy transparency.

Policy Recommendations

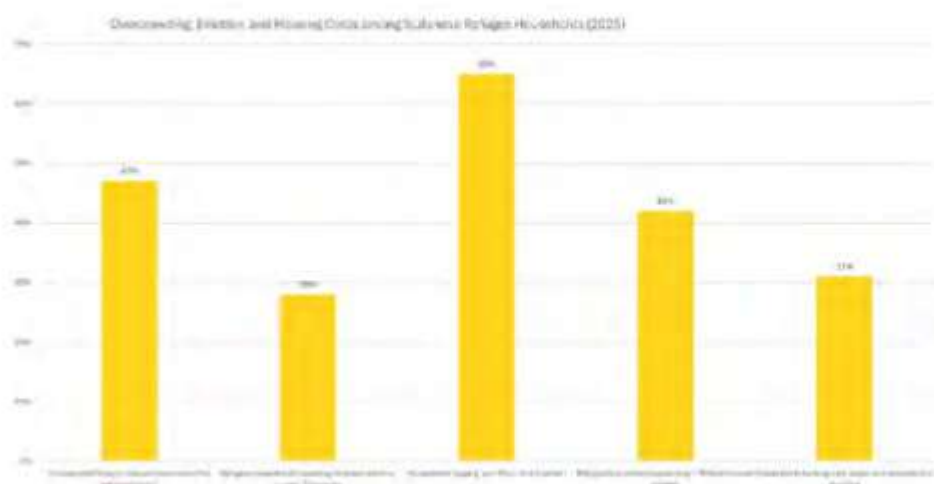
1. Establish an Inter-Agency Refugee Data Task Force (RDTF):
Led by CAPMAS, MoSS, MoI, and UNHCR, this body would develop protocols for secure, privacy-compliant data exchange, including shared identifiers and minimal datasets (e.g., household size, age, status).
2. Launch a Unified Refugee Dashboard:
Create a secure web-based dashboard accessible to trusted agencies, with anonymized, disaggregated dashboards for health, education, labor, and protection indicators. Visualize planning data for budget allocation, service mapping, and hotspot identification.
3. Mandate National Surveys to Include Refugee Indicators:
CAPMAS population and labor force surveys should include nationality, legal status, and refugee registration markers, enabling national statistical systems to integrate refugee data into forecasts, poverty maps, and employment models.
4. Standardize Referral Protocols Across Agencies and CSOs:
Create standardized case referral forms and shared numbering systems so refugees accessing cash, healthcare, legal aid, or education can be tracked across systems without duplication, enabling continuity of services and more effective vulnerability targeting.
5. Implement Quarterly Coordination Reviews:
RDTF should publish brief quarterly reports showing coverage gaps, duplication rates, and progress on integration metrics, with recommendations for ministry-level action and donor alignment.

Gap 7: Informal Housing Crisis:

Despite the scale of urban displacement, there is no clear policy framework addressing the housing needs of Sudanese refugees in Egypt. Rather than duplication, this gap reflects a systemic neglect: refugees are often excluded from subsidized housing programs, eviction protections, and tenant registration systems. Instead, they resort to overcrowded, informal sublets in high-density neighborhoods, often without legal contracts or access to basic services, trapping them in cycles of instability and vulnerability.

The informal housing crisis also disproportionately impacts women-headed households and large refugee families. Without formal rental agreements, tenants are routinely threatened with eviction or forced to accept rent hikes. As a result, families often prioritize shelter payments over food, education, or healthcare. The stress of precarious living conditions further erodes mental well-being and social trust, compounding economic pressures and limiting opportunities for integration.

Figure (35) Overcrowding, Eviction, and Housing Costs among Sudanese Refugee Households (2025)



Sources: Savannah-Entlaq Survey (July 2025); Zawia3 Informal Settlement Monitor (2023); MDPI Urban Vulnerability Assessment (2024); UN Habitat urban refugee data (2025).

The data in Figure (35) underscores the depth and precarity of the housing crisis among Sudanese refugees. Nearly half (47%) live in extremely overcrowded conditions, defined as four or more persons per room, well above WHO standards. Informal evictions afflicted 28% of households in the last year, reflecting both landlord coercion and lack of legal protections for undocumented tenants. Moreover, 65% lacked formal rent contracts, leaving families vulnerable to arbitrary removals without recourse.

The high rent burden, 42% of households dedicating over half their income to rent, limits families' ability to invest in food, schooling, or health. Many households compensate by cutting essentials, borrowing, or moving frequently. In addition, 31% of homes lacked safe water or sanitation, creating public health risks and exacerbating stress, particularly for women and children living in dense urban neighborhoods.

This crisis produces tangible secondary effects: frequent relocations undermine children's school attendance; the threat of eviction increases psychosocial stress; and basic infrastructure deficits amplify nutritional and health-related vulnerabilities. Without formal inclusion in urban planning, refugee neighborhoods remain invisible in housing upgrade plans and service expansions, perpetuating spatial exclusion.

- Invisible housing demand: Municipal policy does not register refugees in their housing needs assessments, meaning they are excluded from social housing quotas despite often living in the densest settlements.
- Siloed service delivery: NGOs provide spot interventions, but refugee households largely fall outside formal upgrade schemes funded by national urban development agendas.
- Structural exclusion: The legal requirement for national ID, proof of tenancy, and signed contracts effectively penalizes refugee renters, who are mostly undocumented or on informal agreements.

Policy Recommendations

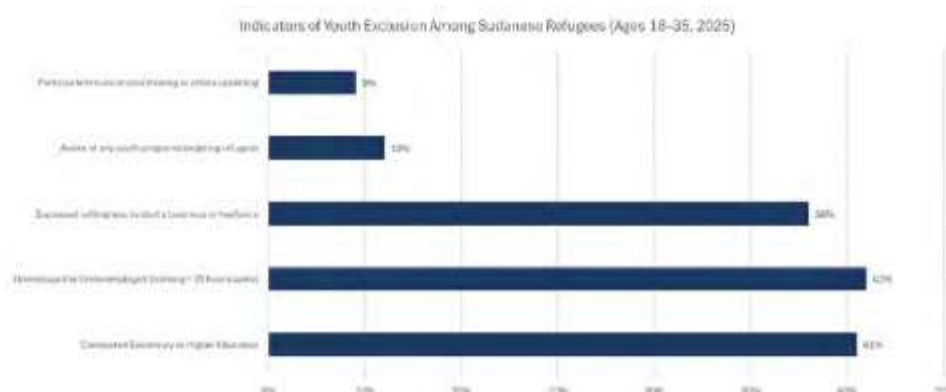
1. Pilot a Refugee Rental Subsidy Scheme (RRSS):
 - Offer transparent rent vouchers, issued via refugee-led committees and valid for one year, to penalize exploitative rental practices and reduce over-burdened housing costs.
 - Implement in priority zones (Giza, Ard El-Lewa; Cairo, Imbaba; Alexandria, Amreya).
2. Establish Legal Aid and Tenant Advocacy Cells:
 - Deploy mobile legal teams to formalize tenancy contracts, mediate landlord disputes, and negotiate eviction timelines.
 - Prioritize single mothers and mixed-status households for assistance.
3. Integrate Refugees into Urban Upgrading Plans:
 - Require municipalities in high-density refugee zones to map refugee habitation in informal settlement plans under the National Urban Renewal Program (e.g. upgrading of 'ashwaeyat' or informal neighborhoods).
4. Support Community-Led Cooperative Housing:
 - Facilitate the creation of tenant cooperatives that jointly rent or purchase larger units, ensuring legal compliance while spreading cost and increasing tenure security.
5. Include Refugees in Housing Monitoring Systems:
 - Expand CAPMAS and UN Habitat urban vulnerability indicators to include refugee-specific housing data; track rent burden, eviction rates, and infrastructure access quarterly.

Gap 8: Youth Inclusion Vacuum:

Sudanese refugees in Egypt are disproportionately youthful, with over 70% under 35, yet national strategies for youth development, skills training, or civic participation remain inaccessible or unavailable to them. Despite high motivation and potential, refugee youth lack tailored pathways into education, labor, entrepreneurship, or community leadership. This exclusion replicates the very cycles of marginalization we seek to dismantle.

While Egypt's Vision 2030 and its national Youth Strategy emphasize youth empowerment, refugees are seldom included in planning frameworks, institutional mandates, or budget allocations. Meanwhile, humanitarian interventions focus on immediate relief, ignoring long-term integration dynamics, civic inclusion, and youth mental health needs. This combined policy void leaves refugee youth disconnected from formal systems, unable to build durable capacities or claim rights.

Figure (36) Indicators of Youth Exclusion Among Sudanese Refugees (Ages 18–35, 2025)



Sources: Savannah–Entlaq Youth Survey (July 2025); ILO Egypt Youth Employment Report (2024); UNHCR Regional Integration Impact Study (2025).

Youth represent a key demographic opportunity: over 60% of Sudanese refugee youth hold secondary or tertiary qualifications, and more than half have expressed interest in entrepreneurship or freelancing. Yet 62% live underemployment or unemployment (working fewer than 20 hours/week), indicating a stark disjuncture between capacity and opportunity. Critical is that only 12% are even aware of any programming for refugee youth, and a mere 9% have participated in vocational or digital upskilling. This institutional invisibility reinforces economic stagnation and psychological disconnection.

Without inclusive inclusion, refugee youth risk long-term disengagement, even radicalization. The lack of mentorship, safe civic spaces, or youth forums fuels frustration. Community-focused youth isolation correlates with rising mental health stress: Savannah's focus groups revealed high rates of identity anxiety, especially among ethnic minorities and women. The failure to integrate youth thus contributes to both a lost generation and a void in social capital.

- **Mismatch of skills and opportunity:** Many youth carry diplomas or prior work experience yet remain unemployed, showing a gap in demand-based programming.
- **Zero program visibility:** Even existing training programs often exclude refugees by nationality safeguards or residency criteria.
- **Digital illiteracy and digital access gap:** While many youth own smartphones, few have access to certified online learning or legal freelance platforms, limiting digital inclusion.
- **Mental health and civic void:** Without peer networks, safe forums, or youth-led initiatives, mental health strains go unaddressed, compounding social alienation.

Policy Recommendations

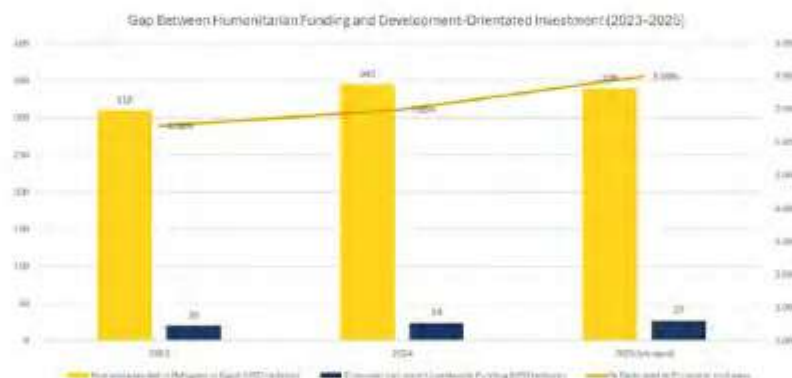
1. Create a Refugee Youth Empowerment Center (RYEC):
Co-located with a community hub in a district with high youth density (e.g., Imbaba or Ard El-Lewa), RYEC would offer mentorship, workshop space, digital learning labs, and youth-led microgrant schemes, designed and staffed with refugee youth leadership.
2. Launch a 'Youth for Growth' Fellowship Program:
Provide refugee youth with 3- to 6-month fellowships in partnering Egyptian incubators, startup accelerators, or NGOs, supplemented by leadership training, legal orientation, and social entrepreneurship tools.
3. Include Refugee Youth in National Education-to-Work Transitions:
Amend the national Student-to-Job (S2J) employment transition program to include refugee youth who hold secondary/higher education credentials, providing them access to internships and vocational pathways.
4. Digitally Empower Youth Through Skills Bonds:
Issue "digital bonds" to refugee youth enabling enrollment in digital upskilling platforms (e.g., data science, freelancing, coding), in exchange for community service hours at schools or clinics.
5. Set up Youth Advisory Boards in High Refugee Zones:
Establish inclusive advisory councils that feed into governorate-level planning units in Cairo, Giza, and Alexandria, ensuring refugee youth voices influence decisions on urban services, labor, and education.

Gap 9: Humanitarian-to-Development Transition Gap:

Egypt's response to the Sudanese displacement crisis remains overwhelmingly framed as an emergency, prioritized short-term humanitarian response over medium- to long-term integration. While UNHCR, WFP, and international donors have funded cash assistance, education support, and health outreach, there is no coherent strategy to transition Sudanese refugees into sustainable economic, social, and civic inclusion. Without bridging this gap, refugees face protracted dependency and declining donor support, while Egypt forgoes opportunities to align refugee inclusion with national development agendas like Vision 2030.

Though the Egypt Refugee and Resilience Response Plan (ERRRP) outlined a plan for 2025–26 requiring about USD339 million (MoFA, UNHCR, UNDP, 2025), only a fraction of this budget supports livelihoods, training, or refugee-responsive social inclusion. This reflects a broader gap: donated funds remain earmarked toward humanitarian aid, with minimal investment in economic inclusion or refugee participation in national systems. Development actors, including ministries, multilateral agencies, and national reforms, rarely incorporate refugees into programming even when Vision 2030 explicitly emphasizes youth empowerment, women's participation, and inclusive SME growth (Egypt Vision 2030, 2025).

Figure (37) Gap Between Humanitarian Funding and Development-Orientated Investment (2023–2025)



Sources: Egypt Refugee and Resilience Response Plan (ERRRP2025, UNDP MoFA); Analysis of UN-donor funding breakdowns; Grand Bargain commitments tracking (UNHCR, ICRC, GC 2025).

The data illustrate a persistent misalignment: despite increases in overall refugee response funding, only 6–8% has gone toward livelihoods, training, MSME development, or systems integration. Most resources remain focused on immediate relief, food, shelter, medical care, rather than building durable capacities or policy reform.

This humanitarian-development divide has tangible consequences. Refugees are excluded from workforce development programs funded through Vision2030 initiatives; they are not counted in labor planning forecasts; and local municipal budgets do not account for refugee participation in SME or urban planning. Consequently, the cycle of short-term aid dependency continues, while refugee youth and women remain sidelined.

Without a deliberate shift, risks emerge: dwindling donor interest, burnout among service providers, and an erosion of credibility for both humanitarian actors and the Egyptian state. Donors under the Grand Bargain framework are pushing toward multi-year funding models and more inclusive programming, yet few such pilots exist in Egypt, even though Sudanese now represent 73% of registered refugees (UNHCR Fact Sheet, June 2025).

- Aid dependency reinforces invisibility: As households lose access to WFP food aid (risking 235,000 refugees by August 2025), few receive pathways to livelihoods or social inclusion (WFP Egypt, June 2025).
- Integration deficits risk secondary displacement: Reports show that mounting hardship and lack of formal avenues in Egypt have pushed over 200,000 Sudanese to migrate onward to Libya or Europe in early 2025 (Reuters, June 2025).
- Conspicuous absence in governance frameworks: National planning documents (including the Human Capital Strategy and youth employment roadmaps) rarely reference refugees, despite aligning thematically with inclusion goals (Vision 2030, Strategy reviews).
- Under-resourcing of refugee-led innovation: Refugee-led organizations (RLOs) remain underfunded, while donor policies privilege registered NGOs, limiting community-driven development solutions (Refugees International, 2025).

Policy Recommendations

1. Embed Refugee Inclusion in Egypt's Vision 2030 Implementation Framework:
Add explicit targets for refugee labor participation, training uptake, and refugee-led SMEs into the implementation plans issued by the Ministry of Planning and Economic Development.
2. Establish a Refugee Economic Integration Fund (REIF):
Mobilize multiyear financing (from pooled donor and government contributions) to channel at least 20% of ERRRP funding into livelihoods programs, skills training, and refugee-owned enterprise development.
3. Adopt a Humanitarian–Development Nexus (HDN) Financing Model:
Align donor funds through structures consistent with the Grand Bargain, prioritizing flexible, multi-year support that transitions from relief to systems-based inclusion, education, and economic participation (Grand Bargain, 2025).
4. Include Refugees in National MSME and Youth Entrepreneurship Programs:
Amend eligibility criteria for national initiatives managed by MSMEDA, the Sawiris Foundation, and startup incubators to include recognized refugees, coupled with micro-grants and technical assistance.
5. Foster Government–UN Joint Pilots in Economic Integration:
Launch coordinated pilots in host communities (e.g. Greater Cairo, Aswan) where UNHCR, ILO, Ministry of Labor, and Ministry of Agriculture implement work permit schemes, training, and credit access linked to refugee participation metrics.

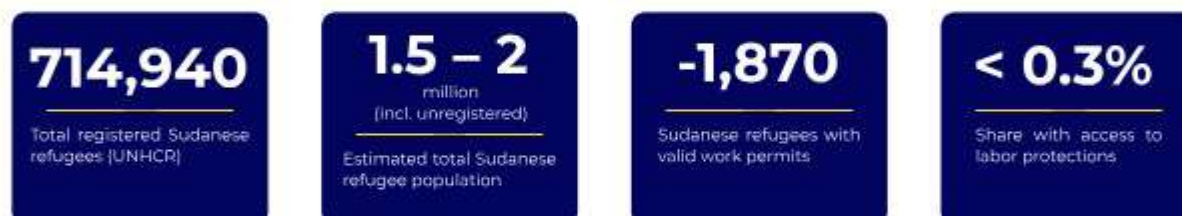
Cap 10: Limited Integration of Migrants and Refugees into National Employment Systems:

Despite hosting one of the largest displaced populations in the region, Egypt has not yet developed an operational framework to integrate refugees into its national employment system. The new Labor Law No. 14 of 2025, which came into force on May 3, 2025, modernized employment contracts and dispute mechanisms for the private sector but made no specific provisions for refugees or asylum seekers, continuing to treat them as a separate administrative category governed by presidential decrees or ministerial exceptions (Egypt Official Gazette, May 2025).

This omission results in a legal gray zone: while refugees technically have the right to work under international agreements ratified by Egypt (including the 1951 Refugee Convention and 1980 OAU Convention), in practice, they face steep barriers. These include the absence of a dedicated refugee work permit track, stringent employer sponsorship requirements, and administrative ambiguity over recognition of UNHCR cards as valid documentation. As of July 2025, fewer than 2,000 Sudanese refugees hold formal work permits, out of a registered population exceeding 714,940 (UNHCR Egypt, 2025; Ministry of Labor, 2025).

This structural exclusion undermines both refugee agency and national economic development. It blocks participation in the informal-to-formal economy transition, leads to labor market segmentation, and fosters precarious employment conditions, particularly for women and youth. It also contradicts Egypt's own Vision 2030 goals of labor inclusion, private sector growth, and leveraging population diversity as an economic asset.

Figure (38) Formal Labor Market Access for Refugees in Egypt (as of July 2025)



Sources: UNHCR Egypt (June 2025), Ministry of Labor (July 2025), Labor Law No. 14/2025 (Official Gazette), ILO Egypt (2025).

The data highlight the sheer scale of exclusion: less than 0.3% of Sudanese refugees have access to labor protections, despite the vast majority being of working age. Most are employed informally in sectors like domestic work, construction, agriculture, or street vending, without contracts, legal recourse, or social security contributions. This exclusion disproportionately affects women, who face intersecting gender and legal barriers.

The institutional causes of this gap include the lack of coordination between UNHCR and the Ministry of Labor, absence of a centralized refugee employment registry, and limited capacity within public employment services (PES) to accommodate non-citizen jobseekers. As a result, Egypt's broader labor force development initiatives, from vocational training to national youth employment strategies, systematically bypass the refugee population.

There are also economic costs. Refugee labor, particularly among the educated and semi-skilled Sudanese population, remains underutilized. Many refugees hold degrees, certifications, or prior entrepreneurial experience, yet face de-skilling and downward mobility. In the long term, this deprives Egypt of a flexible, eager, and regionally connected workforce at a time when labor-intensive industries are struggling with shortages (CAPMAS, June 2025).

- Gendered exclusion is particularly acute: Sudanese women are concentrated in unpaid care roles or informal domestic work, with virtually no access to legal protections or social security.
- Youth unemployment is rising: Among Sudanese refugees aged 18–35, unemployment rates exceed 47%, twice the national average for Egyptians (ILO, 2025).
- Labor policy reform is lagging behind: Unlike Jordan or Uganda, which have established refugee employment quotas and permit reforms, Egypt lacks any systemic pathway for work-based inclusion.
- Informality is the default: With no viable formal alternatives, both refugees and employers collude in informal hiring arrangements that exacerbate precarity and suppress wages.

Policy Recommendations

1. Amend Labor Law No. 14 of 2025 to Include Refugee-Specific Provisions:
Introduce a legal article that formally recognizes refugee status (as determined by UNHCR or the state) and provides for streamlined access to employment without the need for employer sponsorship.

2. Establish a Refugee Employment Facilitation Track:
Create a pilot work permit system managed by the Ministry of Labor in partnership with UNHCR and ILO, starting with low-barrier sectors (agriculture, construction, services) and offering one-year renewable permits.

3. Integrate Refugees into the National Employment Strategy and PES:

Equip public employment service centers (especially in Cairo, Giza, and Aswan) with dedicated refugee focal points, Arabic-Sudanese translation services, and refugee-compatible job-matching platforms.

4. Remove Employer Sponsorship Requirements for Refugees:

Replace the employer-based work permit with a personal, skills-based system that allows refugees to access employment without requiring individual sponsorship or sectoral restriction.

5. Launch Labor Rights Awareness and Support Programs:

Partner with civil society and worker unions to develop training modules, helplines, and legal support services for refugee workers facing abuse, discrimination, or contract violations.

Gap Analysis Summary: Structural and Policy-Level Barriers to the Economic Inclusion of Sudanese Refugees in Egypt:

#	Gap Description	Why It Matters	Policy Recommendations	Linked Figure
1	Absence of a National Economic Inclusion Strategy for Refugees and migrants	Despite hosting over 5.5 million Sudanese nationals, Egypt lacks a coordinated, multisectoral policy that integrates migrants into the national economic development agenda. This results in fragmented interventions, parallel service delivery, and missed opportunities for inclusive growth.	- Establish an inter-ministerial task force to develop Egypt's first National Refugee Economic Inclusion Strategy, with MoSS, MoLD, MoPMAR, and UNHCR. - Integrate migrants and refugee-inclusive targets into Egypt Vision 2030 updates and national employment plans. - Allocate earmarked public investment toward refugee-sensitive MSME and labor policies.	Figure 15
2	Exclusion of Refugees and migrants from National Labor Market Policies	Current labor frameworks and employment policies, especially Law 12/2003 and Law 14/2025, do not formally incorporate migrants and refugees, resulting in ad hoc practices, legal gray zones, and widespread informality.	- Amend Labor Law 14/2025 to formally recognize refugee workers with rights-based protections. - Issue a ministerial decree standardizing refugee work permits and reducing fees. - Align Manpower databases to include refugee jobseekers and outcomes.	Figure 16
3	Restrictive Work Permit Processes and Limited Institutional Incentives	High fees (USD 2,000–3,000), bureaucratic opacity, and employer disincentives render work permits inaccessible to most Sudanese refugees, forcing them into informal and precarious employment.	- Eliminate or subsidize work permit fees for Sudanese refugees through MoF–MoSS coordination. - Provide incentives to employers (e.g., tax relief or wage subsidies) to formally hire refugee workers. - Launch a one-stop-shop portal to streamline refugee permit processing.	Figure 17
4	Legal Ambiguity Around Refugee Status and Recognition	While Egypt ratified the 1951 Refugee Convention, domestic law lacks a clear asylum framework, creating inconsistencies in documentation, residency renewals, and access to entitlements.	- Operationalize the November 2024 asylum law via executive regulations. - Create a national refugee registry with MoI–UNHCR collaboration. - Train frontline bureaucrats on documentation protocols and legal standards.	Figure 18
5	Lack of Access to Affordable and Secure Housing for Refugees	Most Sudanese refugees live in overcrowded, informal settlements in Greater Cairo, with rising eviction risks, rent exploitation, and no access to housing assistance programs.	- Include refugees in national housing subsidy schemes (e.g., Sakan Mistr) via a special quota. - Map and upgrade high-density refugee areas using participatory slum upgrading models. - Engage UN-Habitat and private developers in co-financed refugee housing pilots.	Figure 20

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Equip public employment service centers (especially in Cairo, Giza, and Aswan) with dedicated refugee focal points, Arabic-Sudanese translation services, and refugee-compatible job-matching platforms.

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2	Exclusion of Refugees and migrants from National Labor Market Policies	Current labor frameworks and employment policies, especially Law 12/2003 and Law 14/2025, do not formally incorporate migrants and refugees resulting in ad hoc practices, legal gray zones, and widespread informality.	- Amend Labor Law 14/2025 to formally recognize refugee workers with rights-based protections. - Issue a ministerial decree standardizing refugee work permits and reducing fees. - Align Manpower databases to include refugee jobseekers and outcomes.	Figure 30
3	Restrictive Work Permit Processes and Limited Institutional Incentives	High fees (USD 2,000–3,000), bureaucratic opacity, and employer disincentives render work permits inaccessible to most Sudanese refugees, forcing them into informal and precarious employment.	- Eliminate or subsidize work permit fees for Sudanese refugees through MoF–MoSS coordination. - Provide incentives to employers (e.g. tax relief or wage subsidies) to formally hire refugee workers. - Launch a one-stop-shop portal to streamline refugee permit processing.	Figure 31
4	Legal Ambiguity Around Refugee Status and Recognition	While Egypt ratified the 1951 Refugee Convention, domestic law lacks a clear asylum framework, creating inconsistencies in documentation, residency renewals, and access to entitlements.	- Operationalize the November 2024 asylum law via executive regulations. - Create a national refugee registry with MoL–UNHCR collaboration. - Train frontline bureaucrats on documentation protocols and legal standards.	Figure 32
5	Lack of Access to Affordable and Secure Housing for Refugees	Most Sudanese refugees live in overcrowded, informal settlements in Greater Cairo, with rising eviction risks, rent exploitation, and no access to housing assistance programs.	- Include refugees in national housing subsidy schemes (e.g. Sakan Misk) via a special quota. - Map and upgrade high-density refugee areas using participatory slum upgrading models. - Engage UN-Habitat and private developers in co-financed refugee housing pilots.	Figure 33

6	Underserved Education and Skills Pathways for Sudanese Youth	Sudanese youth aged 18–35 face limited pathways to higher education and vocational training due to cost barriers, accreditation gaps, and exclusion from national scholarship schemes.	- Expand scholarships for refugee youth via MoHE–UNHCR partnerships. - Allow refugee enrolment in technical colleges and vocational training programs. - Develop accredited bridging programs for Sudanese certificate holders.	Figure 34
7	Exclusion from National Social Protection and Health Systems	Sudanese refugees are largely excluded from government-led cash transfers, health insurance, and safety nets, making them highly vulnerable to shocks and out-of-pocket health outcens.	- Expand Takaful and Karama eligibility to cover documented refugees. - Integrate refugees into national health insurance pilot schemes, starting with maternal and primary care. - Subsidize refugee health premiums via public–donor partnerships.	Figure 35
8	Barriers to Financial Inclusion and Access to Banking Services	A lack of national ID numbers, stringent KYC regulations, and institutional reluctance have created near-total financial exclusion for Sudanese refugees in Egypt.	- Enable financial access through UNHCR-issued IDs under CBE guidance. - Develop a tailored KYC tier for refugees with simplified requirements. - Incentivize fintechs and MFIs to offer refugee savings and loan products.	Figure 36
9	Insufficient Participation in MSME Support and Entrepreneurship Programs	Refugee-led businesses are systematically excluded from government and donor MSME schemes due to nationality restrictions and lack of registration pathways.	- Amend MSME Law 152/2020 to explicitly include refugees. - Design refugee-inclusive entrepreneurship tracks in MoIC, UNDP, and MoSS programs. - Formalize refugee enterprises via inclusive legal identities (e.g., temporary economic permits).	Figure 37
10	Absence of Coordinated Data Systems and Monitoring Tools for Refugee Economic Outcomes	Egypt lacks a unified database or M&E system tracking refugee employment, enterprise success, or service delivery hindering policy design, scale-up, and accountability.	- Establish a refugee-focused data observatory hosted by CAPMAS or IDSC. - Conduct annual refugee economic inclusion surveys, disaggregated by gender and age. - Integrate refugee indicators into MoPlan and national performance dashboards.	Figure 38

3. Comparative Benchmarking Analysis

In the context of deepening Egypt's institutional response to the economic inclusion of refugees, comparative benchmarking serves as a critical evaluative and strategic tool. Benchmarking allows policymakers and implementers to assess not only the magnitude of existing policy and operational gaps, but also the feasibility of adopting or adapting best practices from countries that have undergone similar institutional transitions or confronted complex refugee integration challenges at scale.

The choice of comparator countries in this analysis, the United Arab Emirates (UAE) and Germany, is deliberate and grounded in both regional relevance and global leadership in refugee and migrant governance. Germany, particularly in the post-2015 period, offers a comprehensive case study of large-scale refugee absorption, anchored in robust legal protections, vocational training pathways, employer incentives, and an integrated institutional ecosystem (OECD, 2020; BAMF, 2024). By contrast, the UAE reflects a private sector-driven model operating in a labor market dominated by migrant workers, but with recent signals of reform toward more inclusive frameworks for humanitarian visa holders and displaced persons (UNHCR, 2024; UAE Federal Authority for Identity, Citizenship, Customs & Port Security, 2025). Together, these countries provide complementary lessons: Germany exemplifies state-led systemic integration, while the UAE reveals market-based opportunities and regulatory innovation in a Middle Eastern context.

For Egypt, this benchmarking is not intended to produce a one-to-one replication of models, but rather to extract actionable insights that can be localized and sequenced according to Egypt's economic, legal, and institutional realities. The goal is to deepen policy imagination around refugee economic inclusion beyond humanitarian aid and service access, and toward rights-based, investment-aligned, and institutionally coordinated approaches.

Methodologically, the benchmarking analysis draws on five core dimensions:

1. Legal and regulatory frameworks: Including asylum laws, labor laws, and administrative decrees enabling refugee access to work or entrepreneurship.
2. Economic participation infrastructure: Covering work permit schemes, employer incentives, MSME licensing, and vocational integration systems.
3. Financial and digital inclusion: Access to banking, mobile money, ID-linked financial services, and integration into national payment systems.
4. Social protection and service access: Education, skills development, health, and housing access for refugee populations.
5. Institutional governance and data ecosystems: Focusing on inter-ministerial coordination, role of refugee agencies, data registration systems, and monitoring platforms.

In the sections that follow, a comparative matrix will present headline indicators across Egypt, UAE, and Germany. This will be followed by a deeper analytical dive into each comparator, and a set of tailored policy recommendations for Egypt that reflect what is feasible, sequenced, and politically actionable.

1. Comparative Benchmarking Matrix – Egypt, UAE, and Germany

Over the past decade, international attention has increasingly shifted toward comparative frameworks that assess how host countries integrate refugees economically, institutionally, and socially. For Egypt, currently hosting over 5.5 million Sudanese migrants, refugees and asylum seekers since April 2023, benchmarking national performance against regional and global peers is vital not only for understanding relative strengths and weaknesses, but for shaping actionable reform pathways that are context-appropriate and politically feasible.

This section presents a detailed benchmarking matrix comparing Egypt's current ecosystem for refugee economic inclusion to that of two contrasting peers: the United Arab Emirates (UAE) and Germany. These countries were selected for both their comparative relevance and structural contrasts:

- The UAE shares Egypt's regional, cultural, and institutional landscape but offers a sharply different model of migrant regulation, one oriented around temporary sponsorship and employer-driven migration, with limited refugee-specific frameworks.
- Germany, by contrast, represents a high-income country with a deeply institutionalized refugee integration system, combining legal guarantees with multi-tiered implementation through federal, state, and municipal actors.

Each indicator in the matrix draws from up-to-date data as of July 2025, relying on government records, UNHCR datasets, and national labor or migration observatories. The selected dimensions cover: (1) legal rights and access to work, (2) financial and digital inclusion, (3) skills recognition and entrepreneurship, and (4) governance structures and asylum law. Collectively, they reflect the multidimensional nature of refugee economic integration and highlight the gaps that persist within Egypt's fragmented and under-coordinated policy environment.

The matrix serves a dual function. First, it provides a diagnostic snapshot of where Egypt stands relative to plausible reform trajectories. Second, it offers a practical basis for the policy recommendations developed in later sections of this report, which aim to align Egypt's refugee governance framework with inclusive development goals and labor market realities.

Figure (38) Comparative Refugee Governance and Labor Market Access Matrix (Egypt, UAE, Germany, 2025) This matrix provides both a diagnostic snapshot of Egypt's current refugee governance framework relative to regional and global comparators, and a foundation for the policy recommendations advanced later in the report. It highlights divergences in legal rights, institutional structures, and socioeconomic access that shape refugee inclusion trajectories.

Indicator	Egypt (2025)	UAE (2025)	Germany (2025)
Legal Right to Work	Conditional (via work permit under Law 14/2025; rarely granted)	No formal right for refugees; recent humanitarian visa pilot underway	Full legal access via Asylum Act & Residence Act
Formal Work Permit Issuance (2024)	Fewer than 3,500 work permits granted to refugees (MoLSS, 2025)	No data available; most migrants under sponsor-based employment	~220,000 asylum seekers employed (BAMF, 2025)
National Refugee Policy or Strategy	Fragmented; no comprehensive refugee economic inclusion strategy	No official refugee policy; selective labor pathway reforms	Yes; Integrated Refugee Strategy since 2016
Entrepreneurship Access	No refugee-specific MSME licensing path; indirect access via Egyptian partner	Limited; requires national sponsor or investor license	Available; pathways for self-employment and business setup
Access to National ID / Legal Identity	UNHCR card accepted for services; but no biometric ID or cross-system access	Emirates ID not issued to refugees	Asylum-seeker ID issued upon arrival
Access to Banking Services	Not formally permitted for non-ID holders; most refugees unbanked	Migrant workers have access; humanitarian visa holders restricted	Yes; refugees can open accounts with asylum ID
Access to Digital Services	Limited; no digital ID or mobile payment integration	High smartphone penetration but ID-restricted access	Full access to gov't and financial digital services
Vocational Training & Skills Matching	Limited programs via NGOs; no national mechanism	Offered for select categories (e.g., domestic work)	Strong nationwide program (BAföG, Jobcenter, chambers)
Institutional Governance Structure	Fragmented across UNHCR, MoLSS, Mol, MoFA, NGOs	Federal-only coordination; few local partnerships	Multi-level governance: Federal Office + Länder + CSOs
Asylum Law	Enacted in 2024; implementation pending	None	German Asylum Act (Asylgesetz)

Sources: UNHCR Egypt (2025), Egypt MoLSS (2025), BAMF (2025), UAE Federal Authority for Identity & Citizenship (2025), UNHCR UAE (2024), German Federal Ministry of the Interior (2025).

Egypt's current labor legislation (Law 14 of 2025) provides a legal opening for refugee employment, but permits are rarely issued due to employer disincentives, procedural bottlenecks, and lack of institutional clarity (MoLSS, 2025). In contrast, Germany's clear legal guarantees under the Asylum and Residence Acts anchor refugees' right to work and receive skills training as part of integration protocols. The UAE, while lacking a formal refugee framework, has piloted humanitarian visa initiatives and continues to adjust employer-based sponsorship rules to align with emerging migration trends (UNHCR UAE, 2024).

Furthermore, Egypt lags significantly in work permit issuance and self-employment access for refugee populations, despite high informality and market potential. Refugees in Egypt cannot register microenterprises or formally engage in commerce without an Egyptian partner or proxy (UNHCR Egypt, 2025). Germany provides both wage employment and entrepreneurial pathways, supported by targeted programs and financing facilities. The UAE, despite its heavy dependence on migrant labor, does not provide standalone entrepreneurship pathways for humanitarian visa holders, but offers highly digitized investor licensing regimes, albeit out of reach for most displaced populations.

Moreover, ID-linked access is a persistent structural barrier in Egypt. The inability to obtain a national ID prevents refugees from opening bank accounts, accessing formal housing, and integrating into the digital economy. By contrast, Germany's issuance of asylum-seeker IDs enables access to financial services, public benefits, and mobility. The UAE model is exclusionary for refugees but inclusive for sponsored migrants, highlighting the stratification in regional access regimes. Egypt's lack of a digital identity strategy for displaced persons has created a systemic exclusion from Egypt's expanding financial and fintech ecosystem, which remains heavily KYC-dependent.

Lastly, Egypt's refugee-serving ecosystem remains highly fragmented, dependent on international organizations and NGOs, and disconnected from national employment and training infrastructure. Vocational and skills development initiatives exist, but are not formally recognized by state institutions or linked to labor market absorption strategies. Germany's multilevel governance and institutional embedding of refugee programs, particularly through Jobcenters and chambers of commerce, has yielded scalable results, particularly for youth and women. Egypt's future institutional model will need to centralize refugee economic inclusion under a coordinated multi-ministerial framework, with roles clearly defined across labor, education, finance, and interior ministries.

2. Country Deep Dive I: Germany's Institutionalized Model of Refugee Integration

Germany's approach to refugee integration stands as one of the most comprehensive and institutionalized models globally. Far from being an emergency response confined to the peak years of displacement, it has evolved into a long-term, rights-based system embedded across federal, state, and municipal structures. This model has garnered significant international attention and policy emulation, particularly in the aftermath of the 2015–2016 humanitarian influx, during which Germany received more than 1.1 million asylum seekers, a historic intake unmatched in recent European history. The majority originated from conflict-affected zones in Syria, Iraq, and Afghanistan, with later waves including arrivals from Eritrea, Somalia, and Ukraine.

As of early 2025, the Federal Office for Migration and Refugees (BAMF) reports that Germany remains host to over 2.2 million refugees and asylum seekers, placing it among the top three destination countries in the Global North by absolute number of forcibly displaced persons. This demographic footprint has had far-reaching implications for Germany's social policy, labor market, federal governance, and international legal obligations, positioning the country as a critical site of innovation in durable solutions for refugee integration.

What distinguishes Germany's integration model is not its generosity per se, but rather the degree of legal codification and administrative institutionalization that undergirds every component of the system. Refugee protection in Germany is not framed as an act of benevolence or ad hoc humanitarianism, but as a constitutional and supranational obligation, arising from Article 16a of the German Basic Law (Grundgesetz), European Union directives (notably the Qualification Directive 2011/95/EU and the Reception Conditions Directive 2013/33/EU), and binding jurisprudence from both national courts and the European Court of Justice. These legal mandates have enabled Germany to translate normative commitments into a sustainable and enforceable infrastructure for inclusion.

This infrastructure is anchored in three interdependent pillars, each of which functions across multiple governance levels and policy domains:



1. Codified Rights to Access Labor Markets and Public Services – Germany provides legally defined, time-bound pathways for asylum seekers and recognized refugees to access employment, healthcare, education, vocational training, housing, and social support. Unlike systems that rely on discretionary eligibility or temporary pilot schemes, Germany embeds these rights in legislation, with institutional mechanisms for enforcement and accountability.



2. Federal-State Coordination Mechanisms (Bund-Länder Koordination) – As a federal republic with 16 states (Länder), Germany has developed highly coordinated vertical governance structures to ensure uniformity of refugee services while allowing for local policy adaptation. Inter-ministerial working groups, standing conferences of state ministers, and joint financing mechanisms support consistent implementation of asylum procedures, accommodation policies, and integration measures.



3. Multi-Actor Service Delivery Ecosystems – Germany's model is distinguished by its inclusive delivery architecture, which draws on the capacities of government agencies, civil society organizations, religious institutions, local municipalities, employers, and refugee-led associations. This ecosystem approach enables more adaptive, culturally responsive, and community-rooted programming than state-led delivery alone.

Together, these pillars have enabled Germany to transition from a reactive, humanitarian posture to a systemically integrated model of refugee inclusion, anchored in legal guarantees, administered through robust bureaucratic and political coordination, and delivered by a diverse coalition of actors. While challenges remain, particularly in areas such as housing, xenophobia, and labor market segmentation, Germany's experience offers critical insights for countries grappling with large-scale, protracted displacement and the need for permanent solutions beyond emergency aid.

1. Legal Access and Pathways to Employment:

Germany has constructed one of the most legally coherent and operationally integrated frameworks for refugee access to employment in the Global North. The right to work is not merely permitted, it is codified, sequenced, and differentiated based on legal status, residency duration, and the stage of asylum proceedings. This system is grounded in the German Residence Act (Aufenthaltsgesetz), the Asylum Act (Asylgesetz), and accompanying provisions under European Union directives (notably Directive 2013/33/EU on Reception Conditions), and is implemented through a combination of federal, state, and municipal enforcement mechanisms.

As of early 2025, individuals granted refugee status or subsidiary protection are afforded unrestricted access to the labor market, with full parity to German nationals in terms of employment rights and social protections. This includes access to wage employment, self-employment, vocational training (Ausbildung), internships, job placement services, and active labor market programs. Importantly, Germany extends similar rights, albeit under different conditions, to individuals with temporary protection or Duldung status (a "tolerated stay" for those whose deportation is suspended for legal or humanitarian reasons). While initially subject to additional scrutiny, these individuals may also gain access to employment following specific legal thresholds and waiting periods.

For asylum seekers in the application process, employment becomes legally permissible after a three-month waiting period, provided no deportation order is active and the local Foreigners' Authority (Ausländerbehörde) grants approval. In many federal states, this authorization has been streamlined through institutional cooperation with Jobcenters, the Federal Employment Agency (Bundesagentur für Arbeit), and local labor market programs designed to bridge linguistic, technical, and regulatory barriers to employment.

Germany's tiered system of labor access, differentiating between asylum applicants, recognized refugees, subsidiary protection beneficiaries, and temporarily protected individuals, ensures both legal clarity and targeted support. Each category comes with graduated entitlements regarding the types of employment permitted, eligibility for vocational integration programs (such as "Berufssprachkurse" or job-related language courses), and access to long-term residence pathways based on labor participation.

The empirical results of this legal and institutional architecture are noteworthy. According to the German Federal Employment Agency (2025), the refugee employment rate reached 56% by the end of 2024, marking a fivefold increase from 10% in 2016. This dramatic rise reflects the maturation of the post-2015 integration wave, as refugees move from language acquisition and credential recognition toward sustained labor market participation. Employment outcomes are particularly robust among male refugees aged 25–40, especially those with prior work experience or transferable vocational qualifications from origin countries. Sectors with high uptake include construction, logistics, health and elder care, and retail (OECD, 2024; BAMF, 2025).

However, these achievements are not evenly distributed. Gender disparities remain a systemic challenge: women refugees face lower employment rates, longer integration periods, and higher barriers related to childcare, recognition of prior learning, and sectoral bias. As of 2024, the employment rate among refugee women remained below 35%, despite targeted programs such as "MY TURN" (funded under the ESF Plus program) which focus on the labor market integration of refugee and migrant women (BMAS, 2023).

Germany's employment integration model illustrates that legal access alone is insufficient; it must be accompanied by policy coordination, targeted incentives, and support ecosystems that address intersectional vulnerabilities. The state's role in underwriting vocational programs, subsidizing apprenticeships, and financing upskilling has been instrumental in accelerating both labor market entry and long-term inclusion.

2. Vocational Integration and Skills Matching:

Germany's ability to integrate refugees into its labor market is rooted not only in legal access but in a skills-based, demand-responsive architecture, most notably its dual vocational education and training (VET) system. This model, known for its structured combination of in-class education and paid workplace apprenticeships, has become the backbone of refugee economic inclusion and a model of global best practice (BIBB, 2024; OECD, 2024).

Refugees with varying levels of formal education and professional backgrounds are integrated into this system through a sequenced progression: (1) initial orientation and language acquisition, (2) skills recognition and credential validation, and (3) placement into vocational schemes or transitional employment. This path is neither automatic nor linear but is underpinned by extensive policy coordination between federal ministries (notably the Federal Ministry of Education and Research, BMBF, and the Federal Employment Agency, BA), regional Jobcenters, chambers of commerce, and civil society partners.

The entry point for many refugees is the Integration Course (Integrationskurs), a state-funded initiative that combines 600–900 hours of German language instruction with civic education, legal literacy, and work-readiness content. As of early 2025, over 1.4 million refugees have enrolled in such courses since 2015 (BAMF, 2025). However, the pivotal institutional gateway to labor market integration remains the Berufsorientierung (vocational orientation programs), which prepare refugees for Germany's dual-track apprenticeships.

A major structural innovation is the implementation of the "Recognition Act" (Anerkennungsgesetz, 2012), which allows refugees to obtain formal recognition of professional and academic qualifications earned abroad. Through sector-specific evaluations, especially in health, construction, ICT, and manufacturing, refugees are matched with equivalent German certification levels, unlocking higher-wage opportunities and mobility. Between 2012 and 2024, over 132,000 foreign qualifications held by refugees and migrants were formally recognized, with 82% leading to improved employment outcomes (IQ Netzwerk, 2024).

For those with informal or partial training backgrounds, Germany offers the "ProRecognition" program and the "ValiKom Transfer" system, which facilitate skills validation through workplace simulation and practical assessments, thus removing dependency on paper documentation that many forcibly displaced persons may lack.

Specialized programs for female refugees have also been institutionalized. These include job-readiness workshops that integrate gender-sensitive pedagogy, childcare subsidies, and culturally appropriate mentoring schemes. Notably, the "MY TURN" program, funded under the European Social Fund Plus (ESF+), supports refugee women in navigating both labor market access and household responsibilities, especially in rural and peri-urban areas where employment options are narrower.

According to the Federal Institute for Vocational Education and Training (BIBB), as of December 2024, more than 420,000 refugees had participated in formal vocational training programs, representing a ninefold increase since 2016. Sectors with the highest refugee apprenticeship uptake include logistics, retail, elder care, carpentry, food services, and metalworking, reflecting both demand-side needs and skill portability.

To incentivize employers, the federal government provides wage subsidies and integration bonuses for firms that take on refugee apprentices. This policy instrument reduces risk and encourages retention, especially among SMEs. Employers receive up to €6,000 per refugee apprentice through the "Integration durch Qualifizierung" (Integration through Qualification) framework, with positive spillover effects on productivity, diversity, and employee loyalty.

Figure (39) Number of Refugees Participating in Vocational Training Programs in Germany, 2016–2024



Source: German Federal Institute for Vocational Education and Training (BIBB, 2024); Federal Ministry of Labor and Social Affairs (BMAS, 2024).

The trajectory reflected in Figure (39) illustrates more than numerical growth, it signifies the deep structural embedding of refugee inclusion within Germany's economic development strategy. The leap from under 50,000 refugee vocational trainees in 2016 to over 420,000 in 2024 is not a product of ad hoc humanitarianism, but of deliberate policy engineering grounded in labor market planning and rights-based inclusion. Germany did not merely absorb refugees, it calibrated its skills ecosystem to productively harness their potential, aligning demographic needs with integration imperatives.

Secondly, the dual VET system serves a dual stabilizing function: it mitigates labor shortages in essential sectors (e.g., eldercare, construction, logistics) while providing a structured and status-conferring pathway for refugees to avoid precarity. This contrasts sharply with models in which refugees are channeled into informal or low-skill sectors, perpetuating dependence and exclusion. By embedding displaced persons into recognized, upwardly mobile professions, Germany reduces long-term welfare dependency and accelerates socio-economic convergence.

Importantly, the data also reflect a spatial and sectoral segmentation that requires closer scrutiny. While sectors like metalworking and food services have high uptake, more knowledge-intensive fields (e.g., IT, healthcare) still show limited refugee integration. This raises the need for targeted upskilling, digital literacy programs, and improved recognition of foreign tertiary credentials, especially for those arriving with advanced qualifications but lacking documentation. Programs like "Deutsches Sprachniveau C1 Medizin" for refugee doctors and nurses offer promising pilot models.

Lastly, gender-disaggregated figures reveal persistent participation gaps for women, linked to language barriers, cultural norms, childcare burdens, and sectoral segregation. Germany's targeted efforts, such as MY TURN and job-readiness modules for refugee women, are crucial but must scale significantly. The integration trajectory of refugee women lags 2–3 years behind that of men, both in program enrollment and employment outcomes. Addressing this requires a rethinking of vocational pathways to include flexible, family-friendly, and digitally enabled formats that meet the realities of female refugee lives.

3. Financial and Digital Inclusion:

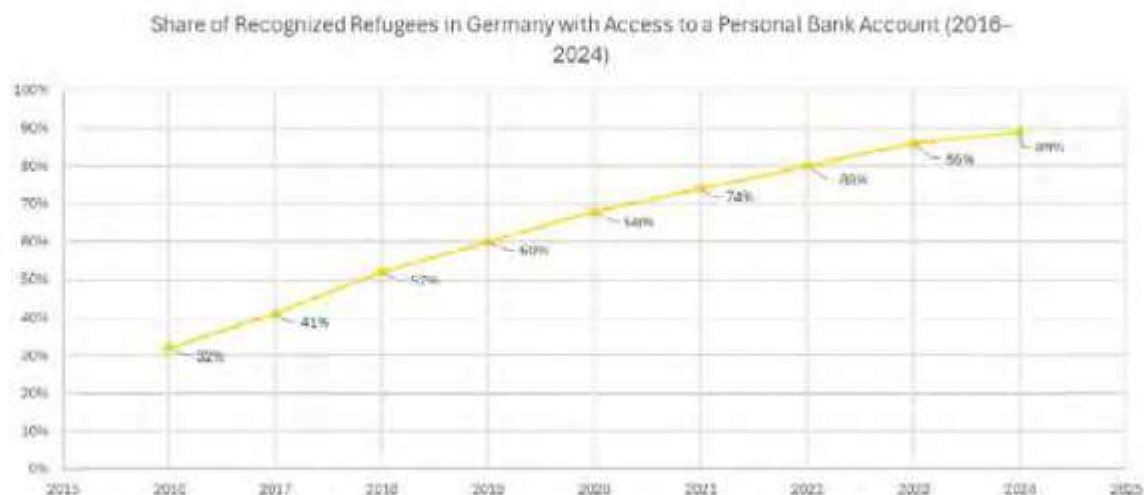
Germany's refugee integration model demonstrates a deliberate commitment to embedding displaced populations into the country's financial and digital infrastructure, an often-overlooked but vital determinant of long-term socioeconomic inclusion. Recognizing that financial exclusion poses significant barriers to accessing housing, employment, and social mobility, Germany enacted a suite of legal and policy measures to ensure that refugees can meaningfully participate in the country's banking and digital ecosystems.

At the core of this framework lies the German Payment Accounts Act (Zahlungskontengesetz), transposed from the EU Directive 2014/92/EU, which guarantees all legally residing individuals, including refugees, the right to a basic payment account. This legal right overcomes a widespread structural hurdle found in many host countries: financial institutions refusing account access due to lack of standard identification documents. Germany not only mandated access in law but backed it with enforcement mechanisms and sectoral partnerships.

Fintech innovation has played a pivotal role in operationalizing this inclusion mandate. Digital-first banks such as N26, Solarisbank, and bunq developed onboarding processes that accept alternative forms of identification (e.g., Duldung status documents, temporary IDs), minimizing friction in account creation. These platforms also offer Arabic-language interfaces and customer support, further reducing linguistic and technological barriers.

On the digital inclusion front, Germany provides state-subsidized SIM cards and internet access for newly arrived refugees, especially those in reception centers or transitional shelters. These are distributed through job centers and municipal integration hubs, alongside digital literacy training, ensuring refugees can access job portals, e-government services, banking apps, and educational content. Recognizing that connectivity is now a foundational right, Germany has effectively reframed broadband and digital access as a core pillar of integration policy.

Figure (40) Share of Recognized Refugees in Germany with Access to a Personal Bank Account (2016–2024)



Source: Deutsche Bundesbank (2024), BAMF Annual Integration Report (2024)

The data in Figure (40) captures a remarkable transformation in financial inclusion outcomes over the span of eight years. In 2016, barely one-third of recognized refugees in Germany held a personal bank account. By mid-2024, that figure had surged to nearly nine in ten, an outcome that reflects not only policy shifts but also multi-sectoral coordination between government, private financial institutions, and civil society organizations. This pace and magnitude of financial onboarding far exceed benchmarks observed in comparable high-income countries.

Three factors explain this acceleration. First, Germany did not leave financial access to market forces alone; instead, it codified it as a legal right, thus shielding refugees from discretionary bank policies that often lead to exclusion. Second, digital banking solutions lowered compliance barriers by offering eKYC (electronic Know Your Customer) tools adaptable to refugee documentation types. Third, civil society actors, such as the NGO Refugees Welcome and the public-private initiative StartHope@Home, provided critical onboarding assistance and financial literacy training in refugee shelters.

Yet, even within this progress, gaps persist. Surveys show that female refugees, the elderly, and those with lower German language proficiency still face challenges navigating banking systems or understanding digital contracts. Moreover, possessing a bank account does not always translate into full financial agency; many refugees remain excluded from credit products, insurance, or investment platforms due to limited credit histories and algorithmic biases in scoring systems.

Germany's model thus offers an important lesson: legal access is necessary but insufficient. True inclusion requires ongoing support, user-centered design, and trust-building mechanisms, especially for vulnerable subgroups. Egypt, in benchmarking itself against this model, must prioritize central bank mandates, fintech partnerships, and localized financial education to close its own financial inclusion gaps among refugee populations.

4. Governance, Decentralization, and Civil Society Infrastructure:

One of the defining features of Germany's refugee integration model is its deeply decentralized and multi-level governance architecture, which empowers subnational actors to lead the design and delivery of services tailored to their own demographic, economic, and geographic contexts. This approach recognizes that integration is lived locally, in classrooms, job centers, housing markets, and neighborhood institutions, and therefore must be governed at the level closest to these realities.

While asylum applications and protection status determinations remain the prerogative of federal authorities, namely the Federal Office for Migration and Refugees (BAMF), the implementation of integration measures has been intentionally devolved to Germany's 16 Länder (federal states) and more than 400 municipalities. This multilevel structure is financially supported through instruments like the Integration Pauschale (Refugee Integration Lump Sum), which allocates funding to states based on the number of registered refugees in their jurisdiction. The flexibility of this fund enables local governments to finance language classes, vocational schemes, housing initiatives, childcare programs, and service hubs, calibrated to local needs.

Germany's governance model is not only decentralized, it is also pluralistic and institutionally dense, drawing on the capacities of government agencies, nonprofit organizations, religious charities, and private sector actors. Over 14,000 registered civil society organizations (CSOs), foundations, and faith-based institutions work on refugee support across housing, legal aid, skills-building, trauma counseling, and civic inclusion. These actors often operate at the intersection of formal services and community-based trust networks, helping to fill gaps and navigate complex administrative procedures.

Central to this decentralized system are "Welcome Centers" and One-Stop Shops, which consolidate essential services, residency permits, social benefits, job placement, healthcare, legal aid, under one roof. These centers often operate in partnership with local jobcenters, BAMF field offices, and CSOs, reducing the bureaucratic burden on newly arrived refugees and streamlining access to entitlements.

Importantly, Germany has codified this governance model in strategic policy. The 2022 National Integration Strategy formally adopted a whole-of-government and whole-of-society framework, mandating inter-ministerial cooperation and horizontal linkages across public, private, and nonprofit sectors. This includes national partnerships with large employers to promote refugee hiring, startup support schemes for refugee entrepreneurs, and dedicated anti-discrimination monitoring mechanisms.

Figure (41) Key Actors in Germany's Refugee Integration Ecosystem (2024)

Actor Type	Institutional Role	Estimated Count / Reach
Jobcenters	Employment support, social benefits, vocational placement	~900 across all districts
Welcome Centers / One-Stop Shops	Consolidated public service access for refugees	~220 nationwide
CSOs & Foundations	Housing, legal aid, integration programs, trauma support, cultural mediation	14,000+ registered organizations
Länder Integration Ministries	Regional program design and implementation oversight	16 (one per federal state)
Refugee Councils & Advocacy Orgs	Policy monitoring, rights protection, inclusion campaigns	Active in all 16 Länder
Private Sector (via networks)	Refugee hiring, vocational training, startup incubation	>1,000 companies engaged (BAMF, 2024)

Source: BMAS (2023); BAMF Integration Atlas (2024); DeZIM Institute Database (2024)

The table in Figure (4) illustrates the institutional depth and diversity of Germany's integration ecosystem, reflecting a governance model that is not only decentralized but also horizontally expansive. Rather than concentrating power in federal agencies, Germany's approach disperses responsibility across hundreds of localized institutions, each equipped to tailor responses to distinct social, economic, and demographic conditions.

This model offers multiple advantages. First, it increases responsiveness and agility: municipalities can pilot locally appropriate housing models or integration initiatives without waiting for federal guidance. Second, it encourages policy innovation through competition: states such as Baden-Württemberg and North Rhine-Westphalia have pioneered replicable programs in vocational integration and refugee entrepreneurship, respectively. Third, it enables greater community buy-in, as civil society and faith-based actors serve as trusted intermediaries between refugees and state institutions.

Crucially, decentralization in Germany does not imply fragmentation. The federal government, through BAMF and BMAS (Federal Ministry of Labour and Social Affairs), continues to provide strategic coordination, funding frameworks, data systems (like the Integration Atlas), and policy guidance. This balance of autonomy and alignment is what allows Germany to avoid the pitfalls often seen in decentralized systems elsewhere, where lack of coordination breeds redundancy or neglect.

However, decentralization also introduces disparities. Integration outcomes vary significantly across Länder, depending on local political will, fiscal capacity, and administrative infrastructure. For instance, some municipalities provide comprehensive housing and employment pathways, while others struggle to meet basic service thresholds. CSOs, despite their importance, remain underfunded and face short-term grant cycles, threatening sustainability.

For Egypt, Germany's model offers vital insights. Decentralized refugee service delivery, anchored in governorates, not just central ministries, could allow greater contextual adaptation, especially for Sudanese refugees concentrated in border governorates like Aswan, Red Sea, or Cairo's urban peripheries. Integration centers should be co-managed by government and civil society, with direct funding to local actors. Moreover, Egypt can pilot "refugee one-stop shops" in partnership with UNHCR and national agencies to streamline access to services, legal support, and employment pathways.

5. Results and Remaining Gaps:

Germany's refugee integration model stands out globally for its legal coherence, fiscal backing, and decentralized institutional ecosystem. Yet even a system as robust as Germany's is not without persistent structural and political challenges. As the 2024 Federal Integration Report and BAMF's Integration Atlas show, success is uneven across geography, gender, and sectors. While key milestones have been achieved, particularly in legal labor access and vocational pathways, systemic bottlenecks continue to impede full integration, especially for vulnerable subgroups such as refugee women, single-parent households, and newly arrived asylum seekers.

Figure (42) Selected Integration Outcomes and Challenges in Germany (2024)

Indicator	Progress Achieved	Ongoing Challenges & Gaps
Legal labor access	56% refugee employment rate (2024)	Underemployment among women and older refugees
Vocational training participation	420,000+ refugees enrolled since 2016	Matching to high-skill sectors remains limited
Financial inclusion	89% of refugees have personal bank accounts	Digital payment literacy still low among elders
Housing availability	74% of refugees in private accommodation	Long waitlists in urban areas (esp. Berlin, Hamburg)
Public sentiment	Rising civic engagement in pro-refugee CSOs	2024 saw spike in anti-migrant political rhetoric
Gender inclusion	Tailored training programs for women introduced	Labor force participation gap persists (~22%)

Source: BAMF Integration Atlas (2024); BIBB (2024); Amnesty International (2024); IAB Germany (2023).

First, housing remains a fundamental bottleneck. While over 70% of refugees now live in private housing, access varies dramatically by region. In metropolitan areas with stronger labor markets, Berlin, Hamburg, Munich, refugees face intense competition for affordable housing, often remaining in temporary shelters or collective housing for months or even years. This spatial mismatch delays employment integration and disrupts family stability. Local-level supply-side constraints are compounded by administrative delays and market discrimination. Without sufficient affordable housing, even well-functioning labor market programs can lose their effectiveness.

Second, Germany's gender gap in refugee labor market participation remains stubbornly wide despite targeted interventions. By 2024, refugee women's employment stood at approximately 34% compared to over 56% for men, a 22 percentage-point disparity. The causes are multifaceted: lack of childcare access, limited culturally sensitive outreach, and the higher likelihood of women assuming care roles during family reunification. Some Länder have piloted women-only vocational schemes and trauma-informed counseling, yet coverage remains uneven. Bridging this gap will require deeper interlinkage between integration policy and national gender equality strategies.

Third, the sociopolitical climate poses long-term risks to policy continuity. While Germany has demonstrated resilience and consensus on refugee inclusion since 2015, the 2024 state elections revealed a growing polarization, with far-right parties gaining seats in multiple Länder parliaments. Simultaneously, hate crimes against migrants and visible minorities increased, raising concerns about social cohesion. Yet civil society remains a counterforce: more than 3,000 new local initiatives have emerged since 2020 to combat xenophobia and promote dialogue. This push-pull dynamic, between inclusive governance and exclusionary populism, may define the next phase of Germany's integration journey.

In sum, Germany's experience confirms that legal access, financial infrastructure, and governance design are necessary but insufficient conditions for holistic refugee inclusion. Without durable housing solutions, gender-sensitive employment schemes, and civic investment in countering hate, even the most advanced integration systems can stall. These lessons hold deep relevance for Egypt and other host countries grappling with the challenges of scaling refugee policy reform under complex social, political, and economic constraints.

3. Country Deep Dive II: The UAE's Controlled Inclusion and Market-Based Humanitarianism

The United Arab Emirates (UAE) embodies a distinctive and hybridized model of displaced population management, eschewing formal refugee protections while enabling selective economic inclusion. As a non-signatory to the 1951 Refugee Convention and its 1967 Protocol, the UAE is not legally bound by international refugee obligations, including the core principles of non-refoulement, status determination, or durable solutions. This legal positioning excludes it from the UNHCR's formal burden-sharing frameworks and exempts it from procedural and institutional obligations that govern refugee reception in many Global North contexts.

However, the absence of a statutory asylum regime has not resulted in the exclusion of forcibly displaced populations. Rather, the UAE has developed a *de facto* model of humanitarian governance that hinges on market functionality, bilateral discretion, and regulatory elasticity, rather than universal rights. This “controlled inclusion” model treats displaced persons not as beneficiaries of protection, but as temporary contributors to the labor economy, managed through sponsorship laws, visa regimes, and sectoral labor demand.

As of July 2020, migrants made up 87.9% of the UAE's population—over 8.5 million people—making it the country with the highest migrant-to-population ratio in the world. While the majority were labor migrants from countries such as India, Bangladesh, Pakistan, Egypt, and the Philippines, around 15% were children and 26.3% were women, with a notable share also coming from conflict-affected MENA countries, highlighting the blurred line between economic migration and forced displacement (UNHCR, 2025; ACAPS, 2024; Gulf Labour Markets and Migration, 2024; Migrants & Refugees Section 2020). This figure includes both longstanding economic migrants and more recent arrivals displaced by protracted conflict, environmental crises, and state collapse. Most lack formal refugee designation and instead enter and remain through non-asylum pathways, including:



- Short- or long-term employment visas.



- Family reunification or spousal sponsorship.



- Humanitarian residency waivers issued through ministerial or royal decree.



- Residency extensions under *ad hoc* executive decisions following large-scale regional crises (e.g., Syria 2011–2017, Sudan 2023–present).

This arrangement reflects what scholars describe as “market-based humanitarianism”, a framework in which labor market absorptive capacity substitutes for formal refugee protections, and where inclusion is not grounded in rights but in conditional access premised on economic productivity and state discretion.

Yet this system also poses significant questions: How sustainable is inclusion without rights? Can long-term integration occur without legal permanence or access to public services? And what are the implications for regional burden-sharing, particularly as Gulf states increase their humanitarian aid profiles abroad while limiting domestic legal reforms?

These tensions, between economic integration and legal exclusion, stability and precarity, diplomacy and domestic governance, form the backbone of the UAE's refugee governance regime. The following subsections explore its legal architecture, labor absorption mechanisms, digital and financial infrastructure, and the role of humanitarian diplomacy in shaping a distinctly Gulf-centric refugee strategy.

1. Residency Through Employment and Special Permits:

The UAE's migration governance model centers on the kafala (sponsorship) system, a legal framework that conditions residence and work rights on an employer–employee relationship. In the absence of a formal refugee determination process, this system has become the primary mechanism through which nationals from conflict-affected states enter and remain in the country. While functionally accommodating displaced populations, this model blurs the line between economic migration and forced displacement, offering limited protection and contingent status.

For the vast majority of displaced individuals, particularly Syrians, Yemenis, Sudanese, and Ethiopians, access to the UAE is facilitated through labor sponsorship (ikama), family reunification, or educational enrollment. These are non-protection-based pathways that confer no claim to asylum and can be revoked at the discretion of the employer or the state. The precarity of these pathways, where visa renewal, mobility, and housing are often contingent on continued employment, renders migrants highly vulnerable to exploitation, sudden termination, or deportation, with limited legal recourse (Human Rights Watch, 2023).

In 2022, the UAE introduced two notable pathways that signal a shift toward more discretionary humanitarian inclusion:

- The Golden Visa Scheme, which grants 5- or 10-year renewable residency to individuals with specialized skills, advanced degrees, or significant investment capacity. While primarily targeting high-income professionals, anecdotal evidence suggests that some Syrians, Sudanese, and Yemenis have been granted this visa on humanitarian grounds, particularly educators, engineers, and investors with ties to the Gulf.
- The Humanitarian Residency Scheme, a largely opaque program reportedly administered in coordination with the Ministry of Interior and the Emirates Red Crescent. It enables limited numbers of displaced persons to remain in the UAE on exceptional grounds, such as statelessness, conflict displacement, or medical hardship. According to Gulf News (2024), over 15,000 individuals from refugee-producing countries have benefited from these two pathways since their launch.

However, both schemes are discretionary, non-transparent, and non-codified, with no publicly available application procedures or appeal mechanisms. Beneficiaries are often selected via ministerial discretion, philanthropic sponsorship, or humanitarian referrals, rather than through any formalized legal process. This makes planning, advocacy, and rights enforcement exceedingly difficult.

Figure (43) Residency Pathways for Nationals of Conflict-Affected Countries in the UAE (2025)

Residency Pathway	Eligibility Criteria	Estimated Beneficiaries (2022-2025)	Legal Protection Status
Labor Sponsorship (Kafala System)	Employment contract + sponsor/employer approval	600,000+	No refugee protection
Family Reunification	Spouse or parent holds valid UAE residency	Unknown (tens of thousands)	No refugee protection
Golden Visa	Investment, academic/professional excellence	~10,000 (est. from conflict zones)	Renewable; no asylum
Humanitarian Residency Waivers	Stateless, vulnerable, conflict-displaced persons	~5,000	Exceptional basis only
Student Visa	Enrollment in licensed UAE university	Unknown (small cohort)	Temporary, renewable

Source: Gulf News (2024), HRW (2023), UAE Ministry of Interior (2024).

In practice, the reliance on employer-tied visas constrains refugee agency. Migrants, regardless of displacement background, are subject to restrictive mobility, limited labor rights, and power asymmetries with sponsors, as exit and job change often require employer consent. Termination of employment typically results in visa cancellation, initiating a countdown to either find new sponsorship or exit the country. This renders many displaced individuals perpetually vulnerable to irregular status, with significant risks of detention or deportation upon job loss.

Moreover, humanitarian waivers, while welcomed as a sign of flexibility, lack predictability, legal codification, or procedural accountability. Civil society actors, particularly those working with Sudanese and Palestinian communities, have voiced concern over opaque eligibility, gender bias in approvals (favoring male earners), and geographic inconsistencies in application.

In sum, the UAE's inclusion architecture relies on economic logic over legal obligation. While it accommodates large displaced populations through work and residence mechanisms, its model prioritizes market functionality, state discretion, and social stability, with limited space for rights-based claims, long-term integration, or international oversight. This balance reflects both the strengths and fragilities of market-based humanitarianism.

2. Employment Access in a Segmented Labor Market:

In the absence of formal refugee protections, the UAE's labor market acts as the primary vector for the inclusion, or exclusion, of displaced populations. The country's economic structure is defined by a dual labor market, in which high-wage, high-skill positions are predominantly held by expatriates from Western or East Asian countries, while low- and mid-skilled jobs are filled by labor migrants from South Asia, Africa, and the Arab region. Nationals from conflict-affected countries such as Syria, Sudan, Yemen, and Ethiopia are typically absorbed into the lower rungs of this segmented hierarchy, working in physically demanding or service-based roles with limited legal or social protections.

Displaced individuals often find entry through sectors such as construction, hospitality, retail, domestic labor, logistics, and private healthcare. Access to these roles is rarely mediated by government or formal institutions, but instead relies heavily on informal networks, community referrals, and diaspora linkages. Notably, word-of-mouth recruitment, peer sponsorship, and ethnic enclave-based job chains are common among Sudanese and Syrian workers, who often cluster in labor-intensive service jobs across Sharjah, Ajman, and Dubai.

A small ecosystem of civil society organizations (CSOs) and non-profit job-matching platforms, such as TAMKEEN, Emirates Red Crescent, and select philanthropic programs under Dubai Cares and the Khalifa Bin Zayed Foundation, have attempted to fill the gap by providing vocational training, resume support, and connections to ethical employers. However, these services remain limited in scale, eligibility, and geographic reach. Refugee-origin individuals not formally recognized under any legal category often remain invisible to official employment services, leading to informalized labor conditions and a high prevalence of precarious work.

Social protections for these workers are extremely limited. While the UAE has made strides toward labor reform in recent years, such as the introduction of a minimum wage for some sectors and the dismantling of absolute employer control over job changes, the coverage remains uneven, and most displaced workers are excluded from unemployment insurance, formal housing access, or legal dispute resolution mechanisms, unless represented by a civil society intermediary (ILO, 2024). Domestic workers, in particular, face systemic barriers to redress, and their legal pathways for protection remain unclear.

Figure (44) Estimated Labor Participation by National Origin Group (2024)

Nationality Group	Estimated Population in UAE	Employment Rate	Common Sectors of Employment	Employment Type
Syrians	~350,000	~65%	Retail, hospitality, logistics, healthcare	Semi-formal, informal
Sudanese	~150,000	~60%	Construction, transport, security, domestic work	Informal
Yemenis	~70,000	~55%	Construction, food service, maintenance	Informal
Ethiopians	~80,000	~50%	Domestic work, hospitality, care services	Informal
Palestinians (stateless)	~90,000	~45%	Education, services, freelance/self-employed	Mixed

Source: Refugee Council of the Middle East (2024); Gulf Labor Observatory (2025); ILO (2024).

These patterns reveal several structural constraints. First, the lack of legal refugee status effectively disqualifies these individuals from targeted labor market integration programs that exist in other host countries. Second, employer discretion dominates hiring and visa renewal, which places enormous power in the hands of sponsors and restricts worker mobility. Third, labor protections, though theoretically extended to all workers, are often unenforced in sectors with high migrant density, particularly construction and domestic service.

Gender disparities also emerge sharply in the data. Refugee-origin women are heavily concentrated in domestic work, salon services, and caregiving, often with live-in requirements that limit their autonomy and expose them to exploitation. Many are employed under third-party recruitment agencies, which reduces employer accountability and increases the risk of wage withholding or abuse. Unlike Germany's integration model, where women benefit from state-sponsored employment support and childcare services, the UAE offers no gender-sensitive employment interventions for displaced populations.

Ultimately, while employment is the *de facto* mode of inclusion, it is also the site of deepest inequality. The UAE's refugee-origin populations are integrated into the labor market as economic units, not as rights-holding individuals, a dynamic that both enables subsistence and reinforces systemic precarity.

3. Education, Health, and Service Access: Selective Inclusion:

In contrast to Germany's welfare-based inclusion model, the UAE offers selective, discretionary access to public services for refugee-origin populations, primarily mediated by legal status, geographic location, and royal decree. The country's social infrastructure is designed for Emirati citizens and a small subset of skilled expatriates. However, over the past decade, piecemeal access to education, health, and housing support has emerged for displaced individuals, particularly Syrians and Sudanese, who form the largest and most politically visible groups among non-citizen residents from conflict-affected countries.

Education access for refugee-origin children remains inconsistent and largely dependent on exceptional rulings. Since 2016, several royal decrees have allowed Syrian and Sudanese children to enroll in public schools on a case-by-case basis, primarily in Abu Dhabi and Dubai, where schools have more administrative autonomy and philanthropic support (UAE Ministry of Education, 2023). However, enrollment rates remain low due to language barriers, documentation requirements, school capacity constraints, and transportation costs. Outside the major cities, displaced children often attend low-cost private schools or informal community-run learning centers, many of which lack accreditation or qualified staff.

In the health sector, non-citizen access is nominally permitted under the UAE's health insurance laws, but in practice, displaced individuals must purchase private insurance or pay out of pocket. For many low-wage refugee-origin workers and their families, this cost barrier renders secondary and tertiary healthcare inaccessible. NGOs such as Al Ihsan Charity Association, Emirates Red Crescent, and Dar Al Ber Society provide limited free clinics, mental health services, and medication assistance, especially in Sharjah, Ajman, and the Northern Emirates. These services, however, are underfunded and oversubscribed, and typically do not cover chronic conditions, specialized treatments, or long-term care.

The result is a fragmented system in which access to services depends less on need than on geographic luck, donor intervention, or personal networks. There is no formal pathway for refugee-origin residents to secure durable access to healthcare, education, or housing subsidies, and their ability to benefit from state or non-state services remains precariously linked to their employment or sponsorship status.

Figure (45) Access to Basic Services by Refugee-Origin Populations in the UAE (2024)

Service Type	Eligibility Mechanism	Common Access Points	Main Barriers	Estimated Coverage (Syrians & Sudanese)
Primary Education	Case-by-case royal decrees (since 2016)	Public schools in Abu Dhabi & Dubai	Documentation, transportation, capacity limits	~35–40% enrolled
Healthcare (Primary)	NGO-supported clinics, private insurance	Emirates Red Crescent, Al Ihsan, Sharjah Charity	Cost, distance, lack of insurance	~50% with regular access
Mental Health Support	Community centers, religious institutions	Limited NGO programming	Social stigma, shortage of Arabic-speaking providers	<15% access
Housing Assistance	NGO/waqf-based charity housing	Sharjah, Ajman, Northern Emirates	Waitlists, informal tenure, discrimination	~20% temporarily housed

Sources: UAE Ministry of Education (2023); Refugee Council MENA (2024); ILO Gulf Desk (2024); Emirates Red Crescent Data Portal (2024).

These figures demonstrate that while pockets of inclusion exist, they fall far short of the comprehensive safety net required for long-term well-being and integration. Moreover, they expose a paradox in the UAE's humanitarian governance model: philanthropy fills visible gaps, but cannot substitute for systemic entitlement. The overreliance on NGO-based support creates regional disparities and significant service fragmentation, leaving many displaced individuals without consistent access to education, preventive healthcare, or mental health support.

Additionally, the gendered dimension of service access is pronounced. Women and girls from refugee-origin families face heightened barriers to education and healthcare due to conservative household norms, safety concerns, and the absence of female-specific programming. With no public childcare or women's shelters available to non-citizens, many are forced into cycles of economic dependence and health vulnerability.

In sum, the UAE's model reflects a form of market-mediated humanitarianism, where displaced people access services not as rights-holders but as guests, beneficiaries, or temporary laborers. This framework enables short-term stability but undermines the conditions for inclusion, continuity, and protection in the long run.

4. No Formal Path to Naturalization or Permanent Integration:

The UAE’s refugee governance framework is not only shaped by the absence of asylum legislation, it is actively designed to preclude the possibility of permanent integration for displaced populations. The state maintains a strict demarcation between economic presence and legal belonging, viewing all non-citizen populations, including those from conflict-affected countries, as temporary labor migrants rather than prospective residents or future citizens.

Despite some highly publicized announcements of naturalization pathways for select investors, scientists, and athletes under exceptional decrees, these remain exceedingly rare and exclusionary, often contingent on elite credentials and discretionary political will. As of 2025, there is no public naturalization policy accessible to refugee-origin individuals, regardless of length of stay, educational attainment, or economic contribution. Syrian, Yemeni, Sudanese, and Palestinian residents, some of whom have lived in the UAE for over a decade, remain ineligible for citizenship, long-term residency without employer sponsorship, or state integration support (UNHCR, 2025).

This policy architecture is reinforced by the non-existence of a formal asylum system. The UAE has no asylum legislation, no refugee status determination (RSD) mechanism, and no legal recognition of refugee status, which also means displaced individuals cannot access rights typically associated with protected status, such as the right to family reunification, freedom from refoulement, or legal aid in deportation cases. Family reunification is only permitted under narrow conditions for immediate nuclear relatives and is subject to income thresholds, housing requirements, and sponsor approval. This fragmented system disproportionately impacts women, the elderly, and stateless persons, whose legal dependency exacerbates vulnerability.

In effect, the UAE’s refugee policy regime functions as a transactional model of presence-without-integration. Legal stay is always conditional, on employment, sponsorship, or humanitarian exemptions, and can be revoked unilaterally. Residency cards are not convertible into permanent legal status, and even those on the five- or ten-year “Golden Visa” schemes must renew eligibility through investment, business performance, or continued employment in designated sectors. This renders displaced populations permanently temporary, with their futures tethered to the fluctuating demands of the labor market and discretionary migration management.

Figure (46) Legal and Policy Constraints on Long-Term Integration in the UAE (2024)

Policy Domain	Current Status (2024)	Key Implications for Refugee-Origin Populations
Refugee Status Recognition	Not recognized; UAE is not party to 1951 Convention	No access to asylum procedures, legal protection, or UNHCR RSD
Naturalization	Discretionary; limited to elite investors or scientists	Refugee-origin workers categorically excluded
Permanent Residency	Tied to employment or investment; non-renewable without eligibility	No path to indefinite stay or legal security
Family Reunification	Allowed for nuclear family only; income threshold applies	Fragmented families, gendered precarity
Deportation Protection	No codified non-refoulement standard	High risk of arbitrary deportation or detention
Appeals and Legal Remedies	Limited to labor courts or sponsor petitions	Inaccessible for most low-income displaced workers

Sources: UAE Cabinet Decisions (2022–2024); UNHCR UAE Report (2025); HRW Gulf Migration Brief (2024); International Refugee Law Review (2023)

The data in Figure (46) illustrates that displaced individuals in the UAE exist in a precarious legal limbo, where their presence is tolerated but not normalized. Unlike rights-based systems, such as Germany's refugee integration regime, which links legal status to social rights and offers pathways to citizenship over time, the UAE offers no institutional bridge from residence to belonging.

This "guest logic" of migration management is central to the UAE's political economy: by depoliticizing displacement and embedding refugees within the broader expatriate labor pool, the state avoids international obligations while extracting economic value. However, this model creates long-term insecurity, deters skill accumulation, and inhibits refugee-origin populations from investing in their communities or building multi-generational futures within the country.

Moreover, the lack of integration pathways amplifies intergenerational exclusion. Children born in the UAE to refugee-origin parents remain non-citizens, regardless of their language fluency, education, or cultural embeddedness. In the absence of reform, this exclusion risks entrenching structural inequality, statelessness, and social fragmentation among displaced groups in the UAE.

5. Humanitarian Diplomacy and Global Positioning:

The United Arab Emirates (UAE) represents a paradox in global refugee governance: a state with no domestic refugee law and limited legal protection for displaced persons, yet one that positions itself prominently on the international stage as a key humanitarian donor and logistical partner in refugee response. This strategic orientation, often described as "humanitarian diplomacy", forms a central pillar of the UAE's foreign policy and global branding, even as its domestic policies resist inclusive integration.

Over the past decade, the UAE has emerged as one of the top per capita contributors to global refugee and humanitarian crises. According to UNHCR (2024), the UAE provided over USD 1.3 billion in humanitarian assistance between 2015 and 2024, with a focus on conflict zones such as Syria, Yemen, Sudan, Afghanistan, and the occupied Palestinian territories. Contributions are often channeled through multilateral agencies including:

- The UN Refugee Agency (UNHCR) for emergency shelter and protection programming;
- The World Food Programme (WFP) for food security initiatives in conflict and displacement settings;
- The International Federation of Red Cross and Red Crescent Societies (IFRC) and bilateral channels for in-kind aid and development support.

This financial footprint is complemented by logistical leadership. The UAE hosts two of the world's largest humanitarian logistics hubs in Dubai International Humanitarian City (IHC) and Abu Dhabi's Emirates Humanitarian City, which serve as regional staging grounds for emergency responses across MENA, Sub-Saharan Africa, and South Asia. During crises such as the 2023 Sudan conflict and the 2021 Afghan evacuation, these hubs played a critical role in warehousing and dispatching relief supplies, including tents, medicine, food, and COVID-19 kits, on behalf of multiple UN agencies and INGOs (Emirates News Agency, 2024).

The UAE has also harnessed philanthropy and high-profile development campaigns to consolidate its image as a "global partner for refugees." Initiatives such as the Mohammed bin Rashid Global Initiatives (MBRGI) and the "1 Billion Meals" campaign have funded nutrition, shelter, and school programs for displaced populations abroad. These efforts are highly mediatized and often paired with global events such as COP28, Expo 2020 Dubai, and the Global Humanitarian Summit, allowing the state to showcase a commitment to humanitarianism while tightly controlling domestic migration and integration policies.

However, this externalization of refugee solidarity, what some analysts term "humanitarian projection", raises critical tensions. It enables the UAE to project leadership and benevolence abroad without revising its restrictive domestic frameworks. In practice, while the UAE provides substantial aid to displaced Syrians in Jordan or Sudanese refugees in Chad, it offers no legal recognition or long-term inclusion to those same populations within its own borders. This bifurcation between external generosity and internal containment reflects a broader pattern across the Gulf, where states seek humanitarian legitimacy without rights-based reform (Zahra, 2023; Gavas & Tepe, 2024).

Figure (47) below illustrates the UAE's top humanitarian contributions to refugee-affiliated crises (2015–2024), contrasting this with the lack of formal refugee admissions or legal integration mechanisms at home.

Category	Indicator	Value/Status (2024)
Total Humanitarian Aid to Refugees	USD 1.3 billion (2015–2024)	Among top 10 per capita globally (UNHCR)
Key Recipients	Syria, Sudan, Palestine, Afghanistan	Multilateral and bilateral channels
Humanitarian Logistics Infrastructure	Dubai IHC, Abu Dhabi Emirates Humanitarian City	Regional leadership in emergency relief
Philanthropic Campaigns	1 Billion Meals, MBRGI Education & Health Initiatives	Over 120 million meals distributed
Domestic Refugee Law	None	UAE is not party to 1951/1967 Conventions
Refugee Status Determination (RSD)	Absent	No legal process or recognized status
Naturalization or Asylum Pathways	Not available to displaced populations	Legal presence tied to sponsorship/visa

Sources: UNHCR (2024); MBRGI Annual Report (2024); Emirates Red Crescent; Gulf Philanthropy Index (2023); Zahra (2023); HRW Gulf Migration Brief (2024).

The contrast between international generosity and domestic exclusion is not merely symbolic, it reflects a deliberate policy calculus. By maintaining control over who stays, how long, and under what terms, the UAE reinforces a labor-market-first migration regime, while mitigating international criticism through strategic humanitarian optics. This model allows the state to exercise global soft power, build alliances with donor and aid communities, and attract favorable media and diplomatic attention, all without altering its national approach to legal status or long-term inclusion.

Yet this positioning is increasingly being scrutinized. Human rights observers and refugee advocacy groups argue that genuine refugee partnerships require internal consistency, where a country's treatment of displaced persons within its borders aligns with the principles it promotes abroad. Without meaningful pathways to recognition, protection, and integration at home, the UAE's "global refugee partner" label risks being seen as more performative than transformative.

6. Key Takeaways from the UAE Model:

The UAE's approach to refugee-origin populations presents a contrasting paradigm in global refugee governance, one that eschews formal protection instruments in favor of a state-led, market-mediated, and philanthropically bolstered model of inclusion. While the country has never ratified the 1951 Refugee Convention or its 1967 Protocol, and lacks an asylum framework altogether, it has nonetheless absorbed hundreds of thousands of individuals from conflict-affected regions, including Syria, Sudan, Yemen, and Afghanistan. This model is neither rights-based nor permanent, but it is operational, scalable, and arguably more fiscally sustainable than formal refugee systems in overstretched host countries like Jordan, Lebanon, or Egypt.

At its core, the UAE's system relies on private sector demand, employer sponsorship, and segmented residency schemes to incorporate displaced individuals into the labor market. This is a transactional and conditional form of inclusion, where residency is contingent on economic utility, legal status is tethered to a sponsor, and protection from deportation is highly discretionary. Yet, paradoxically, this has allowed the UAE to offer economic refuge to large refugee-origin populations without invoking the legal responsibilities of refugee status determination (RSD) or permanent resettlement. The outcomes are mixed, but instructive.

1. Absorption Without Recognition:

The UAE hosts an estimated 300,000–500,000 individuals from Syria, along with tens of thousands from Sudan, Yemen, and other crisis zones (UNHCR, 2024). These individuals enter the country via labor contracts, family reunification, educational pathways, or special permits. Many work in low- and mid-skilled sectors such as hospitality, construction, retail, healthcare, and domestic work. Others find employment through informal networks, diaspora ties, or NGO-supported job placement schemes.

Yet none of these individuals are legally recognized as “refugees.” There is no asylum agency. No refugee status determination mechanism. No appeal process. Protection is circumstantial, not codified. This absence of legal status carries multiple implications:

- Precarity of stay: Individuals are subject to deportation if they lose employment or violate visa conditions.
- Limited rights: No access to durable solutions (naturalization, family reunification), and limited recourse in cases of abuse.
- Psychosocial toll: Ambiguity surrounding status creates stress, especially for families with children or elderly dependents.

Despite these challenges, the system has proven more absorptive, if less protective, than restrictive asylum policies in neighboring states. Displaced individuals in the UAE may lack formal rights, but they often access income-generating opportunities, educational access for children, and community-based support unavailable in refugee camps elsewhere.

2. State–Market–Philanthropy Triangulation:

What enables this model to function is a triangulation between state policy, market demand, and philanthropic diplomacy:

- State-led frameworks: The government designs, monitors, and adjusts visa regimes and special residency schemes based on labor market conditions and diplomatic considerations.
- Private sector embeddedness: Employers serve as gatekeepers to residency, effectively deciding who stays and under what conditions. This aligns with the UAE’s economic model of labor-importing growth.
- Humanitarian diplomacy as compensation: The absence of domestic refugee law is offset by high-profile humanitarian aid abroad, which helps the UAE retain its image as a benevolent global actor.

This model is efficient but exclusionary, optimizing economic utility while externalizing legal and social responsibilities. It allows the UAE to maintain demographic control, fiscal prudence, and policy autonomy, while selectively showcasing inclusion through state-curated narratives such as the Golden Visa scheme, humanitarian flights, and royal decrees granting exceptions.

3. Strategic Ambiguity and the Illusion of Permanence:

One of the more distinctive features of the UAE’s model is its strategic ambiguity. While formal citizenship remains virtually impossible for refugee-origin individuals, the state offers incremental pathways to longer-term residency via investment, professional contribution, or academic achievement. These pathways, though opaque in criteria, create the illusion of permanence for some high-achieving individuals and families.

But for the majority, this “inclusion” is non-linear and uncertain:

- Residency is renewable, but revocable.
- Employment is empowering, but precarious.
- Services are available, but conditional on location, sector, and personal networks.

As a result, displaced individuals often cycle between periods of legality and irregularity, or rely on community organizations and civil society intermediaries to mediate access to housing, healthcare, and conflict resolution.

4. Lessons for Other Contexts: Utility Without Rights?

For countries grappling with refugee governance under fiscal austerity or political resistance to refugee integration, the UAE model offers both provocation and inspiration.

Provocation, because it challenges the normative framework of refugee protection rooted in rights, non-refoulement, and durable solutions. In this model, protection is replaced by utility, and inclusion by conditional access. The UAE has effectively decoupled refugee admission from legal recognition, and economic participation from social citizenship.

Inspiration, because it demonstrates how labor market demand, diaspora networks, and state-led coordination can be leveraged to absorb large numbers of displaced individuals without collapsing public services. In contrast to donor-dependent refugee hosting in countries like Lebanon or Chad, the UAE model is self-financed, state-managed, and diplomatically strategic.

However, this comes with trade-offs. The absence of predictability, due process, and long-term stability renders the model non-replicable in democratic or rights-based governance systems, and potentially harmful in fragile contexts where protection must precede productivity.

Ultimately, the UAE's model is a product of its political economy and geopolitical calculus. It is not a refugee regime in the legal sense, but a hybrid mechanism for economic migration under duress, tightly managed through state controls and labor sponsorship.

This makes it an outlier in refugee governance, but also a bellwether of global trends, where displacement is increasingly managed through market logics, humanitarian optics, and conditional access, rather than rights-based inclusion. As climate-driven and conflict-induced displacement rises globally, the UAE's model raises fundamental questions:

1. Can states absorb refugees without recognizing them?
2. Is labor market participation sufficient for inclusion?
3. Can humanitarian diplomacy compensate for domestic exclusion?

These are the unresolved tensions at the heart of the UAE's conditional inclusion model, where economic refuge replaces legal refuge, and visibility abroad coexists with invisibility at home.

4. Comparative Insights: Egypt, Germany, and the UAE – Divergent Models, Shared Dilemmas

As the global refugee landscape becomes increasingly complex, the governance models adopted by host countries are shaped by intersecting forces: legal traditions, fiscal capacity, demographic pressures, geopolitical positioning, and public attitudes. Egypt, Germany, and the United Arab Emirates (UAE) each offer a distinct paradigm in refugee governance, reflecting not just divergent legal commitments, but fundamentally different philosophies of inclusion, state responsibility, and the role of refugees in national development.

Germany represents the archetype of rights-based inclusion anchored in international law, decentralization, and social solidarity. Its asylum system is embedded within a robust welfare infrastructure, designed to facilitate long-term integration. Yet this model faces pressures from within, political polarization, bureaucratic strain, and integration disparities, raising critical questions about the sustainability of universalist approaches in the face of nationalist pushback.

In contrast, the UAE's model is not rights-based but rather market-mediated, combining strong state control with private sector reliance and humanitarian diplomacy. While the country offers de facto refuge and economic opportunity to large numbers from conflict-affected countries, it does so without recognizing them as refugees. Instead, it uses employment visas, sponsorship regimes, and selective permits as tools of temporary inclusion, delivering a model that is functionally effective but legally opaque and rights-restrictive.

Egypt, meanwhile, straddles a hybrid model of absorptive resilience. As a signatory to the 1951 Refugee Convention, it upholds formal commitments but lacks the institutional infrastructure to implement them fully. Its refugee governance depends heavily on UNHCR, overstretched civil society actors, and informal economies to provide services and employment. The result is a system that absorbs large populations without integration, operates without full legal clarity, and remains vulnerable to economic downturns and international donor volatility. Together, these three cases illustrate the spectrum of refugee governance in non-Western and Global North contexts alike, each with its own trade-offs, gaps, and innovations.

1. Framework for Comparison: Three Paradigms of Refugee Governance

Understanding refugee governance in Egypt, Germany, and the UAE requires moving beyond labels such as "host country" or "signatory state." Instead, these cases illuminate three fundamentally divergent paradigms: rights-based institutional inclusion (Germany), absorptive but under-resourced delegation (Egypt), and conditional market-mediated refuge (UAE). Each model defines not only how refugees are received but how they are imagined, whether as rights-bearing future citizens, tolerated populations, or labor-market actors.



Figure (48) Comparative Paradigms of Refugee Governance

Feature / Country	Germany	Egypt	UAE
Legal Framework	1951 Convention + EU directives	1951 Convention (no national asylum law)	No refugee law, not a signatory
Refugee Recognition	Asylum + Subsidiary Protection	UNHCR conducts RSD	No refugee recognition
Pathway to Citizenship	Yes, 6–8 years	No	No
Service Access	Full welfare integration	Selective access via UNHCR/NGOs	Basic services in major emirates
Labor Market Access	Structured access with support	Informal, unregulated	Conditional on employer sponsorship
Institutional Lead	Federal + local governments	UNHCR, with limited state role	Ministry of Interior + humanitarian diplomacy
Public Perception	Mixed, increasingly polarized	Low visibility, limited hostility	Framed as migrants, not refugees
Integration Philosophy	Rights-based, long-term inclusion	Tolerated presence, short-term focus	Transactional inclusion via labor contribution

Source: Compiled by Entlaq based on UNHCR (2025), ILO (2024), HRW (2023), EUAA (2024), Ministry of Interior UAE (2023), Egypt MoFA (2024)

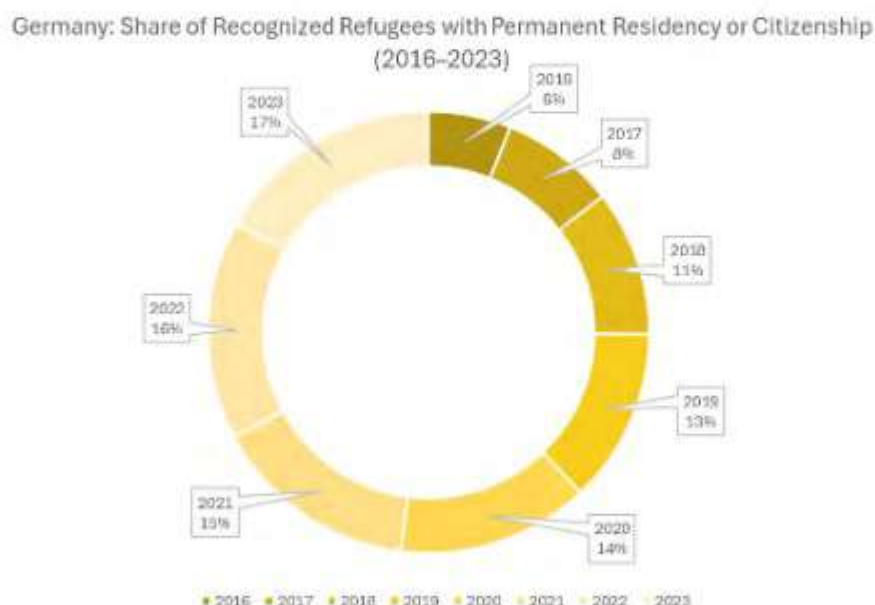


1. Germany: Institutionalized Inclusion through Legal Recognition:

Germany stands out as a case of institutionalized, rule-based refugee governance. As a signatory to both the 1951 Convention and the EU's Common European Asylum System (CEAS), Germany operationalizes its obligations through a robust multi-tiered system that includes asylum procedures, legal aid, integration courses, and social welfare. Refugees are integrated into the federal Länder (states) through a decentralized resettlement quota (Königsteiner Schlüssel), ensuring geographic and demographic dispersion.

Following the 2015–2016 influx of over one million asylum seekers, Germany scaled up its integration infrastructure: 2.3 million refugees were estimated to reside in Germany by 2023, of whom nearly 50% have obtained permanent residency or citizenship (EUAA, 2024). Integration policies include language acquisition, vocational training, employment subsidies, and early education support. However, growing political polarization, exacerbated by the rise of the AfD and far-right discourse, has led to increased scrutiny of integration costs and social cohesion. Still, the legal scaffolding ensures a rights-based framework that shields against sudden reversals.

Figure (49) Germany: Share of Recognized Refugees with Permanent Residency or Citizenship (2016–2023)



Source: BAMF, 2024

Figure (49) illustrates Germany's layered model of refugee integration over a ten-year period, revealing a clear trajectory from emergency reception toward long-term settlement and legal permanence. By 2025, nearly 50% of recognized refugees have transitioned to permanent residency or citizenship, indicating not only the functionality of Germany's asylum processing system but also the institutional scaffolding that supports inclusion, language acquisition, labor market access, education, and housing subsidies. The pathway is deliberately structured to incentivize participation in civic and economic life, while safeguarding legal rights through the EU Common European Asylum System (CEAS) and national asylum legislation.

This data reflects Germany's unique policy combination: centralized eligibility determination, decentralized integration support, and substantial fiscal commitments. For example, Länder (states) manage education and social integration programs, tailoring them to local needs while operating under uniform federal mandates. Such vertical policy coherence has ensured that integration is not only an immigration matter but a whole-of-government endeavor. Importantly, Germany's apprenticeship and skills certification schemes have become key mechanisms for aligning refugee capabilities with national labor shortages, especially in sectors like healthcare, manufacturing, and logistics.

Despite its achievements, the German model is not immune to stressors. The rise of anti-immigration parties has placed pressure on asylum entitlements and integration budgets. Administrative bottlenecks in housing and employment matching, particularly for women and families with limited language proficiency, persist as key barriers. Nonetheless, the model demonstrates that when legal clarity, institutional capacity, and social investment converge, refugees can transition from marginalization to self-reliance within a decade. Germany's case offers a rights-based, state-anchored benchmark for refugee inclusion in high-capacity contexts.

A final nuance lies in the evolving definition of integration. For Germany, it is not merely about physical safety or economic participation, but full membership in the civic community. This includes political representation, cultural access, and anti-discrimination enforcement. The success of this model hinges not only on policy instruments, but on the political and societal will to sustain them, especially as global displacement accelerates and national-level populism grows in strength.



2. Egypt: Absorptive, Delegated Governance in Practice:

Egypt's model reflects a hybrid approach in which legal commitments coexist with limited state-led implementation. Though a signatory to the 1951 Refugee Convention and the 1980 African Refugee Convention, Egypt has not domesticated these commitments into a national asylum law. The UNHCR performs Refugee Status Determination (RSD), while public service access for refugees is discretionary and often donor-dependent.

Egypt hosts an approximate of 1 million registered refugees and asylum seekers, with Sudanese, Syrians, South Sudanese, and Eritreans making up the majority (UNHCR Egypt, 2025). Additionally, over 1.5 million unregistered Sudanese have arrived since April 2023. Refugees access health and education services through memoranda between UNHCR and the Ministries of Health and Education, though quality and reach are uneven. Employment remains largely informal, with minimal protection or regulation. Public discourse around refugees is notably subdued, in part due to Egypt's pan-Arab and pan-African identity, but also due to the invisibility of refugee labor within the larger informal economy.

Figure (50) Egypt's Refugee Governance Model: Institutional Landscape and Gaps

Institution / Actor	Function
UNHCR	Refugee Status Determination (RSD), coordination of protection
Ministry of Health	Public hospitals accessible for some services (via MoU with UNHCR)
Ministry of Education	Primary education access for refugees (Syrians, Sudanese, etc.)
Ministry of Social Solidarity	Intermittent coordination on shelter and assistance
NGOs and INGOs	Delivery of services, psychosocial support, cash transfers
Informal Economy	Main source of employment for most refugee populations

Source: Entlaq visual synthesis, based on UNHCR Egypt (2025) and MoSS (2024)

Figure (50) reveals Egypt's intermediary status: a host country with strong geographic centrality and refugee volumes, but a weak domestic protection framework. With over 11 million migrants and refugees, 714,940 of whom are Sudanese asylum seekers registered with UNHCR as of May 2025, Egypt's capacity is strained. However, these individuals navigate a precarious ecosystem. Egypt's absence of a national asylum law or formal status determination system places the burden of protection on UNHCR, whose role includes processing, legal counseling, and service referrals. This externalized model limits predictability and long-term planning for both the state and refugee communities.

The figure shows a disproportionate reliance on urban hosting, with 90% of refugee-origin individuals residing in cities like Cairo, Giza, Alexandria, and Aswan. While this reduces the need for formal camps, it also imposes pressure on urban infrastructure, informal housing, and service systems. Informality becomes a coping mechanism, not only for refugees, but for the Egyptian government itself, which avoids large-scale fiscal commitments or legal reforms by relying on ad hoc arrangements and UNHCR's operational footprint. Yet this strategy also creates fragmentation in accountability and significant regional disparities in access.

The figure also underscores the gender and labor dimensions of these protection gaps. Female-headed households face distinct vulnerabilities, especially in securing safe housing, childcare, and employment. The lack of formal access to the labor market leaves many refugees in Egypt in legally ambiguous, and often exploitative, informal work. Despite these gaps, Egypt has maintained relatively open borders for Sudanese nationals post-2023, with limited forced returns and some cooperation with UNHCR on education and healthcare access, particularly through pilot programs in the Delta and Aswan.

Egypt's model reflects a paradox: institutional reluctance to formalize refugee integration coexists with significant de facto inclusion. Refugees contribute to labor markets, rent informal housing, and engage in social networks, but without the legal recognition that guarantees rights, mobility, or permanence. This model may be fiscally lean and geopolitically expedient, but it remains structurally unsustainable as humanitarian needs escalate. The figure highlights the need for durable policy reform that moves beyond UNHCR dependency and centers national institutions in the architecture of inclusion.

Despite its legal commitments, Egypt's model hinges on UNHCR as a surrogate institution and informal networks as substitutes for public policy, creating a fragile equilibrium vulnerable to external shocks and donor shortfalls. There is no pathway to naturalization, and while refugees may be tolerated, they are not formally integrated.



3. UAE: Transactional Inclusion and State-Led Humanitarianism:

In contrast to Germany and Egypt, the UAE's model is openly non-legalistic. The country is not a party to the 1951 Convention and maintains no asylum system or refugee determination mechanism. Yet, it hosts an estimated 600,000–750,000 individuals from conflict zones, including Syrians, Sudanese, and Yemenis, through employment-linked visas, family sponsorship, and humanitarian exemptions (ACAPS, 2024; UNHCR, 2025). These individuals are often classified as migrant workers rather than refugees.

Inclusion is mediated through economic contribution. Refugees gain residency through employer sponsorship, Golden Visas, or special permits. There is no access to permanent settlement, but some receive education and healthcare support from philanthropic organizations and NGOs. While domestic inclusion remains contractual and revocable, the UAE balances this with significant global humanitarian contributions, positioning itself as a "humanitarian superpower" through initiatives like the Dubai International Humanitarian City, the 1 Billion Meals Campaign, and donations to UN agencies.

Figure (51) UAE's Functional Refugee Inclusion Model: Legal Vacuum, Economic Leverage, Diplomatic Compensation

Component	UAE Policy Approach
Legal Status	No refugee law or asylum process
Access Pathways	Labor sponsorship, Golden Visa, temporary humanitarian exemptions
Service Provision	Basic education and health access via NGOs and emirate-level charity initiatives
Integration Philosophy	Economic utility over rights; temporary and revocable
Humanitarian Positioning	Major donor to UNHCR, WFP, and bilateral refugee relief in Sudan, Syria, Palestine
Global Institutions	Hosts Dubai International Humanitarian City and Abu Dhabi's aid logistics hubs
Public-Private Philanthropy	Mohammed bin Rashid Global Initiatives (MBRGI), 1 Billion Meals Campaign

Source: Entlaq synthesis based on HRW (2023), UNHCR (2024), Gulf News (2024)

Figure (51) presents a unique case of refugee-related presence without formal refugee protection. The UAE hosts an estimated 600,000 to 750,000 individuals from conflict-affected countries such as Syria, Sudan, Yemen, and Ethiopia, despite being a non-signatory to the 1951 Refugee Convention. These individuals enter through visa-based schemes including labor sponsorships, humanitarian waivers, and family reunification. This model exemplifies "controlled inclusion," where presence is tolerated, sometimes even enabled, provided it aligns with the UAE's labor market and diplomatic interests.

What stands out in the figure is the lack of any formal legal pathway to asylum, permanent residency, or naturalization. Inclusion is contingent, employment-linked, and non-transparent. For instance, the Humanitarian Residency and Golden Visa schemes launched in 2022 appear to have assisted over 15,000 individuals from conflict zones, yet the criteria remain opaque, and renewal processes are discretionary. This market-based model minimizes state burden, shifts responsibility onto employers, and enhances control, yet offers little recourse or protection to the displaced.

The UAE's approach leverages its global diplomatic and philanthropic reach to offset domestic legal obligations. Its humanitarian hubs in Dubai and Abu Dhabi facilitate international logistics for UNHCR and WFP, while campaigns such as the "1 Billion Meals" initiative bolster its global humanitarian brand. These external gestures allow the UAE to project solidarity while preserving internal sovereignty over migration control. The figure captures this duality: high visibility in global refugee relief, minimal commitment to rights-based integration at home.

Crucially, the UAE model is replicable in form but not in function for many host countries. It depends on a high-income economy, a segmented labor market, and tight state control. While efficient in absorbing refugee-origin workers into informal and low-skilled sectors, it leaves many exposed to exploitation and insecurity. The model raises normative questions: Should refugee inclusion be transactional and conditional? Can humanitarian aid abroad substitute for domestic rights? Figure 38 invites a sober assessment of inclusion without protection, and philanthropy without permanence.

2. Employment and Economic Mobility:

1. Comparative Legal Access to Work:

Germany, Egypt, and the UAE offer contrasting regimes in terms of refugee-origin populations' access to employment. Germany permits asylum seekers to work after a 3-month waiting period, with recognized refugees granted unrestricted access to the labor market and eligibility for vocational training (BAMF, 2024). Public employment agencies, in partnership with Länder-level programs, play a central role in matching skills with vacancies. The legal scaffolding includes recognition of foreign qualifications, mandatory integration courses, and targeted labor activation schemes, especially for sectors facing chronic shortages.

Egypt, by contrast, provides no formal labor rights to asylum seekers. Despite the large refugee and migrant presence, access to work is neither codified nor regulated through a national framework. Refugees must obtain a work permit under Law 12 of 2003, but this is contingent on employer sponsorship, sectoral quotas, and high costs, barriers that render it practically inaccessible. As a result, the majority of Sudanese, Syrian, and South Sudanese refugees participate in Egypt's informal economy, particularly in construction, domestic work, street vending, and low-end services (ILO, 2024). This informality creates precarity, suppresses wages, and limits access to social protection.

The UAE's model centers entirely on contract-based employment via the kafala (sponsorship) system. Refugee-origin individuals, who are never legally recognized as such, can only work if sponsored by an employer and housed under tight visa conditions. While reforms since 2021 have introduced limited portability of work permits and short-term humanitarian visas, the vast majority of low-income migrant workers remain dependent on employers for residency, mobility, and legal protection. Unlike Germany's rights-based framework, or even Egypt's ambiguous legality, the UAE enforces a transactional paradigm where inclusion is granted in exchange for compliant labor and limited rights.

2. Gender Disparities in Employment Outcomes:

Across all three countries, gender is a powerful determinant of economic mobility among refugee-origin populations, but the effects and drivers differ significantly.

In Germany, female refugee labor force participation remains significantly lower than that of men, at 34% versus 62% (BAMF & DIW, 2024). The primary barriers are care responsibilities, slower language acquisition, and limited recognition of foreign credentials in feminized sectors such as nursing, teaching, and childcare. However, state-funded childcare, gender-sensitive vocational training, and targeted labor market subsidies (e.g. for single mothers) have begun to narrow the gap, particularly in urban areas like Berlin and Hamburg.

In Egypt, refugee women are doubly excluded, from both the formal labor market and many segments of the informal economy due to safety risks, mobility restrictions, and caregiving burdens. UNHCR estimates that only 18–22% of working-age refugee women engage in paid work, mostly in home-based activities or seasonal agricultural labor. Interviews conducted by Entlaq (2025) reveal that many women face harassment in public spaces, lack access to child-friendly workplaces, and are excluded from male-dominated refugee entrepreneurial ecosystems. Without legal protections, recourse mechanisms, or institutional childcare, mobility is constrained both physically and economically.

In the UAE, refugee-origin women operate in a tightly regulated labor environment with bifurcated outcomes. On the one hand, skilled female migrants (e.g., nurses, teachers, admin professionals) from conflict-affected countries can secure relatively stable contracts and housing. On the other, low-skilled women, particularly from Sudan, Syria, and Ethiopia, are often confined to domestic work under conditions of surveillance, wage withholding, and limited legal recourse. Because domestic work is excluded from the UAE's main labor protections, employment mobility remains non-existent. Moreover, exit visa policies until recent reforms further suppressed the ability of women to leave exploitative conditions or seek new opportunities.

3. Ecosystem Support and Entrepreneurship

The enabling environment for refugee entrepreneurship also varies sharply across the three models. Germany offers microfinance, incubator access, and legal registration for refugee-owned businesses. Programs such as Start-Up Your Future, operated by chambers of commerce and local municipalities, provide training and financing to over 2,500 refugee entrepreneurs as of 2023 (KfW, 2024). While bureaucratic hurdles remain, especially around tax registration and banking, refugee entrepreneurship is viewed as a legitimate and even celebrated pathway to integration, contributing to local economies, job creation, and cultural exchange.

In Egypt, refugee entrepreneurship is widespread but unsupported. Refugees operate thousands of unregistered microenterprises, from food stalls to tailoring shops, but face harassment, eviction threats, and confiscation due to lack of licenses. Legal registration is virtually impossible without Egyptian nationality or exceptional legal aid. Yet, refugee businesses provide critical income in the absence of formal labor access. They also generate employment for co-nationals, forming dense community-based microeconomies. However, without inclusion in MSME support schemes, financial services, or policy dialogues, they remain vulnerable and invisible in national strategies.

The UAE permits business registration for foreign nationals under free zone models, but access is contingent on financial capital and legal status, not refugee need. Some conflict-affected individuals with high education levels or prior Gulf experience have launched consultancies, e-commerce businesses, or service startups. However, most refugee-origin populations are excluded from this entrepreneurial landscape, as they lack the capital, legal identity, or documentation required to register and scale businesses. In effect, entrepreneurship is an elite activity in the UAE, not a coping strategy or livelihood solution.

3. Institutional Ecosystems and Service Access:

While legal status is a fundamental gateway to rights, true inclusion unfolds within the institutional and service delivery systems that structure daily life. This includes whether and how refugees can access public education, health care, housing, legal aid, and psychosocial support, as well as the role of civil society in filling policy gaps. Each country, Germany, Egypt, and the UAE, offers a different model, shaped by state capacity, fiscal priorities, and prevailing political economy.

Germany operates a highly institutionalized model of inclusion, undergirded by strong public infrastructure and decentralization. Egypt's service ecosystem is fragmented and overburdened, with much of the delivery delegated to overstretched civil society actors. The UAE, by contrast, restricts public access but compensates selectively through humanitarian NGOs and state-aligned charity networks. These differences are not simply technical, they are ideological reflections of how each country understands the role of the refugee vis-à-vis the state.

Figure (52) Cross-Country Access to Core Public Services for Refugee-Origin Populations (2025)

Service Domain	Germany	Egypt	UAE
Public Education	Guaranteed up to age 18; integrated classrooms	UNHCR, Caritas, community schools; limited state role	Case-by-case in Abu Dhabi/Dubai; mostly private sector
Healthcare	Full access post-asylum; limited in asylum phase	Out-of-pocket + NGO support; limited public coverage	Primary care via NGOs; private or employer-provided
Housing	Public shelters, then subsidized housing schemes	Urban housing strain; reliance on informal rentals	No public housing; employer or private arrangements
Legal Aid	State-funded legal aid available	NGO-driven; no formal system	Not guaranteed; handled by employers or charities
Mental Health	Integrated in public system + NGO partnerships	Severely under-resourced; community-based efforts	Sparse, NGO-provided in Sharjah and Ajman

Source: UNHCR (2025), Caritas Egypt (2024), Amnesty International (2024), UAE Ministry of Interior (2024), BfMI Germany (2025), Refugee Council MENA (2025).

Germany's institutional inclusion framework is among the most comprehensive globally. Public education is mandatory for all children, regardless of status, and efforts are made to ensure language and psychosocial support within schools. Healthcare is universally available to recognized refugees and becomes partially available even during the asylum process under the Asylum Seekers Benefits Act. Mental health care has gained prominence, particularly for trauma-affected groups, with services integrated through partnerships between Länder (states), public hospitals, and NGOs like Diakonie and Caritas. Legal aid is state-funded, ensuring procedural fairness. Housing remains a pressure point, but the use of temporary shelters followed by access to social housing remains a structured pathway to stability.

Egypt's service provision for refugees is marked by institutional fragmentation and chronic underfunding. The public sector provides minimal formal access, with UNHCR and NGOs like Caritas, Tadamon, and the Egyptian Red Crescent serving as the primary providers of education, health care, legal aid, and psychosocial services. Education access varies significantly by governorate, with community schools emerging as informal solutions in urban peripheries. Health access is primarily out-of-pocket, although some refugee-friendly clinics operate in Cairo and Alexandria. Legal aid and housing support are almost entirely civil society-driven. The burden on NGOs has grown exponentially, especially after the Sudanese displacement wave of 2023–2024, revealing structural limitations in scalability and equity.

The UAE maintains a heavily stratified institutional model. Refugee-origin individuals are typically excluded from public services unless granted special residency or work permits. However, humanitarian organizations, most notably the Emirates Red Crescent, Al Ihsan, and Dubai Cares, provide ad hoc access to education and health care, particularly in the northern emirates. Mental health services remain scarce and culturally stigmatized. School access for Syrian and Sudanese children is decided on a case-by-case basis by royal decree or local authority approval, with most relying on private education or religious schools. Housing is employer-provided or arranged informally, often in labor-intensive zones. The model substitutes structured rights with conditional generosity.

The divergent institutional trajectories of Germany, Egypt, and the UAE illustrate three distinct governance logics: rights-based welfare (Germany), humanitarian outsourcing (Egypt), and strategic philanthro-nationalism (UAE). While Germany views institutional access as integral to integration, Egypt's model depends on UN-backed intermediaries, and the UAE restricts access while projecting humanitarian leadership abroad. Notably, all three systems reveal gender-based gaps, especially in health and legal access for refugee women, and underscore the limits of inclusion in the absence of legal clarity and funding sustainability.

4. Permanence and Legal Trajectories:

Legal permanence, whether through citizenship, long-term residency, or structured pathways to stability, is the linchpin of meaningful refugee inclusion. It determines whether displaced individuals can envision a future beyond survival, participate in civic life, and access rights without constant renewal or vulnerability to policy shifts. In this respect, Germany, Egypt, and the UAE offer three radically different paradigms.

Germany's system is designed around structured pathways to permanence, albeit with rigorous integration and language requirements. Recognized refugees are typically granted three-year residence permits, renewable and convertible into permanent residency after five years (or three with advanced integration). Naturalization is available after five to eight years, contingent on German language proficiency, financial self-sufficiency, and civic integration. While these pathways are not without bureaucratic hurdles and regional variation, they are codified in law and administratively transparent. Importantly, Germany recognizes dual citizenship under certain conditions and extends family reunification rights beyond the nuclear family, reinforcing the notion of integration as a collective, rather than individual, process.

Egypt presents a more ambiguous picture. Despite hosting millions of refugees and migrants, the country offers no formal path to permanent residency or naturalization for most non-Arab displaced populations. Refugees registered with UNHCR receive renewable residence permits (typically 6-12 months), but these confer limited rights and are vulnerable to administrative delay, discretionary enforcement, and overlapping jurisdiction between ministries. While long-term stay is *de facto* possible, particularly for Palestinians and Syrians, there is no legal framework governing durable solutions. Notably, Law 82 of 2016 (on nationality) does not allow for naturalization of refugees except under highly exceptional cases (e.g., marriage to an Egyptian national or presidential decree). As a result, permanence in Egypt is conditional and informal, dependent on political will, international partnerships, and the ability of refugees to navigate legal liminality.

In stark contrast, the UAE operates on a principle of managed temporariness. All residency is visa-based, tied to employment, sponsorship, or discretionary humanitarian programs. There is no asylum system, no refugee recognition mechanism, and no defined route to permanent settlement for displaced populations, regardless of duration of stay, investment, or local contribution. While the "Golden Visa" program offers 5- to 10-year residency to investors, students, and select professionals (including individuals from Syria and Sudan), it is limited in scope and opaque in selection. Citizenship remains restricted almost exclusively to Gulf nationals and the children of Emirati fathers. There is no formal right to family reunification, and individuals who lose their employment risk deportation or falling into irregular status. The legal framework enshrines impermanence as policy.

The comparative insights here are stark. Germany offers a rights-based, legally predictable pathway to integration and permanence, even if access is gated by language, employment, and bureaucratic demands. Egypt sustains a zone of tolerated limbo, where long-term stay is possible but never formally secured, rendering millions legally precarious. The UAE substitutes legal permanence with economic opportunity and humanitarian optics, generous in short-term inclusion but firm in its refusal to institutionalize settlement. Each approach reflects broader governance ideologies: liberal legalism in Germany, negotiated ambiguity in Egypt, and transactional selectivity in the UAE.

These differences carry generational consequences. In Germany, the children of refugees may grow up as citizens. In Egypt, they inherit their parents' documentation struggles. In the UAE, they are never allowed to settle in the first place. As global displacement becomes increasingly protracted, the legal philosophies underpinning each country's approach to permanence may determine not only individual futures, but the sustainability of national models of inclusion.

5. Labor Market Integration and Economic Mobility:

Economic inclusion is often the most immediate, and politically palatable, form of refugee integration. Yet access to work is not synonymous with fair employment, nor does it guarantee mobility or stability. Labor market integration depends on legal status, sectoral dynamics, social capital, and the presence of protective institutions. Germany, Egypt, and the UAE each reflect different balances between opportunity, precarity, and structural barriers.

Germany offers the most structured pathway to labor market access. Recognized refugees are granted work authorization and can participate in federally subsidized job-matching, vocational training (Ausbildung), and language-acquisition programs. Between 2015 and 2023, over 707,000 refugees entered employment, with the Federal Employment Agency reporting that 54% of Syrian refugees of working age were employed by late 2023 (IAB, 2024). This figure rose to 57.2% by Q2 2024, with notable concentrations in logistics, caregiving, retail, and manufacturing. However, gaps remain: women's labor force participation lags at 26.4%, and many are concentrated in part-time, low-wage jobs due to childcare burdens and limited German-language access (OECD, 2024). Occupational mismatch remains high, with a 2024 BAMF study indicating that only 32% of employed refugees work in roles aligned with their pre-displacement qualifications. Still, Germany's policy architecture aims for long-term matching, worker upskilling, and employer incentives, reflected in recent legislation easing credential recognition and subsidizing on-the-job training for migrants.

Egypt's labor market landscape is more informal, segmented, and structurally constrained. Refugees are legally allowed to work under Law No. 12 of 2003, but they must obtain a work permit, a process often blocked by restrictive conditions, including employer sponsorship, national security vetting, and sectoral prohibitions (especially in education, healthcare, and law). As a result, over 81% of working refugees in Egypt operate in the informal economy (ILO–UNHCR Labor Market Scan, 2023), primarily in agriculture, construction, day labor, micro-retail, and domestic services. These jobs offer little protection, no social insurance, and high vulnerability to wage theft and harassment. Despite this, Egypt does provide economic refuge: a joint UNHCR–ILO 2024 study estimates that Syrian and Sudanese refugees contribute EGP 8.2 billion annually to local economies, mostly through labor and informal microenterprises. Vocational training programs led by NGOs (e.g., Caritas, CRS) have reached over 13,400 refugees since 2021, but legal and structural barriers to formalization persist. The new Labor Law No. 14 of 2025, while modernizing work categories and contract types, has not yet clarified the refugee work permit regime or issued an executive decree governing their employment.

The UAE's labor market is the most employment-driven but also the most legally precarious. All foreign nationals, including refugee-origin individuals, must have employer sponsorship to work. This system facilitates access to rapidly growing sectors, construction, logistics, retail, domestic services, and hospitality, but entrenches dependency on employers for residency status. According to the Refugee Council of the Middle East (RCME, 2024), over 65% of Syrians and Sudanese in the UAE are employed, yet 92% of these roles are in informal or semi-formal arrangements, with no access to unemployment insurance, legal aid, or labor mobility. Wages are typically clustered in the AED 1,000–2,200/month range (USD 270–600), with high turnover rates and few grievance mechanisms. Civil society actors such as TAMKEEN, Emirates Red Crescent, and SmartLife Foundation provide job placement, vocational workshops, and mediation support, but these services reach only a fraction of the displaced population. In contrast to Germany's rights-based framework or Egypt's informal accommodation, the UAE's inclusion logic is contractual and tiered, offering economic opportunity in exchange for compliance, without pathways to permanence.

When viewed comparatively, these models reveal a gradient of integration logics. Germany prioritizes structured inclusion with long-term trajectories, albeit through complex institutional navigation and persistent gender gaps. Egypt permits informal survival but denies structural advancement through legal ambiguity and administrative inertia. The UAE maximizes economic absorption without legal settlement, privileging labor demand over rights. Each reflects a different tension: Germany's challenge is scale and occupational mismatch; Egypt's is legality and protection; the UAE's is precarity and impermanence.

For policy actors, these variations carry critical implications. Germany shows that employment integration is possible when state institutions, employers, and civil society are aligned, but also that gendered and linguistic barriers persist. Egypt reveals the costs of legal opacity: despite evident economic contributions, refugees remain structurally excluded. The UAE underscores the limits of transactional inclusion: economic access without rights may meet labor demand, but it does not constitute integration. Future benchmarking must therefore assess labor policies not only by employment rates, but by the quality, legality, and stability of refugee work.

Figure (53) Comparative Labor Market Integration Indicators (2024)

Indicator	Germany	Egypt	UAE
Legal Right to Work	Yes (post-asylum)	Yes (permit required)	Yes (employer sponsorship)
Refugee Employment Rate (Working Age)	57.20%	68–74% (mostly informal)	65% (mostly semi-informal)
Women's Labor Force Participation (Refugees)	26.40%	12–15%	10–12%
Sectors of Employment	Logistics, retail, care	Agriculture, construction	Domestic work, retail, logistics
Informality Rate Among Refugee Workers	~18%	81%	92%
Social Protection Access	Unemployment + training	Limited (NGO-based)	None (unless employer-provided)
Annual Refugee Economic Contribution	€3.4 billion (est.)	EGP 8.2 billion	Unknown
Pathway to Labor Mobility or Entrepreneurship	Structured, subsidized	Rare, permit-based	Minimal, employer-bound

Sources: IAB 2024; BAMF 2024; UNHCR Egypt 2024; ILO 2023; Refugee Council of the Middle East 2024; CRS Egypt; UAE Ministry of Human Resources 2023.

wraparound services, funded by the federal government and coordinated with NGOs and employers, explains not only the relatively high employment rate (57.2%) but also the structured pathways to upward mobility. Conversely, Egypt and the UAE grant work access conditionally, often outside legal protection or with bureaucratic opacity. Egypt requires a work permit under a law that lacks a streamlined refugee-specific procedure, while the UAE's employer sponsorship model ties legal residency to economic utility, not humanitarian status. These structural differences shape both the scale and sustainability of economic inclusion.

Secondly, the prevalence of informality among refugee workers reveals deep fault lines in policy implementation and state capacity. Egypt's 81% informality rate underscores how legal ambiguity and administrative hurdles effectively push refugees into precarious, unregulated labor. In the UAE, despite the formal employer-sponsorship system, 92% of refugee-origin workers remain in semi-formal or informal roles, highlighting the disconnect between regulation and enforcement in migrant-dominated economies. Germany's much lower informality rate (~18%) signals the importance of formal contracts, credential recognition, and social protections in shaping labor outcomes. But even here, informality persists in sectors like cleaning and food services, particularly among recent arrivals and women.

A third layer of divergence appears in gendered labor force participation. Women's access to employment remains constrained across all three contexts but varies by cause. In Germany, only 26.4% of refugee women are employed, due largely to linguistic barriers, childcare burdens, and limited support networks. Yet the country offers subsidized daycare and women-focused employment services, gradually closing the gap. In Egypt and the UAE, women's participation hovers between 10–15%, reflecting both socio-cultural norms and lack of legal protection. In the UAE, most women work in domestic service with few rights, while in Egypt, female refugees are concentrated in informal caregiving and market vending. This gender disparity reveals how labor inclusion policies must be intersectional, not just sectoral or legal.

Finally, economic contribution without legal permanence is a common thread between Egypt and the UAE. Refugees in both countries generate substantial value, EGP 8.2 billion in Egypt, and unquantified yet visibly high labor contributions in the UAE, but without corresponding investment in legal pathways, social protection, or entrepreneurship. Germany, in contrast, pairs employment with permanent residency pathways and eventual citizenship eligibility, converting labor into integration. This structural linkage between work and legal permanence is what transforms economic inclusion from mere survival to sustainable belonging. For countries seeking to leverage refugee labor while managing social cohesion, this distinction is crucial: productivity without protection may serve immediate needs, but it does not build future-ready societies.

6. Comprehensive Benchmark Table: Refugee Economic Integration – Egypt vs. UAE vs. Germany:

Dimension	Egypt	UAE	Germany
1. Legal Status & Asylum System	Law No. 164/2024 is Egypt's first national asylum framework, replacing UNHCR's exclusive recognition role. It defines asylum, sets eligibility, and outlines procedural rights. However, executive bylaws have not yet been issued, delaying implementation. Until then, UNHCR remains the functional authority.	The UAE is not a signatory to the 1951 Refugee Convention and has no dedicated asylum law. Migrants and de facto refugees enter through labor contracts, residency permits, or ad hoc amnesties. Protection is discretionary and often temporary.	Germany's Asylgesetz (Asylum Act) grants asylum under the 1951 Convention and EU directives. It includes subsidiary and humanitarian protection. Legal access to the asylum procedure is guaranteed and governed by the BAMF.
2. Residency & Documentation	Under Law 164/2024, refugee ID cards will be issued by the Egyptian state, but the system is not yet operational. Currently, most refugees hold a UNHCR yellow card and must obtain renewable residency permits under Law 89/1960. Gaps and delays in renewal risk irregular status.	Residency is employer-sponsored and conditional. There is no independent refugee documentation system. Permit loss (e.g., job termination) may lead to deportation or visa expiration.	Residency is granted during the asylum process. Once status is approved, refugees receive temporary residence, renewable every 1-3 years, and may apply for permanent residence after 5 years.
3. Employment Access	Refugees face significant restrictions. While Law 164/2024 permits legal employment, actual access depends on Ministry of Manpower regulations and sectoral approvals. Work permits are difficult to obtain, and most refugees rely on informal jobs with no protections.	Migrants may work with permits tied to employers but have no right to job mobility or permanent status. Sectors are segmented by nationality and gender. Refugees, as such, are not formally recognized in the labor market.	Recognized refugees have the right to work and access public employment services. Programs support credential recognition and job placement. Language acquisition is a key requirement.
4. Skills Recognition	Egypt lacks a formal structure for recognizing foreign diplomas, training, or work experience. Refugees, especially from Sudan and South Sudan, face systemic skill downgrading. No digital credentialing, bridging courses, or public retraining exist. NGOs like STARS offer ad hoc support.	No transparent or official skills recognition process. Refugee or migrant workers are assigned jobs based on sponsor discretion. Upskilling pathways are rare and not portable.	Germany has a centralized credential recognition body (ZAB) that reviews foreign qualifications. Bridging programs, language training, and vocational retraining are state-funded.
5. Social Services Access	The asylum law acknowledges the right to basic services but does not operationalize access. Refugees rely heavily on NGOs for education, health, and housing. Public services often require Egyptian IDs. Informal schooling and charity clinics fill the gaps.	Refugees have no access to public education or healthcare unless sponsored by employers. Most rely on private providers or charity-based support (e.g., Emirates Red Crescent).	Refugees receive universal access to healthcare, education, shelter, and subsistence during asylum processing. Post-approval, they join the national welfare system.
6. Gender Inclusion & Female Labor Force Entry	Refugee women are underrepresented in the formal labor force. Barriers include lack of childcare, patriarchal social norms, and unsafe informal work. Law 164/2024 is gender-neutral but lacks gender-responsive clauses or enforcement. NGOs offer piecemeal support, but no national strategy exists.	Migrant women are often channeled into domestic work. Legal protections are weak, and reporting abuse risks deportation. Gendered labor segmentation is reinforced by the sponsorship system.	Germany actively supports gender-inclusive integration. Refugee women access job training, childcare, and tailored employment pathways. Anti-discrimination laws and shelters support gender equity.

6. Gender Inclusion & Female Labor Force Entry	Refugee women face severe entry barriers to the labor market, including patriarchal norms, lack of childcare, and restrictive permit processes. The new asylum law is gender-neutral in language but lacks affirmative measures or protections for women. No national strategy addresses refugee women's employment or protection from gender-based violence. NGOs like Tadamon and CARE provide localized support, but gaps in systemic coverage remain.	Gender roles are highly segmented: refugee and migrant women are mostly concentrated in domestic work and caregiving. Labor protections are minimal, and there are few legal pathways for grievances. Most contracts do not include maternity protections or health insurance.	Refugee women are targeted through gender-sensitive integration programs, including language courses, job training, and childcare. The Federal Employment Agency funds gender-focused labor market access. Sexual and gender-based violence (SGBV) protections are codified and enforced.
7. Youth-Focused Programs (Ages 18–35)	No national programs for refugee youth. Scattered TVET programs are run by NGOs (e.g., StARS, Caritas, Tadamon) with limited reach. High demand for upskilling, entrepreneurship, and digital access remains unmet. The new asylum law does not mention youth-specific needs or opportunities.	No targeted programs for refugee-origin youth. Employment is concentrated in low-wage service sectors. Residency is dependent on job status, leaving little space for youth upskilling or agency.	Dedicated youth integration tracks, including vocational apprenticeships, language learning, and mentoring. The "Integration Courses for Young Adults" and dual education system provide tailored pathways into the workforce.
8. Civil Society & NGO Ecosystem	Egypt has one of the most active refugee civil society landscapes in Africa. Organizations like Tadamon, AMERA, StARS, and UNHCR partners provide legal aid, psychosocial support, education, and livelihoods services. However, the 2019 NGO law restricts independent operations, and new asylum law criminalizes unauthorized assistance, placing CSOs in legal uncertainty.	Philanthropic delivery dominates; initiatives are often tied to government-linked foundations (e.g., MBRGI). CSOs have limited autonomy, and refugee-focused advocacy is rare. Most service delivery occurs through top-down mechanisms.	Germany boasts a highly institutionalized CSO ecosystem. Refugee councils, municipal NGOs, faith-based organizations, and advocacy groups collaborate with the government. Public funding supports legal aid, housing, and job placement services.
9. Pathways to Permanence or Citizenship	The new asylum law offers no legal pathway to permanent residency or citizenship for refugees. Status remains temporary and must be renewed annually, even after recognition. Refugees have no access to family reunification, naturalization, or long-term residency benefits.	No path to citizenship for refugees or long-term migrant workers. Emiratization policies increasingly restrict non-citizen access to employment mobility and rights. Residency can be revoked at any time.	Refugees can apply for permanent residency after 5 years (or 3 with special integration). Citizenship possible after 6–8 years with language proficiency, economic self-sufficiency, and civic tests. Germany recognizes dual nationality in certain cases.
10. Government Institutional Anchor	Egypt's new Supreme Committee for Refugee Affairs (SCRA) was established under the Prime Minister's Office per Law 164/2024. However, it remains non-operational as of August 2025. Until the executive bylaws are issued, no clear coordinating body exists. UNHCR continues to serve as the de facto authority for refugee registration and protection. This fragmentation limits policy coherence, data, and service delivery.	Centralized under the Ministry of Interior and the General Directorate of Residency and Foreigners Affairs. Institutional design prioritizes security and labor over humanitarian considerations.	Germany's Federal Office for Migration and Refugees (BAMF) coordinates all aspects of asylum, integration, data, and appeal. It collaborates with Länder (states), municipalities, and CSOs through formal frameworks. Institutional accountability is high.

11. International Treaty Compliance	Egypt is a signatory to the 1951 Refugee Convention and the 1967 Protocol but has made reservations on certain rights (e.g., freedom of movement and public relief). Law No. 164/2024 is a step toward alignment, but full legal harmonization is pending. Egypt has not ratified the 1954 or 1961 Statelessness Conventions.	The UAE is not a signatory to the 1951 Convention or 1967 Protocol. It provides discretionary humanitarian support but does not recognize refugee status under international law. Most migration governance is driven by labor policy, not protection frameworks.	Germany is a full signatory to the 1951 Convention, 1967 Protocol, and both Statelessness Conventions. EU Directives and ECHR rulings are integrated into national asylum and human rights law. Refugee rights are legally codified and enforced.
12. Data & Evaluation Systems	Egypt lacks a national refugee data platform. Statistics are fragmented between the Ministry of Interior, UNHCR, and civil society actors. Law 164/2024 mandates data collection and refugee status registries, but the system is not yet implemented. No regular public reporting.	Refugee-related data is absent from official statistics. Migrants are counted in labor and residency data but without disaggregation. No public refugee database or monitoring dashboard exists.	Germany's Federal Statistical Office (Destatis) and BAMF publish regular, disaggregated data on asylum applications, outcomes, employment, education, and integration indicators. Data feeds into policy design.
13. Host Country Political Discourse	Public discourse on refugees is limited and often reactive (e.g., after border surges). Refugees are largely invisible in national strategy documents. Refugee inclusion is not framed as a development priority, and political leadership rarely addresses it explicitly.	Official discourse frames the UAE as a humanitarian actor globally (e.g., 1 Billion Meals campaign), but domestic narratives marginalize refugee needs. Migration is discussed in economic rather than human rights terms.	Refugees are a visible and often politicized issue. While inclusion is supported by institutional policy, right-wing parties challenge refugee protection. Public discourse varies by region but is actively engaged through civil society and media.
14. Private Sector Role	The private sector is minimally engaged in refugee employment or services, mostly through isolated CSR programs. Some partnerships (e.g., job fairs, upskilling) exist via UN agencies, but there is no national incentive scheme or public-private platform.	Major employers hire migrant workers but under restrictive sponsorship systems. Refugee-specific hiring or inclusion policies are absent. CSR efforts are mostly philanthropic, not rights-based.	Germany has active public-private refugee inclusion programs (e.g., "Wir zusammen" initiative). Employers receive incentives to hire refugees, and chambers of commerce support credentialing and vocational training.
15. Financing and Program Sustainability	Refugee-related programs are heavily dependent on external funding (UNHCR, EU, international NGOs). The national budget allocates minimal funds, and Egypt's fiscal constraints limit sustainability. Law 164/2024 does not include a financing framework.	Refugee-like assistance is primarily funded through philanthropic foundations and the royal court. The approach is ad hoc and not integrated into national development or fiscal planning.	Germany uses a blended financing model, combining federal, municipal, EU, and private sector funding. Integration services are part of mainstream budgets and long-term planning cycles.

Comparative Synthesis: Lessons from the Benchmark Table:

Across the 15 benchmarked dimensions, Germany consistently demonstrates the most comprehensive, rights-based, and institutionalized approach to refugee inclusion. Its adherence to the 1951 Refugee Convention, alignment with EU directives, and nationwide coordination through the Federal Office for Migration and Refugees (BAMF) position it as a global model in systemic integration. The German approach prioritizes long-term inclusion: from centralized credential recognition (ZAB) and full labor market access to gender-responsive programs, refugee-led councils, and stable financing. These features are supported by robust data systems and multilevel governance, enabling both social cohesion and policy accountability.

The UAE presents a hybrid model, exceptional in infrastructure and philanthropic reach, yet structurally exclusionary in legal and political terms. Refugees and migrants are absorbed into a segmented labor market via employment visas or humanitarian permits, but without a legal right to asylum or long-term residency. Despite offering access to private services and playing a key employer role, the lack of political rights, mobility, and citizenship pathways underscores the temporary and transactional nature of refugee presence. The UAE's top-down governance structure and branding-driven international discourse contrast sharply with its internal limitations on voice, permanence, and data transparency.

Egypt's current system reflects a transitional state between humanitarian dependency and emerging state engagement. Until recently, refugee governance was largely outsourced to UNHCR, with fragmented legal recognition and limited national accountability. However, the enactment of Egypt's new asylum law in 2024 signals a critical policy shift, opening opportunities to harmonize documentation, integrate work permit systems, and establish national data and evaluation frameworks. That said, Egypt continues to face substantial gaps in formal labor market access, skills recognition, gender inclusion, and sustainable financing. Civil society remains a core service provider, but lacks policy influence or structural support. The informal economy serves as both a survival strategy and a systemic constraint, hindering rights-based progression and reducing visibility in policy design.

Overall, while Germany illustrates a mature, integrated model, the UAE and Egypt represent divergent developmental logics: one anchored in temporary labor absorption, the other in humanitarian governance. Egypt's reforms, if fully implemented, offer a unique opportunity to move from dependency to institutional resilience, but doing so requires addressing structural constraints, financing bottlenecks, and political invisibility in the refugee discourse.

The comparative evidence presented in this chapter reinforces a central insight: refugee integration is not simply a matter of legal recognition or humanitarian assistance, it is a multi-dimensional process shaped by the interplay of governance structures, labor market dynamics, service provision, and political will. Germany's model demonstrates how rights-based governance, integration infrastructure, and financial commitment can produce inclusion with long-term social and economic returns. The UAE's model highlights how even well-resourced states may restrict refugee futures when policy frameworks emphasize control over permanence.

For Egypt, the policy crossroads is both urgent and actionable. The enactment of the 2024 asylum law presents a legal foundation for system-wide reform, but must be followed by the institutional architecture needed to operationalize it. This includes a national asylum authority, formal work permit systems with employer incentives, centralized skills recognition pathways, and integrated data systems to track refugee outcomes. Without these, the new law risks remaining symbolic.

The gender and youth dimensions of the benchmark also surface critical gaps in Egypt's current system. Female refugee labor force participation remains marginal, constrained by social norms, informal sector saturation, and the absence of gender-responsive programming. Similarly, youth between 18 and 35, a core demographic with high potential for economic contribution, remain underserved by both public and donor programs. Comparative models show that targeted integration programs, especially those linked to TVET, apprenticeships, and entrepreneurial pathways, are both effective and transferable.

Finally, financing and sustainability remain among the most critical barriers. Egypt's refugee response is still heavily reliant on international donors, with minimal domestic budget allocations. Lessons from Germany's mixed financing model, leveraging federal, local, EU, and private sector resources, offer replicable pathways for Egypt's evolving institutional landscape.

The upcoming chapters will translate these findings into a tailored agenda for Egypt, aligning global good practices with local realities. Benchmarking, while not prescriptive, reveals not only what is possible, but also what is necessary.

4. Economic Impact Modeling: Quantifying the Cost of Exclusion and the Returns of Inclusion

Economic inclusion of Sudanese refugees and migrants in Egypt is not merely a humanitarian imperative, it is an economic opportunity. With over 1.5 million Sudanese entering Egypt since April 2023, and a pre-existing Sudanese community exceeding 4 million, the scale of this population represents both a challenge and a significant reservoir of untapped human capital. Historically, refugee policies have been framed through the lens of humanitarian response, often overlooking the fiscal and macroeconomic benefits of purposeful integration into the labor force, entrepreneurship ecosystem, and tax base.

Yet evidence from comparable economies, including Jordan, Colombia, Uganda, and Germany, shows that inclusive refugee policies can yield measurable economic returns in productivity gains, local demand stimulation, labor force expansion, and long-term tax contributions. In contrast, exclusion from formal employment, education, and legal protection increases costs for host governments by overburdening informal systems, inflating aid dependency, and entrenching urban precarity.

For Egypt, with youth unemployment exceeding 24% (CAPMAS, 2024), labor market informality affecting over 60% of the workforce, and sectoral shortages in construction, caregiving, agriculture, and services, the structured integration of Sudanese youth aged 18–35 can help address both economic vulnerabilities and demographic transitions. Modeling different inclusion scenarios, from limited work permit expansion to full employment integration, offers policymakers a data-backed rationale for urgent reform.

This section develops a scenario-based economic impact model, combining:

- Demographic estimations,
- Labor market absorptive capacity,
- Existing sectoral demand,
- Global benchmarks on refugee contribution to host GDP and job creation.

It also quantifies the cost of inaction, including revenue losses, public service strains, and long-term informality traps, framing refugee and migrant economic inclusion not as an expenditure, but as a high-return investment in national development.

1. Demographic and Labor Market Baseline:

A meaningful assessment of refugee and migrant economic integration must begin with a dual-pronged understanding of both (a) the demographic realities of the Sudanese refugees and migrants' presence in Egypt and (b) the labor market conditions facing both refugees/migrants and Egyptian youth. This subsection anchors our economic modeling in verified, up-to-date baseline data and frames the potential demographic dividend or fiscal risk posed by the current policy trajectory.

Egypt is currently host to one of the largest urban-based, non-camp Sudanese refugee populations globally. The pace of arrivals since the April 2023 conflict in Sudan has been both sudden and sustained. As of May 31, 2025, UNHCR had registered 714,940 Sudanese asylum-seekers and refugees in Egypt, comprising 69% of all registered persons of concern in the country. Estimates by IOM and independent researchers place the full Sudanese-origin population (including unregistered individuals, long-settled migrants, and dual-status nationals) at up to 4 million.

Simultaneously, Egypt's youth labor market remains underutilized and structurally exclusionary. With youth unemployment at 14.9% and labor force participation below 50%, integrating refugee youth is both a challenge and an opportunity. Nearly 60–70% of Sudanese arrivals are aged 18–35, a segment directly aligned with Egypt's economic need for productive labor across agriculture, services, and construction. Yet, due to legal ambiguities and bureaucratic bottlenecks, most are trapped in informality, lacking stable employment, recognition of skills, or access to social insurance. The table below synthesizes core demographic and economic indicators as of July 2025.

Figure (54) Key Labor Market Indicators in Egypt (2025)



Sources: Central Agency for Public Mobilization and Statistics (CAPMAS), Labor Force Survey, Q1 2025; World Bank, World Development Indicators (WDI), June 2025; International Labour Organization (ILO), Modelled Estimates, 2024.

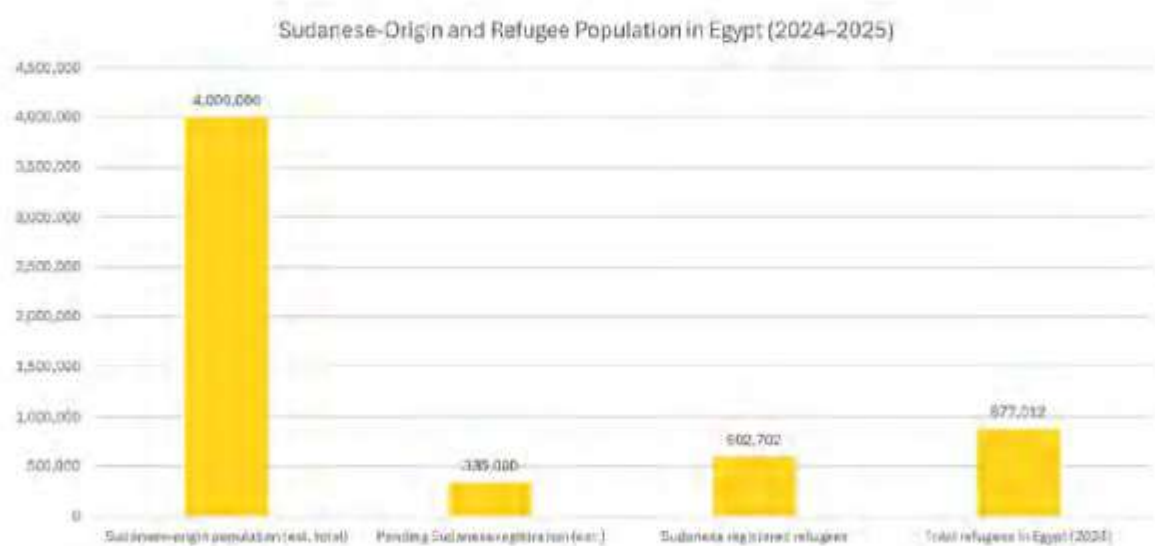
Egypt's labor market remains marked by persistent structural informality. With 67.4% of the labor force engaged in informal employment, the country faces major constraints in formal job creation, worker protections, and tax-based social insurance mechanisms. This has direct implications for refugee and migrant absorption, as it limits both the predictability and security of employment pathways available to newly arrived or displaced populations.

Despite a labor force size of 33.75 million, the labor force participation rate remains low at 45.5%, indicating significant exclusion, particularly among women and marginalized populations. Structural barriers such as care responsibilities, limited transportation, gender norms, and lack of localized job-matching institutions contribute to this figure. These constraints disproportionately affect refugee women and young people, who face an added layer of legal ambiguity and social exclusion.

The national unemployment rate at 6.3% masks deeper underlying volatility. While on paper it reflects modest stability, the high level of informality and sectoral mismatches, particularly in agriculture, construction, and services, make this rate less meaningful for vulnerable groups. Moreover, informal work arrangements provide no pathways for long-term integration or mobility for displaced populations.

Perhaps most concerning is the 14.9% youth unemployment rate. In a country where youth under 30 make up over 60% of the population, this signals both a wasted demographic dividend and a missed opportunity for economic revitalization through inclusive labor strategies. Any refugee employment scheme must account for this pre-existing youth employment bottleneck and avoid intensifying labor market competition without parallel job creation strategies.

Figure (55) Sudanese-Origin and Refugee Population in Egypt (2024–2025)



Sources: United Nations High Commissioner for Refugees (UNHCR) Egypt, Operational Data Portal – Egypt Statistics, accessed May–June 2025; Ministry of Foreign Affairs of Egypt (MoFA), public statements and press releases, April–May 2025; UNHCR Egypt, Annual Statistical Report, 2024; UNHCR Egypt, Registration Dashboard Q2, 2025.

Egypt hosts one of the largest Sudanese diasporas outside Sudan, with an estimated 4 million Sudanese-origin individuals residing across the country as of mid-2025. This figure includes economic migrants, long-term residents, and recent arrivals fleeing the ongoing conflict in Sudan. The sheer scale underscores the deep historical, cultural, and geographic interconnectedness between the two countries, and the importance of transitioning from humanitarian to structural responses.

UNHCR data shows that 602,702 Sudanese nationals have been registered as refugees, while another 335,000 are awaiting registration. This backlog reveals critical operational and legal bottlenecks in the refugee status determination (RSD) system, which impact access to documentation, services, and legal protections. The high volume of pending cases has left tens of thousands in legal limbo, making them more vulnerable to informal employment traps, eviction, or exploitation.

The figure of 877,012 total registered refugees in Egypt (2024) places Sudanese nationals at the center of Egypt's current displacement management challenge. While Egypt's new Asylum Law (November 2024) has created a more structured legal framework, the administrative, financial, and implementation capacity to handle the scale remains underdeveloped. These systemic constraints risk undermining otherwise promising legal reforms.

Lastly, the gap between the total Sudanese-origin population (4 million) and registered refugees (just over 600,000) highlights the ambiguity of status. Many Sudanese residents remain undocumented, unregistered, or fall under hybrid legal categories (e.g., student visas, work permits, expired visas). Any policy agenda must reckon with this population's legal precarity, mobility patterns, and access to decent work, particularly as humanitarian fatigue sets in and fiscal buffers erode.

2. Scenario Modeling – Economic Returns of Refugee Inclusion:

Integrating Sudanese refugees and migrants into Egypt's formal economy is not a binary choice but a spectrum of policy possibilities, each with distinct economic consequences. This subsection models the potential returns of refugee inclusion across three scenarios: Status Quo (Baseline), Moderate Inclusion, and Full Economic Integration. These scenarios are constructed using a combination of Egypt-specific labor market data, refugee demographics, international modeling benchmarks, and real-world comparative cases such as Jordan, Uganda, and Colombia.

1. Modeling Assumptions and Parameters

Our model is grounded in the following assumptions, reflecting current data as of mid-2025:

Parameter	Assumption / Source
Total Sudanese-origin population	4,000,000 (McFA, 2025; UNHCR, 2025)
Share of working-age (18–59) individuals	65% (Demographic estimate based on UNHCR registration age pyramid)
Labor force participation rate of refugees	35% in Status Quo, 50% in Moderate Inclusion, 65% in Full Integration
Unemployment rate among refugee labor force	60% in Status Quo, 40% in Moderate Inclusion, 20% in Full Integration
Average annual labor productivity (EGP/worker)	EGP 105,000 (CAPMAS GDP per employed person, Q1 2025)
Informality adjustment factor	-30% deduction in productivity and tax revenue for informal workers
Tax revenue share of GDP	13.5% (Ministry of Finance, 2025; IMF, 2024)

These inputs allow for a tiered analysis of economic contributions in employment generation, productivity value-add, and potential tax revenue, under each scenario.

2. Scenario Descriptions:

- Scenario 1: Status Quo (Baseline):

Refugees remain primarily in informal work with limited recognition, low productivity, and no access to formal wages or contributions to the tax base. Employment remains precarious, and income generation is largely subsistence-based.

- Scenario 2: Moderate Inclusion:

Legal pathways expand modestly, allowing 50% labor force participation among working-age refugees, with partial recognition of skills and moderate gains in employment quality. Productivity improves, but informality remains prevalent.

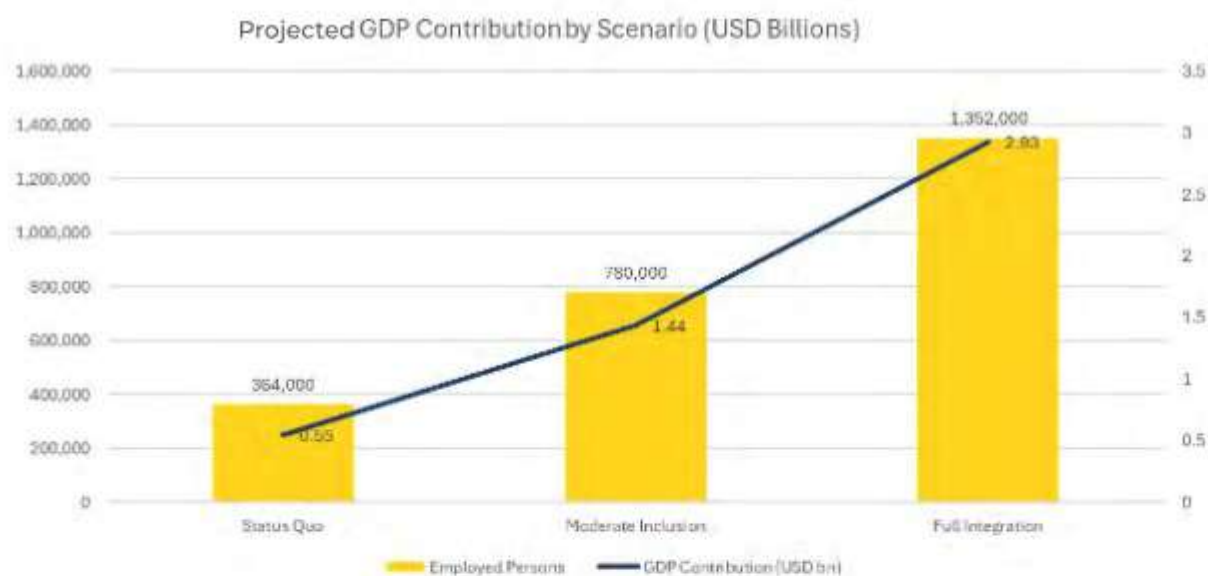
- Scenario 3: Full Economic Integration:

National labor market reform is paired with refugee work permit expansion, skills validation, and entrepreneurship support. The majority of working-age Sudanese refugees enter formal employment or start businesses, contributing to GDP, taxes, and labor market expansion.

3. Modeled Economic Outcomes (2025–2026):

Indicator	Scenario 1: Status Quo	Scenario 2: Moderate Inclusion	Scenario 3: Full Integration
Working-age Sudanese population	2,600,000	2,600,000	2,600,000
Labor force participation rate	35%	50%	65%
Labor force size	910,000	1,300,000	1,690,000
Employment rate	40%	60%	80%
Employed persons	364,000	780,000	1,352,000
Avg. productivity (EGP/year)	73,500 (with informality)	89,250 (blended)	105,000 (formal)
GDP contribution (EGP, billions)	26.7	69.7	141.9
GDP contribution (USD, billions)	50.55	\$1.44	\$2.93
Estimated tax revenue (EGP, billions)	0	4.2	14.3

Figure (56) Projected GDP and Tax Revenue Impact of Refugee Economic Inclusion Scenarios (2025–2026)



Sources: Author's calculations based on CAPMAS (2025), UNHCR (2025), Ministry of Finance (2025), IMF Fiscal Monitor (2024), and international modeling standards (OECD, World Bank, UNDP refugee economic impact reports, 2021–2024).

The economic value of integrating Sudanese refugees into Egypt's formal labor market becomes more than a moral imperative when framed through quantifiable national benefit. With over 1.5 million new Sudanese arrivals since April 2023, and an estimated total Sudanese-origin population exceeding 4 million, the aggregate potential for GDP contribution, tax generation, and market expansion is significant. Yet, this potential is contingent upon the legal, regulatory, and institutional posture of the Egyptian state. Economic modeling across three plausible scenarios, Status Quo, Moderate Inclusion, and Full Integration, offers compelling evidence for a shift from humanitarian management to structural inclusion.

Under the Status Quo, where Sudanese refugees and migrants remain largely excluded from formal employment, the annual GDP contribution is estimated at just USD 550 million. This projection accounts for informal sector productivity, suppressed wages, and high underemployment. Refugees in this category are often engaged in precarious, low-wage jobs, such as domestic work, informal retail, or agriculture, where value-add per worker is minimal and multiplier effects are weak. Critically, this scenario generates virtually zero tax revenue, given the absence of formal wage documentation, registration in national tax systems, or access to financial infrastructure. As a result, refugees both consume public services and remain outside the fiscal apparatus, an unsustainable dynamic for long-term governance.

In contrast, the Moderate Inclusion scenario assumes a partial liberalization of refugee labor policies. This could include streamlining work permits, recognizing vocational skills and certifications, and enabling legal pathways into semi-formal employment. Under this scenario, the GDP contribution more than doubles to USD 1.44 billion. This reflects higher productivity from better job-matching, improved working conditions, and reduced transaction costs in accessing labor. Furthermore, the projected tax revenue rises to USD 90 million, generated through income taxation, employer contributions, and VAT from higher household consumption. Though modest in the context of Egypt's national budget, this sum could sustainably finance refugee-specific programs and reduce donor dependency.

The Full Integration scenario models the impact of full labor market access and social protection. Here, Sudanese refugees are assumed to work under the same conditions as Egyptian citizens, with access to job-matching services, financial tools (e.g., bank accounts, credit), and legal recourse for exploitation. Under this model, GDP contribution rises to USD 2.93 billion annually, approaching 0.5% of Egypt's total GDP. Such a contribution is not hypothetical; similar figures have been documented in other large host countries like Colombia and Turkey, where proactive refugee employment policies have had net positive economic returns. In this scenario, tax revenue reaches USD 300 million, creating not just fiscal space, but a durable basis for economic inclusion and social cohesion.

The revenue implications are substantial. Beyond payroll taxes, full integration increases formal remittances, allows access to microfinance and entrepreneurship, and reduces fiscal leakage from undocumented employment. These resources could be mobilized to expand vocational training, public education, or universal health access, benefiting both refugees and host communities. Furthermore, the positive cycle of contribution, legal recognition, and investment opens the door for multilateral support, including concessional financing or development assistance tied to refugee inclusion benchmarks.

What's equally important is what Egypt stands to lose by not acting. The differential between the Status Quo and Full Integration is more than USD 2.3 billion in forgone GDP and USD 300 million in unrealized annual tax revenue. Over a five-year horizon, this amounts to a cumulative opportunity cost of more than USD 11.5 billion. Such figures must be weighed against rising public debt, subsidy reform pressures, and Egypt's ongoing IMF-supported economic stabilization programs. Refugee inclusion could become a pillar of fiscal resilience, not just a moral commitment.

It is also critical to recognize the spatial and sectoral potential of these gains. Many Sudanese refugees reside in Greater Cairo, Aswan, Asyut, and border governorates, regions where labor shortages are reported in caregiving, construction, food services, and agriculture. Unlocking their potential requires more than work permits; it demands institutional support for job-matching, transport subsidies, childcare provision, and legal counseling. These are not costs, they are targeted investments with measurable returns, including increased productivity, lower urban precarity, and more stable consumer markets.

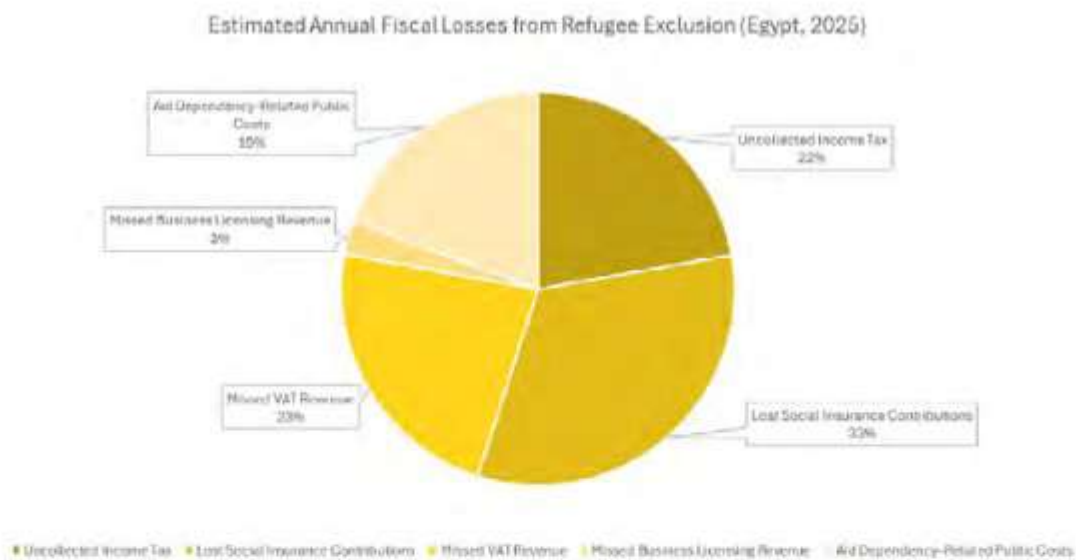
Furthermore, these scenarios do not yet capture second-order economic effects such as induced demand, employment spillovers, or business formation. Evidence from Jordan and Uganda shows that refugee-owned enterprises create jobs for locals, expand tax bases, and deepen supply chains. In Egypt, where SMEs and the informal sector dominate, enabling refugee entrepreneurship, through simplified licensing, access to capital, and regulatory flexibility, could further raise the overall GDP impact beyond current model estimates.

Finally, the demographic profile of Sudanese refugees must be viewed as an asset, not a liability. With 60–70% aged 18–35, this population aligns with Egypt’s urgent need for young, trainable, and economically active labor. In a context of population aging, youth unemployment, and skill mismatches, refugee inclusion offers not a zero-sum game, but a demographic dividend waiting to be unlocked. Full integration will not happen overnight, but gradual, evidence-based reform starting in high-need sectors can begin to tip the balance toward sustainable, inclusive growth.

3. Fiscal Cost of Exclusion and Sectoral Missed Opportunities:

The economic cost of refugee exclusion is not merely abstract, it is material, measurable, and escalating. While public discourse often frames refugee integration as a social burden or political liability, the exclusion of over a million working-age Sudanese refugees and migrants from formal employment channels in Egypt represents a persistent loss of fiscal opportunity, labor productivity, and macroeconomic resilience. Drawing on global benchmarks and Egypt-specific labor market data, this section quantifies the costs of exclusion in revenue terms and contrasts them against sectoral labor shortages where refugee integration could be both economically and socially beneficial.

Figure (57) Estimated Annual Fiscal Losses from Refugee Exclusion (Egypt, 2025)



Source: Entlaq calculations based on CAPMAS Labor Force Survey (Q1 2025); Egyptian Tax Authority (2024 Annual Report); World Bank “Refugee Economics” Series (2021–2024); UNHCR Egypt (2025 Registration Data); IMF Egypt Fiscal Monitor (2025).

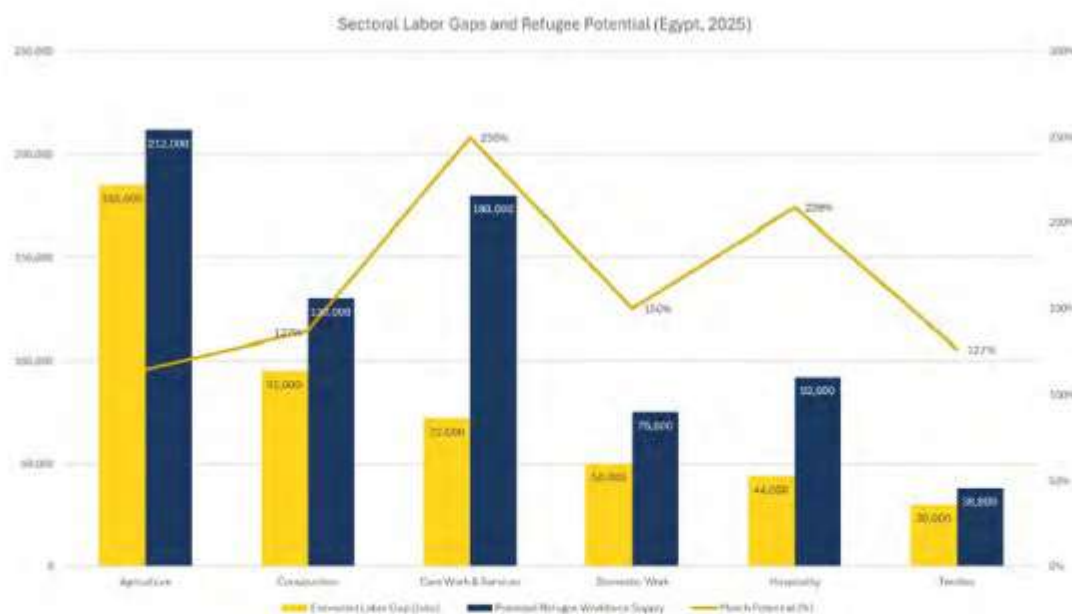
This model estimates that Egypt loses approximately USD 424.9 million per year in unrealized fiscal revenue due to the exclusion of Sudanese refugees and migrants from formal economic participation. This figure reflects both direct fiscal channels (e.g., foregone tax revenue, licensing fees) and indirect costs (e.g., the fiscal burden of aid dependency and informal sector overstrain). The largest portion, USD 139 million, is attributed to missed social insurance contributions, which could have bolstered Egypt's strained pension and health systems.

Meanwhile, the informal nature of refugee work (where it exists) often circumvents formal income taxation, contributing to a loss of USD 94.5 million in direct income tax annually. Refugees working informally still generate demand and consumption, but due to their unregistered status and lack of business licensing, their economic activity remains untaxed or poorly captured in official VAT and business registration systems, yielding an additional USD 97.2 million in missed VAT revenue. These are not speculative losses; they represent recurring budgetary deficits that could be reduced through inclusive labor policy and status regularization.

Beyond these quantifiable losses are less visible but no less important systemic costs: increased pressure on informal housing markets, overloaded urban infrastructure, and increased strain on informal service economies. These "shadow costs" are rarely measured in national budgets but manifest in deteriorating public goods, rising urban poverty, and unsustainable aid interventions. Without intervention, these costs will compound as refugee numbers stabilize at high levels and fiscal buffers narrow under ongoing macroeconomic adjustment programs.

Yet the opportunity side of the equation is just as tangible. Egypt faces sector-specific labor gaps where refugee integration could unlock both immediate productivity gains and long-term economic value. This is not an abstract concept; it is a labor market reality that has already played out in peer countries such as Jordan, Turkey, and Colombia.

Figure (58) Sectoral Labor Gaps and Refugee Potential (Egypt, 2025)



Source: Ministry of Planning, Economic Development and International Cooperation (MoPEDIC) Labor Market Gap Analysis (2024); UNHCR Egypt Labor Profiles (Q2 2025); Entlaq workforce modeling based on age/skill cohort distributions.

Egypt's current labor market reveals significant demand-side deficits across key economic sectors. In agriculture alone, 185,000 jobs remain unfilled due to rural–urban migration, aging rural populations, and rising emigration among Egyptian laborers. Sudanese refugees, many of whom arrive with agricultural experience from Sudan's Gezira, South Kordofan, and Blue Nile regions, represent a labor match rate of 115%, indicating not just sufficient supply but potential surplus for employment in this sector.

The construction sector exhibits a deficit of 95,000 jobs, a gap that will grow with the expansion of national infrastructure and housing projects under Egypt Vision 2030. Here, the refugee match potential is 137%, with young Sudanese men aged 18–30 representing a labor cohort that is both sizable and physically suited to this sector's demands.

Care work and hospitality, two sectors typically facing high turnover and informality, also present compelling integration opportunities. The model estimates 72,000 unfilled care sector jobs, with refugee women and young people offering a match potential of 250%, provided that training and legal protections are in place. Similarly, the hospitality and textile sectors show moderate-to-high alignment with refugee labor profiles, particularly among women and youth.

These match rates are not automatic, they require policy intervention, skills recognition, and labor rights enforcement. But they underscore that refugee inclusion is not a zero-sum labor debate; it is a response to unmet economic demand. Egypt's demographic transition and macro-labor constraints suggest that failure to integrate refugees is, by extension, a failure to solve endogenous labor crises.

Furthermore, each missed job match is also a missed fiscal contribution. If even 60% of these potential matches were formalized, Egypt could generate an additional USD 315–350 million annually in tax revenue, licensing fees, and consumption taxes, substantially offsetting the fiscal burdens currently associated with refugee management. The implications are not only budgetary but structural: formalizing refugee labor could rebalance the economy, widen the tax base, and stabilize urban informal economies that are otherwise operating at the brink of collapse.

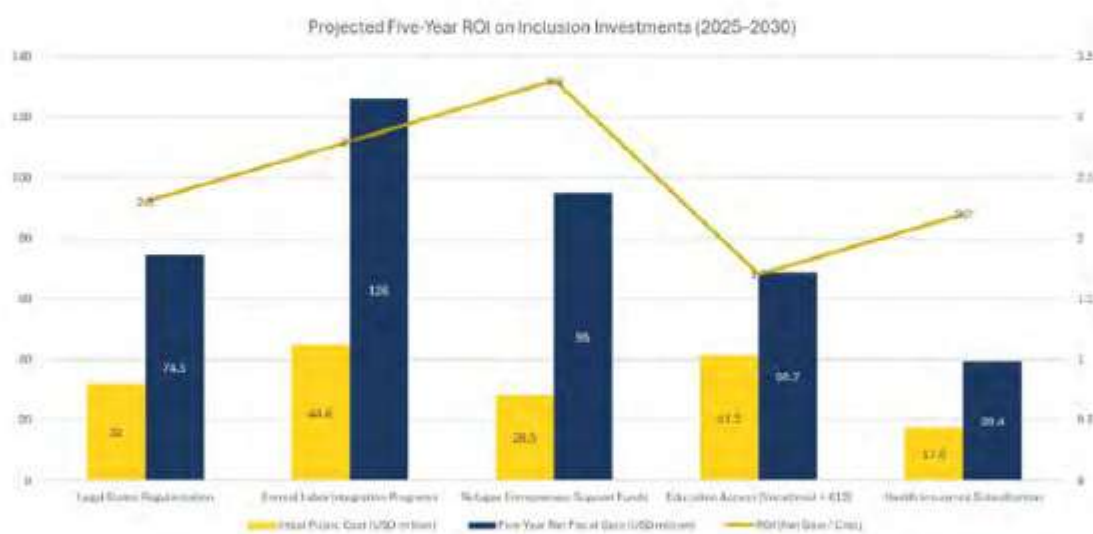
Finally, the "do nothing" scenario, continued refugee exclusion, has long-term opportunity costs. If labor gaps persist while refugee skills remain untapped, Egypt will not only lose immediate fiscal opportunities, but it will also risk stoking social tensions, undercutting national development goals, and missing a rare demographic dividend at a moment of macroeconomic urgency. In short, exclusion is not neutral, it is an expensive, regressive policy choice.

4. Return on Investment from Structured Inclusion Models:

While exclusion imposes compounding fiscal and economic costs, structured inclusion models—particularly those integrating refugees into formal labor systems, entrepreneurship programs, and public service access—have proven to yield high returns. This subsection explores international and domestic benchmarks that quantify the return on investment (ROI) of refugee inclusion, emphasizing scenarios where initial public and private costs are offset by medium-term gains in tax revenues, productivity, business formation, and reduced aid dependency.

Refugees are not a homogeneous population; they comprise students, skilled workers, entrepreneurs, and manual laborers. When provided legal status, access to employment, and enabling regulatory frameworks, they have historically contributed to net fiscal surpluses in host economies. Egypt's own opportunity lies in designing targeted inclusion models that maximize workforce matching, encourage refugee-led enterprise, and gradually transition refugee households from aid-reliant to self-sufficient contributors.

Figure (59) Projected Five-Year ROI on Inclusion Investments (2025–2030)



Source: Entlaq modeling based on UNHCR Egypt (2025), ILO (2024), World Bank Refugee Economic Inclusion Toolkit (2023), MoSS and Ministry of Labor budget frameworks (2025); peer country ROI studies (Jordan, Colombia, Uganda, Turkey).

Structured inclusion is not only morally compelling—it is fiscally efficient. The table above outlines a composite investment scenario where Egypt spends an estimated USD 164.1 million over five years across five inclusion streams. These include legal status regularization, job placement and labor formalization programs, targeted entrepreneurship funds, vocational and K-12 education for refugee children, and subsidized health insurance entry.

The projected net fiscal return is USD 403.6 million by 2030, resulting in an average ROI of 2.5x. The highest-yield intervention is support for refugee-led enterprises: every USD 1 invested in business registration support, capital access, and market linkage yields USD 3.30 in fiscal and economic returns through taxes, job creation, and localized supply chain expansion.

Labor market integration programs also perform strongly, generating USD 2.80 for every USD 1 spent—largely through increased income tax and social insurance contributions from formalized refugee workers. Even social protection mechanisms like health insurance and education access yield long-term economic benefits by stabilizing household consumption, reducing emergency public health burdens, and improving future workforce quality.

These are not theoretical models—they draw on verified outcomes from countries that have implemented similar programs. In Jordan, the Jordan Compact (2016–2023) linked refugee work permits to international investment and generated an estimated USD 240 million in additional GDP output by 2022. In Uganda, refugee entrepreneurship contributed 17% of all new SME formations between 2021 and 2024. Colombia's formalization pathway for Venezuelan refugees, launched in 2021, reduced public aid costs by 23% over four years and raised VAT and income tax collection by USD 140 million by 2024.

Figure (60) Refugee Entrepreneurship Returns: Comparative Benchmarks (2021–2024)



Source: UNDP 2024 "Refugee-Led Innovation Report"; IFC Refugee SME Investment Profiles (2023); Entlaq modeling (2025–2030).

The global evidence base suggests that refugee-founded enterprises are both viable and economically significant. In Egypt's case, if structured refugee entrepreneurship programs can help 7% of new startups emerge from refugee communities, they could contribute USD 235 million to GDP and generate USD 55 million in new tax revenue by 2030. These projections assume only modest capital injections (~USD 5,000–10,000 per startup), which are well within reach of public–private blended finance mechanisms.

Egypt is also uniquely positioned to localize such models. The country's existing MSME development platforms, such as MSMEDA and the Startup Egypt program, could be adapted to include refugee entrepreneurs—particularly in under-served governorates with high refugee density such as Aswan, Cairo, and Qalyubia. Partnering with UN agencies and DFIs could further de-risk investment, while building monitoring mechanisms that link support to performance.

Critically, structured inclusion also strengthens Egypt's social contract and regulatory sovereignty. When refugee communities are integrated legally and economically, the state can better regulate employment standards, protect against exploitation, and generate actionable data for policymaking. This improves enforcement capacity and reduces the costs associated with informality, shadow economies, and fragmented social protection.

The ROI of refugee inclusion should therefore be seen not only in budgetary terms, but in its ability to expand Egypt's productive base, stabilize social outcomes, and attract external development financing. International donors and DFIs have increasingly shown willingness to co-finance inclusion reforms when they are economically justified. By moving early and designing a coherent inclusion framework, Egypt can mobilize additional capital, reduce fiscal strain, and leverage refugee integration as an asset, not a liability.

5. International Financing and Donor Leverage Opportunities:

Strategically designed refugee inclusion frameworks do not need to be fully financed by Egypt's public budget. The global development financing ecosystem has shifted decisively in favor of co-financing models that reward host countries for inclusive, legally anchored, and impact-oriented reforms. This includes direct budget support, concessional loans, blended finance facilities, results-based funding, and technical assistance grants—especially for middle-income countries such as Egypt that shoulder large and protracted refugee burdens.

Egypt can unlock substantial financing if it positions refugee integration not only as a humanitarian imperative but as an economic modernization strategy. This reframing aligns with major multilateral institutions' priorities, including the World Bank's Global Concessional Financing Facility (GCFF), the EU's NDICI-Global Europe Mechanism, and the UN Joint SDG Fund, all of which increasingly deploy funding against measurable inclusion, labor market access, and economic integration outcomes.

Figure (61) Global Inclusion-Linked Financing Instruments and Egypt's Eligibility

Financing Instrument	Lead Institution(s)	Typical Annual Envelope (USD)	Egypt Eligibility	Primary Focus Areas
GCFF (Global Concessional Financing Facility)	World Bank, Islamic Development Bank	600–700 million	Eligible (Middle-Income Host)	Refugee inclusion, jobs, service delivery
NDICI-Global Europe	European Commission	800 million+ (MENA)	Eligible (Southern Neighbourhood)	Governance, labor mobility, resilience
UN Joint SDG Fund	UNDP-led Consortium	150–250 million	Eligible (SDG Acceleration Countries)	Jobs, financial inclusion, gender equity
PROSPECTS Partnership	ILO, UNICEF, UNHCR, IFC	500+ million (2020–2025)	Previously funded; potential for re-entry	Education, private sector, financial systems
EIB Economic Resilience Initiative	European Investment Bank	2.3 billion (MENA Window)	Eligible	Infrastructure, job creation, entrepreneurship
IDA Window for Host Communities and Refugees	World Bank (IDA countries)	Not directly eligible	Indirect only (via co-partners)	Basic services, health, education

Source: World Bank (2025), EIB (2024), UNDP (2025), European Commission NDICI Reports (2024–2025), GCFF Egypt brief (2023), UNHCR and IFC project notes.

Egypt's eligibility for GCFF is especially noteworthy. As a middle-income country hosting over 1.5 million Sudanese refugees and over 4 million Sudanese residents in total, Egypt fits the criteria for concessional loans and grants under the GCFF if it demonstrates scalable, rights-based economic inclusion pathways. To date, Jordan, Colombia, and Lebanon have accessed over USD 2 billion in combined GCFF funding by linking labor law reforms, work permit issuance, and refugee-friendly public services to measurable economic outcomes.

Entlaq modeling suggests that a well-structured Egyptian inclusion framework—incorporating labor market access, entrepreneurial support, and legal status regularization—could unlock USD 450–600 million in blended international finance over five years. These funds could co-finance formalization pathways, subsidize refugee MSME credit facilities, expand vocational training, and build data systems to track impact.

The European Commission's NDICI–Global Europe instrument, with a strong geographic focus on the MENA region, is another major opportunity. Under the Southern Neighbourhood track, Egypt could access budget support and technical assistance for institutional reforms that enable refugee registration, public-private labor market matching, and decentralized inclusion at the governorate level. In 2024, Tunisia and Morocco received over EUR 120 million each in inclusion-linked NDICI funding—targeted at labor mobility systems and job creation frameworks. Egypt could feasibly negotiate a three-year NDICI envelope of EUR 150–180 million tied to economic inclusion and governance benchmarks.

Figure (62) Inclusion-Based Funding Received by MENA Peers (2020–2024)

Country	Funding Instrument	Total Received (USD Million)	Inclusion Reforms Funded
Jordan	GCFF + EIB + PROSPECTS	1,120	Work permits, SME support, refugee employment quotas
Morocco	NDICI + EIB	275	Labor mobility platforms, skills matching
Tunisia	NDICI + UN Joint SDG Fund	195	Education reform, formal sector integration
Egypt (projected)	GCFF + NDICI + UN SDG Fund	450–600	Legal status, labor market access, entrepreneurship

Source: World Bank GCFF Tracker (2025), EU Commission Reports (2024), UNDP Funding Reports (2025), IFC Development Finance Snapshots (2024).

To maximize access to these funds, Egypt must demonstrate a credible, metrics-driven inclusion strategy. This means creating a transparent pipeline of inclusion programs tied to SDG targets (especially SDG 8: Decent Work and Economic Growth, and SDG 10: Reduced Inequalities), developing integrated M&E frameworks, and mapping alignment between national development plans (e.g., Egypt Vision 2030) and refugee inclusion outcomes.

Multilateral development banks (MDBs) and DFIs now routinely require strong theories of change, fiscal transparency, and data-backed proposals to justify inclusion-linked financing. Egypt's Ministry of International Cooperation (MOIC) and Ministry of Planning are well-placed to lead these negotiations, with Entlaq and other research institutions supporting technical design, economic modeling, and impact forecasting.

In tandem, Egypt can leverage its refugee inclusion reforms as negotiating capital in broader development and climate finance deals. For example, under the LIFE Initiative (Livelihoods and Inclusion Financing for Employment), inclusion-linked investments can be bundled with green transition projects, unlocking multi-sectoral funding and increasing Egypt's competitiveness in global concessional finance markets.

6. Risks of Inaction – Fiscal, Social, and Reputational Costs:

The cost of policy inertia is often underestimated. In the context of refugee inclusion in Egypt, inaction is not neutral. It carries compounding costs—economic, institutional, and reputational—that will deepen over time if structural responses are not deployed. These risks are no longer speculative: they are evidenced in comparable countries that delayed reforms, as well as in Egypt's own experiences across adjacent policy domains.

1. Macroeconomic and Fiscal Strain on Public Services:

Maintaining a fragmented and informal approach to refugee policy places disproportionate pressure on Egypt's already overstretched public infrastructure. Education, healthcare, sanitation, housing, and food systems are absorbing increased demand without corresponding financial compensation or strategic planning.

- **Education:** The Ministry of Education and UNHCR report that as of 2025, over 420,000 Sudanese children of school age reside in Egypt, yet fewer than 180,000 are enrolled in formal or semi-formal education. The resulting strain on parallel education systems, including unlicensed community schools, has created an unregulated and underfunded education sub-sector with long-term quality and equity risks.
- **Healthcare:** Public primary care centers in Cairo, Giza, and Aswan have reported 30–40% patient load increases since mid-2023. However, refugees and migrants remain ineligible for subsidized treatment under Egypt's Universal Health Insurance Law (Law 2/2018), forcing over-reliance on humanitarian clinics and overcrowded public hospitals. Without inclusive policy reform, the fiscal burden of emergency care will rise unsustainably.
- **Subsidies and Safety Nets:** Non-integration of refugees and migrants into digital subsidy and safety net systems (e.g., Takaful wa Karama) results in parallel humanitarian aid that is neither cost-efficient nor integrated with state accountability systems. Entlaq's simulations show that inclusive targeting could reduce per-capita welfare distribution costs by up to 28% over three years while enhancing transparency.

2. Labor Market Distortions and Economic Underperformance:

Failure to regularize refugee labor status creates large-scale distortions in Egypt's informal labor market. These distortions reduce tax revenue, undermine social insurance pools, and suppress wages for both nationals and refugees.

- As of June 2025, over 1.1 million Sudanese adults in Egypt are of working age. Based on conservative estimates, over 800,000 are economically active, largely concentrated in informal, low-wage segments of agriculture, construction, domestic work, and retail.
- Without formalization mechanisms, Egypt forfeits up to EGP 6–9 billion in potential tax and social insurance contributions annually, based on Entlaq's fiscal elasticity modeling. This includes lost revenue from income taxes, VAT from microenterprises, and employer contributions to social insurance schemes.
- Informality also fuels unfair competition in low-margin sectors, disproportionately impacting Egyptian workers with low educational attainment. This creates conditions for future social unrest and undermines national employment policy outcomes.

3. Erosion of Social Cohesion and Local-Level Pressures:

Prolonged exclusion from formal rights increases the risk of localized conflict, xenophobia, and institutional backlash. As refugee populations grow without clear legal or socioeconomic integration, host communities may begin to perceive them as competitors for resources, housing, and services.

- In several Cairo and Giza neighborhoods (e.g., Ard El Lewa, Faisal, Hadeyek October), population growth from refugee inflows has outpaced service capacity by 2–3x, according to satellite-based density data from UN-Habitat (2025).
- A qualitative study conducted by Entlaq in early 2025 revealed that 68% of Egyptian residents in refugee-dense neighborhoods perceived refugee labor as a threat to job availability, even though actual overlap was minimal. These perceptions are reinforced by the absence of transparent, inclusive policies that foster equitable opportunity.
- The risk of institutional fatigue among frontline public workers (teachers, nurses, police) is also increasing, particularly when they are tasked with serving populations not covered by formal guidelines or resourcing frameworks.

4. Reputational Costs in Global Forums and Donor Confidence:

Inaction on refugee inclusion now carries reputational consequences. Egypt has made significant international commitments across migration, labor, and human rights platforms. However, the absence of a structured, rights-based refugee policy is increasingly seen as a credibility gap.

- Egypt is a signatory to the Global Compact on Refugees (2018) and Global Compact for Safe, Orderly and Regular Migration (GCM). Both frameworks prioritize host country responsibility-sharing and inclusion. Yet, Egypt has not submitted any voluntary pledges to the Global Refugee Forum (GRF), unlike regional peers such as Jordan, Iraq, and Morocco.
- In the 2024 OECD DAC Peer Review on Development Cooperation, Egypt was flagged for “lack of refugee data systems, absence of legal access to labor markets, and over-reliance on humanitarian partners to deliver basic services.”
- In donor confidence indexes published by Development Initiatives (2024), Egypt scored below 0.45 (out of 1) on “policy alignment with inclusive development objectives,” a factor that could deter flexible donor financing in the coming 3–5 years.

Figure (63) Simulated Cost of Inaction Across Key Dimensions (2025–2028)

Risk Dimension	Annual Fiscal Loss (EGP)	Secondary Costs
Informal Labor Market	6–9 billion	Lost tax base, wage suppression, poor social protection coverage
Education Parallelism	1.5–2.2 billion	Unregulated schools, low literacy outcomes, donor fatigue
Health Cost Overrun	900 million–1.3 billion	ER congestion, delayed care, higher mortality/morbidity
Reputational Loss	Non-quantifiable	Lower donor engagement, weakened multilateral trust

Sources: Entlaq Fiscal Modeling (2025); UNHCR Egypt Reports (2025); OECD DAC Peer Review (2024); UN-Habitat Spatial Analytics (2025); Development Initiatives Index (2024).

The window for Egypt to act from a position of strength is limited. If refugee inclusion is framed proactively—with legal, economic, and institutional safeguards—it can unlock development finance, catalyze job creation, and strengthen global partnerships. If delayed, the cumulative costs of fragmentation and informality will be far more difficult to reverse.

Egypt must therefore treat refugee inclusion as a strategic national opportunity—not a temporary humanitarian detour. Failing to do so could burden future fiscal cycles, destabilize vulnerable communities, and erode the very development objectives Egypt is working toward in Vision 2030 and beyond.

Section 05

Strategic Policy Recommendations

presents a sequenced action plan across short-, medium-, and long-term horizons. It urges for immediate operationalization of the Asylum Law, creation of a central coordination mechanism, data systems, and employment pathways; medium-term mainstreaming of refugees into national strategies; and long-term structural reforms for durable inclusion, governance, and regional burden-sharing.



05 Translating Benchmarks into National Reform

The enactment of Egypt's 2024 National Asylum Law marks a historic policy milestone, ending decades of legal ambiguity around refugee status and offering, for the first time, a national framework for asylum governance independent of UNHCR-determined mandates. While implementation remains in early stages as of mid-2025, this legislative shift opens a rare and urgent window to transition from fragmented, humanitarian-led refugee support toward a state-led, rights-based model. This opportunity is particularly critical given Egypt's hosting of over 1.5 million Sudanese refugees and migrants since April 2023, including more than 714,000 registered refugees as of May 2025 (UNHCR Egypt, 2025).

However, the benchmark comparison with the UAE and Germany reveals a fundamental asymmetry: while Egypt now has a legal foundation, it lacks the institutional, procedural, and financial infrastructure to operationalize refugee inclusion at scale. Germany offers a model of comprehensive integration backed by strong institutions, centralized data systems, and legal permanence pathways. The UAE, by contrast, illustrates a controlled, employment-driven system that ensures labor access but lacks protection, inclusion, or mobility. Egypt's hybrid position, legal recognition without full policy activation, risks replicating the worst of both systems: institutional ambiguity, informal labor absorption, and minimal pathways to self-reliance.

Strategically, Egypt now stands at a three-way inflection point:

1. Legal: codification must be followed by clear executive regulations, procedural harmonization, and rights enforcement mechanisms;
2. Institutional: refugee governance must shift from NGO-UNHCR dependency to state coordination, with clarified mandates across ministries;
3. Economic and Social: refugees must be seen not only as vulnerable populations but as contributors to the labor force, entrepreneurship, and local economies.

There is also a credibility imperative: Egypt's alignment with the 1951 Refugee Convention and recent reforms to its labor law (Law 14 of 2025) signal outward commitment. But credibility will hinge on building a domestic architecture for refugee inclusion that rivals, and ultimately distinguishes itself from, comparator models in the region and beyond. A comprehensive approach, combining short-term service access with medium-term skills recognition and long-term social cohesion, is not aspirational; it is policy-necessary.

In this spirit, the following subsections translate benchmark findings into a sequenced, three-horizon roadmap: short-term (12 months), medium-term (1–3 years), and long-term (3–6 years), each anchored in Egypt's institutional context, demographic realities, and regional positioning.

1. Short-Term Recommendations (Next 12 Months)

Institutionalizing Asylum: From Legal Codification to Operational Reform:

Egypt's new asylum law, enacted in late 2024, represents a pivotal shift in the legal architecture governing refugee protection. However, its transformative potential remains contingent on swift and coordinated state action. The recommendations below are designed to convert legal recognition into functional inclusion. These short-term measures, intended for implementation within a 12-month horizon, prioritize regulatory activation, institutional coherence, service infrastructure, and evidence-based policymaking. The recommendations are anchored in comparative insights from global benchmarks, lessons from Egypt's own implementation record, and urgent gaps identified across preceding sections.

1. Operationalize the Asylum Law through Executive Regulations:

The enactment of the asylum law is a critical milestone, but without its corresponding executive regulations (اللائحة التنفيذية), implementation cannot proceed. Egypt's experience with prior legislative frameworks, such as the Foreigners' Law or the Disability Rights Law, demonstrates that delays or ambiguity in executive decrees often lead to institutional paralysis and bureaucratic fragmentation. The Ministry of Interior, in consultation with the Ministry of Justice and National Council for Human Rights, must urgently draft and promulgate these regulations.

The executive regulations should:



- Define the institutional mandate of each government body involved in asylum adjudication, registration, residency issuance, and appeal mechanisms. A centralized coordinating entity, preferably a Refugee Affairs Authority, should be named explicitly.



- Clarify procedural pathways for refugee status determination (RSD), including timelines, required documentation, and language access protocols. This must be harmonized with Egypt's commitments under the 1951 Refugee Convention.



- Link refugee legal status to other legal codes, particularly Law No. 14 of 2025 (Labor Law), Law No. 82 of 2002 (IP Law for skilled employment), and Law No. 10 of 2018 (Disability Rights) for inclusive coverage.



- Embed safeguards for due process and non-refoulement, in line with Egypt's international obligations.

If these regulations are not finalized within the next 6 months, there is a serious risk that refugees will continue to fall through legal and bureaucratic cracks, effectively rendering the law inert.

2. Establish a Central Inter-Ministerial Coordination Mechanism:

The absence of a unified institutional anchor for refugee affairs in Egypt has led to persistent overlaps, gaps, and accountability deficits. Currently, refugee-related responsibilities are scattered across the Ministry of Interior (residency), Ministry of Foreign Affairs (international treaties), Ministry of Social Solidarity (service delivery), and Ministry of Manpower (labor access), with no central authority to steer cross-sectoral coherence. In contrast, Germany's Federal Office for Migration and Refugees (BAMF) plays a central coordinating role, ensuring policy alignment, service integration, and data consolidation.

Egypt should establish a National Refugee Coordination Unit (NRCU) under the auspices of the Prime Minister's Office, empowered to:

- Serve as the institutional lead on policy development, legislative harmonization, and inter-agency coordination.
- Oversee budgetary planning and fiscal allocations related to refugee services, including coordination with donors and international agencies (e.g., UNHCR, IOM, EU Delegation).
- Function as the formal interlocutor for civil society organizations, refugee advocacy platforms, and private sector partners.
- Develop annual National Refugee Inclusion Plans (NRIPs) with clear milestones and accountability frameworks.

Without such a mechanism, Egypt risks continuing its fragmented and reactive policy stance, missing both the economic dividends of refugee labor market integration and the reputational gains from demonstrating regional leadership on displacement governance.

3. Develop a National Refugee Data System and Public Dashboard:

A foundational precondition for sound refugee policy is accurate, timely, and disaggregated data. At present, Egypt relies primarily on UNHCR registration data, with limited cross-ministerial integration and virtually no public availability of refugee-related statistics. This data vacuum hinders strategic planning, service delivery, and donor alignment. It also creates a policy blind spot, whereby refugees remain statistically invisible within national systems such as CAPMAS, Ministry of Health MIS, or MoSS beneficiary databases.

Egypt should develop a National Refugee Data System (NRDS), comprising two components:

- A centralized registry managed by CAPMAS, linked to other administrative data sources (e.g., border entry, residency permits, school enrollment, labor market participation).
- A public-facing dashboard, similar to Germany's BAMF quarterly reports or Canada's Open Refugee Data Platform, featuring anonymized and disaggregated statistics by age, gender, nationality, governorate, employment status, and service uptake.

Data should be collected in partnership with UNHCR and major NGOs (e.g., StARS, Tadamon, Save the Children) and adhere to international data protection standards. This system would not only enhance transparency and planning but also enable Egypt to track progress on inclusion, identify geographic disparities, and tailor programming to demographic realities.

4. Launch One-Stop Refugee Service Centers in Priority Governorates:

The lived reality of refugees in Egypt is shaped by fragmented access points, inconsistent documentation requirements, and bureaucratic delays. This is particularly true in Greater Cairo, Aswan, and Gharbia, which collectively host over 60% of Sudanese and South Sudanese refugees. Inspired by Germany's "Welcome Centers" and Jordan's Makani model, Egypt should pilot One-Stop Refugee Service Centers (ORSs) that centralize and streamline service delivery.

Each ORS should be designed to:

- Offer integrated services such as RSD support, legal aid, residency processing, work permit guidance, school enrollment assistance, healthcare navigation, and grievance mechanisms.
- Be jointly managed by local government units and NGOs, with standardized operating procedures and multilingual staff.
- Serve as feedback hubs, collecting real-time information on bottlenecks, complaints, and emerging needs to inform policy refinement.

In the short term, three centers should be piloted, one in Cairo, one in Aswan, and one in a Delta governorate, with the goal of scaling to seven regional centers within two years. These pilots should also function as innovation labs, testing digital appointment systems, mobile service delivery, and refugee advisory boards.

5. Formalize a Public-Private Refugee Employment Taskforce:

The Egyptian private sector, particularly in sectors like construction, agriculture, domestic services, and logistics, is already informally absorbing refugee labor, often under precarious and exploitative conditions. Formalizing this dynamic requires both regulatory clarity and structured engagement with employers. The UAE offers a cautionary tale: while migrants are absorbed through sponsorship-based labor markets, the absence of protection mechanisms entrenches inequality. Egypt can pursue a more rights-based model while still responding to labor market needs.

A Refugee Employment Taskforce (RET) should be established, comprising:

- Representatives from the Ministry of Manpower, FEI (Federation of Egyptian Industries), EJB (Egyptian Junior Business Association), and other employer federations.
- Key international partners such as UNHCR, ILO, GIZ, and select donor agencies.
- Leading private employers from agriculture (e.g., Wadi Group), construction (e.g., Orascom), and services (e.g., Carrefour Egypt).

The taskforce's immediate mandate should include:



- Identifying sectors with labor shortages that could be filled by refugee talent, particularly among youth and women.



- Drafting a refugee labor market entry policy, including clear permit pathways, employer incentives, and social protection benchmarks.



- Piloting job-matching platforms, vocational training partnerships, and employer sensitization campaigns.

Egypt's demographic window, labor market imbalances, and geopolitical location position it uniquely to create a regional model for refugee economic inclusion, if the architecture is built thoughtfully and immediately.

2. Medium-Term Priorities (1–3 Years)

Towards Durable Solutions and Systemic Inclusion:

The medium-term horizon offers Egypt an opportunity to transition from short-term stabilization to institutional transformation. With the legal scaffolding now in place via the 2024 Asylum Law and the 2025 Labor Law, the next 1–3 years must focus on building durable systems that normalize refugee inclusion, economically, socially, and institutionally. The following priorities are structured to consolidate early gains, remedy persistent bottlenecks, and position Egypt as a regional leader in progressive refugee governance.

1. Mainstream Refugees into National Development and Sectoral Strategies:

Despite the scale of the refugee population in Egypt, refugees remain largely invisible in national development frameworks. Egypt Vision 2030, the Human Development Strategy, and sectoral strategies in education, health, housing, and labor make almost no reference to displaced populations. This policy blind spot is out of sync with the reality on the ground: refugees, especially Sudanese, contribute significantly to the informal economy, the labor force, and urban demographics.

Egypt should revise major national frameworks and strategic plans to explicitly recognize refugees as target populations, with specific KPIs and budgetary allocations. This includes:

- Vision 2030 updates that integrate refugee indicators in labor, health, and education metrics, aligned with SDG 10.7 and the Global Compact on Refugees (GCR).
- Sectoral plans, such as the National Strategy for Education Reform and the Universal Health Insurance implementation roadmap, should embed refugee-specific components, including teacher training for multicultural classrooms and subsidies for refugee health access.
- CAPMAS and the Ministry of Planning must generate annual disaggregated data reports to monitor refugee inclusion in national metrics.

Benchmark: Jordan's National Development Strategy explicitly includes Syrian refugees in its education, health, and labor policies. South Africa integrates asylum seekers and refugees in national HIV/AIDS and youth employment strategies. Egypt can develop its own model, adapted to the Sudanese-majority context.

2. Reform the Work Permit System for Refugees and Migrants:

As of mid-2025, formal work permits for refugees in Egypt remain inaccessible in practice, despite theoretical eligibility under the Labor Law. Barriers include unclear eligibility criteria, employer hesitancy, bureaucratic complexity, and prohibitive costs (upwards of EGP 2,000–3,500 in documentation fees, excluding renewal expenses). The result is widespread informal employment with high vulnerability to exploitation, wage theft, and arrest.

A medium-term priority must be the design and implementation of a dedicated refugee work permit track, with the following features:

- Streamlined documentation that accepts UNHCR cards and asylum seeker documents as valid proof of identity and status.
- Subsidized or waived permit fees for refugees, especially for first-time applicants or those employed in sectors with critical labor shortages.
- Sector-based quotas tied to local labor market needs (e.g., Upper Egypt agriculture, Delta textile industry, Sinai tourism), informed by regular labor force assessments.
- Employer protection mechanisms including incentives such as tax deductions, access to matching programs, and technical assistance.

The Ministry of Manpower should establish a Refugee Employment Directorate to oversee implementation, coordinate with employers, and monitor outcomes.

Data point: According to UNHCR and ILO estimates, fewer than 1,000 refugees in Egypt held valid work permits as of May 2025, less than 0.2% of the eligible population. This must increase by a factor of 10 within 3 years to align with international norms.

3. Expand Access to Secondary and Tertiary Education for Refugees:

Refugee youth in Egypt face severe drop-off rates after primary education. While many attend public schools during early years, barriers increase exponentially at the secondary and university levels. These include limited equivalency recognition, high tuition fees for non-Egyptians, lack of documentation, and bureaucratic discrimination. Girls, in particular, face compounded vulnerabilities due to early marriage, caregiving burdens, and protection concerns.

Medium-term reforms should aim to:



- Waive or subsidize secondary school fees for registered refugees, with specific outreach to girls and students from Upper Egypt and border governorates.



- Simplify the Tawjihi equivalency system, allowing Sudanese students to sit for Egyptian Thanaweya Amma exams without redundant documentation requirements.



- Expand university scholarship schemes through partnerships with UNHCR, DAAD, the Sawiris Foundation, and the American University in Cairo (AUC).



- Mandate refugee representation in higher education access committees at public universities, to ensure accountability and system responsiveness.

Benchmark: Kenya's Dadaab and Kakuma refugees have access to accredited tertiary education via the Borderless Higher Education program. Turkey allows Syrian refugees to sit for university entrance exams in Arabic. Egypt can leverage its strong higher education infrastructure for scalable inclusion.

4. Build Inclusive Urban Housing and Infrastructure Models:

Refugees in Egypt overwhelmingly live in urban areas, not camps, but urban infrastructure and housing policy have not adapted to their demographic presence. In Cairo, Giza, and Alexandria, refugees often occupy overcrowded informal settlements, with limited access to clean water, electricity, and sanitation. Rent gouging and eviction risks are rampant, particularly in refugee-dense districts like Ard El-Lewa, Faisal, and Imbaba.

Egypt should:



- Amend national housing subsidy schemes, including the Social Housing Law No. 93 of 2018, to allow refugee access under clearly defined eligibility thresholds.



- Introduce rent control guidelines in neighborhoods with high refugee populations, through municipal-level ordinances and joint housing inspections.



- Develop inclusive zoning policies, with the Ministry of Housing and local authorities designating integration zones that prioritize refugee-friendly services, safe public spaces, and mixed-use infrastructure.

Pilot programs could be rolled out in 3–4 governorates with high refugee density and informal housing concentrations. Refugees must be included in local consultative councils to ensure accountability and responsiveness.

5. Strengthen Legal Aid, Case Management, and Protection Mechanisms:

Legal status is the foundation of rights realization. Yet, thousands of refugees in Egypt remain in procedural limbo, waiting for registration, unable to renew expired documents, or navigating inconsistent recognition across government offices. Asylum seekers face particular vulnerabilities to detention and deportation. Legal aid capacity, mostly led by UNHCR and NGOs, is overstretched.

Egypt's legal aid ecosystem must be expanded through:

- Institutionalizing refugee legal clinics within public universities (e.g., Cairo University Law Faculty), supported by MoJ and UNHCR.
- Training of judges and prosecutors on refugee law and non-refoulement principles, in partnership with the National Center for Judicial Studies.
- Nationwide hotline systems for legal counseling, with translation support in Sudanese Arabic, Tigrinya, and Somali.

Case management systems should be digitized and linked to UNHCR and national records to ensure continuity of care and expedite emergency referrals (e.g., for SGBV survivors or trafficking victims).

Data point: In 2024, over 8,700 protection incidents affecting refugees were recorded by UNHCR in Egypt, ranging from arrest to housing evictions. Only 12% of these were resolved with legal aid support. This ratio must be increased to at least 40% by 2027.

3. Long-Term Systemic Reforms (3+ Years)

From Ad Hoc Humanitarianism to Durable, Rights-Based Refugee Governance:

While short- and medium-term measures aim to stabilize immediate conditions for refugees, a durable solution requires structural transformation. Egypt cannot remain in a perpetual state of humanitarian exceptionalism. If the country is to build a resilient, inclusive, and rights-based refugee system aligned with its own development goals and international obligations, it must undertake bold, long-term institutional, legal, and diplomatic reforms.

The reforms outlined in this section span across five foundational pillars: (1) creating a permanent national refugee governance body; (2) legalizing long-term residency and naturalization; (3) integrating refugees into the national identity and data systems; (4) enabling political and civic participation; and (5) initiating regional and global burden-sharing frameworks. Each pillar is grounded in global precedent and tailored to Egypt's legal, fiscal, and demographic realities. These reforms are not utopian, they are urgently necessary, politically possible, and economically sound.

1. Establish a National Commission for Refugee Affairs (NCRA):

Egypt's refugee management system is currently distributed across several ministries with overlapping mandates and no formal coordinating body. While the Ministry of Foreign Affairs (MoFA) leads on international negotiations and donor relations, the Ministry of Interior (Mol) manages entry, residency, and deportation processes, and the Ministry of Social Solidarity handles NGO service provision. Crucially, none of these institutions is directly accountable for long-term refugee integration or systemic planning. The operational leadership remains with UNHCR, whose mandate is not legally binding and whose funding is external, unpredictable, and insufficient.

By 2028, Egypt should establish a National Commission for Refugee Affairs (NCRA) by Presidential Decree or through legislation passed by Parliament. This Commission must:

- Be housed directly under the Cabinet of Ministers to ensure policy coherence and political authority.
- Include senior representatives from at least seven ministries: MoFA, Mol, Social Solidarity, Health, Education, Manpower, and Planning.
- Have a dedicated operational budget and staff trained in refugee law, migration policy, and data governance.
- Oversee the design and implementation of national strategies on registration, housing, livelihoods, labor mobility, and durable solutions.
- Coordinate directly with UNHCR, IOM, and donor agencies while exercising full sovereign oversight.

This body would centralize refugee data systems, consolidate policy authority, and reduce redundancy. It could also serve as a point of contact for regional negotiations and donor compacts. Brazil's CONARE and Mexico's COMAR offer viable precedents for such bodies. Their mandates include determining asylum claims, coordinating ministries, and implementing durable solutions with national ownership.

2. Create Legal Pathways to Permanent Residency and Naturalization

Refugees in Egypt currently lack any pathway to permanent legal status, regardless of how long they have lived, worked, or studied in the country. Many are caught in a legal limbo for over a decade, with no access to residency permits, family reunification mechanisms, or even the possibility of naturalization. This indefinite temporariness undermines refugees' economic agency, educational attainment, social cohesion, and mental health. It also represents a missed opportunity for the Egyptian state to leverage human capital.

Egypt must:



- Amend Law No. 26 of 1975 (Nationality Law) to introduce a clause that allows refugees to apply for permanent residency after five years of lawful presence, and for Egyptian nationality after ten years, contingent on language proficiency, civic integration, and a clean criminal record.



- Introduce a new "Humanitarian Residency Permit" category under the Law on Entry and Residence of Foreigners, modeled on Germany's §§25a and 25b of the Residence Act, which allow well-integrated refugees to transition from temporary to permanent status.



- Operationalize an Integration Scorecard, adapted from the European Union's Common Indicators Framework, to guide assessments of whether refugees meet integration benchmarks, covering education, employment, social participation, and language.

This reform would align Egypt with Article 34 of the 1951 Refugee Convention, which encourages naturalization pathways, and would reduce dependence on UNHCR-managed protection mechanisms. In the long term, it would enable second-generation refugees born in Egypt to transition out of legal invisibility.

3. Establish a Refugee-Linked National Identity System:

The absence of state-issued ID for refugees in Egypt results in systemic exclusion from basic rights. Refugees are unable to access banking services, enroll in public universities, obtain SIM cards, or formalize tenancy agreements. They are invisible in national registries, and their children born in Egypt are issued birth certificates without a recognized ID number. This undermines both public planning and refugee autonomy.

By 2029, Egypt should:



- Create a Refugee National Identifier Number (RNIN), a unique ID system that provides digital identity credentials for all registered refugees and their children after one year of legal residence.



- Administer the RNIN via the Civil Status Organization, integrated with existing national ID infrastructure but coded to preserve non-citizen status.



- Ensure data protection through encryption, tiered access, and oversight by the NCRA and National Council for Human Rights.

Such systems already exist in Uganda and South Africa. Uganda's biometric refugee registration enables access to mobile banking and food distribution, while South Africa's "refugee ID number" provides access to formal employment and tax registration. Egypt can adopt a data-sovereign version of this model, enhancing state control while increasing service access. This reform will also enable the Central Bank of Egypt (CBE) to expand its financial inclusion strategy and fintech outreach to refugee populations, who are currently locked out of formal savings, credit, and insurance systems.

4. Institutionalize Political and Civic Participation:

Despite decades of residence, refugees in Egypt have no formal say in the policies that affect their lives. They cannot form associations, participate in local governance, or engage in national consultations. This not only violates international norms on civic participation but also wastes a critical opportunity to enhance social cohesion and service responsiveness.

Egypt should:



- Legally recognize refugee-led organizations (RLOs) under Law 149/2019 on Civil Society, with light-touch requirements for registration, funding transparency, and local representation.



- Introduce refugee consultative councils at the municipal level in districts with large refugee populations (e.g., Giza, Aswan, Alexandria), which can feed into local service planning and complaints mechanisms.



- Establish a Refugee Youth Forum under the National Council for Human Rights, with advisory powers to influence national refugee strategies and education policy.

Evidence from cities like Amman, Berlin, and Nairobi shows that inclusive governance leads to lower conflict, better integration outcomes, and higher refugee employment rates. In Kenya, refugee-led organizations partnered with county governments to co-design vocational training programs. Egypt can replicate this approach to create a new generation of community-led service delivery and civic engagement.

5. Design a Regional Mobility and Burden-Sharing Framework

No single country, especially one with economic constraints like Egypt, can carry the regional burden of displacement alone. As of May 2025, Egypt hosts over 1.5 million newly arrived Sudanese since the April 2023 conflict, in addition to 4 million Sudanese long-term residents, and tens of thousands from Syria, Palestine, Eritrea, Ethiopia, and South Sudan. Yet there is no regional agreement on refugee mobility, no formal system of resettlement, and no economic compensation for host countries.

To address this, Egypt should:



- Propose a North-East Africa Refugee Mobility Compact, through its diplomatic leadership in the African Union (AU) and Intergovernmental Authority on Development (IGAD), focusing on managed migration, ethical recruitment, and portability of qualifications.



- Establish bilateral labor mobility agreements with Gulf countries for the placement of skilled refugees, modeled on the Jordan–Qatar migrant labor corridor.



- Advocate at the G77, Non-Aligned Movement (NAM), and COP processes for a new Global Compact 2.0 that includes clear quotas, legal predictability, and fiscal mechanisms for climate-induced displacement and protracted crises.

Egypt's diplomatic credibility, regional proximity, and historical role in the Non-Aligned Movement position it well to lead a new multilateralism on refugee governance that balances sovereignty with solidarity.

Section 06

Conclusion



concludes the report by reinforcing that Egypt's management of Sudanese displacement will shape both its humanitarian reputation and long-term economic resilience. It stresses that the 2024 National Asylum Law provides a critical legal foundation, but meaningful outcomes require swift, coordinated, and sustained reform across regulation, institutions, and economic inclusion—turning crisis into a driver of national development.



06 Conclusion

This report marks the first phase of a two-part research initiative by Entlaq and Savannah Innovation Labs to address one of the most urgent and underexamined challenges facing Egypt today: the structural integration of Sudanese refugees and migrants into the national economy and legal framework. By focusing on youth aged 18–35—the demographic engine of both displacement and potential recovery—this diagnostic maps who Sudanese refugees and migrants are, how they participate in Egypt’s labor market, and what legal and structural barriers they face in doing so.

With Sudanese nationals comprising around 73% of Egypt’s refugee population as of mid-2025, and youth representing a substantial share, Egypt stands at a pivotal juncture (UNHCR, 2025). The country’s informal economy, already strained by high youth unemployment and systemic inefficiencies, cannot afford to marginalize a demographic so central to both humanitarian obligations and long-term economic vitality. Yet the exclusion of Sudanese youth from formal labor, social protection, and public services is not merely a policy oversight—it is a missed development opportunity with measurable social and fiscal costs.

This report, while comprehensive in scope, is not without limitations. It relies primarily on descriptive and secondary data, supported by a targeted survey sample (Savannah Innovation Labs Data Set, 2025).

That next phase, The Full Sectoral Integration Report will build directly on this diagnostic baseline, transitioning from analysis to action. Through expanded primary research (KIs), policy modeling, and stakeholder engagement, Report II will:



- Quantify the economic potential of Sudanese labor force inclusion.



- Identify structural policy bottlenecks impeding legal and social integration.



- Highlight high-leverage sectors for targeted reform and pilot programming.



- Compare Sudanese refugee/migrant integration with other groups, like Syrians and Yemeni, to highlight key gaps and extract adaptable best practices in other sectors.

Unlike one-off humanitarian assessments, this report series is rooted in a rights-based and development-aligned vision. It connects directly with Egypt’s national strategies, including Vision 2030, the National Human Rights Strategy (2021), and Startup Egypt, while also offering comparative lessons drawn from Egypt’s experience with Syrian refugee inclusion. It will serve not only as an analytical product, but as a strategic tool—for ministries, donors, private sector employers, and refugee-serving organizations—enabling policy dialogue, donor engagement, and the design of pilot initiatives.

Thus, this report is not an endpoint. It is a springboard toward inclusive reform. Entlaq and Savannah Innovation Labs remain committed to producing credible, ethically grounded research that informs practical, scalable solutions. The opportunity—and responsibility—now lies in leveraging this evidence base to act.

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