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Emigration Policy in Egypt

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Emigration Policy in Egypt

Introduction

There is a contrast between policies dealing with emigration and those dealing with immigration. All Arab countries with sizeable expatriate communities are willing to mobilize these communities for national purposes, have a positive vision of emigration, and view it as part of the solution. However, the same countries apply restrictive policies to immigration and tend to view it as part of the problem. Most Arab countries, particularly non-oil-producers, recognize that sending surplus manpower abroad helps alleviate pressure on the domestic labour market, making emigration part and parcel of national growth strategies enshrined in national development plans.¹

Migration policy is by definition, multidimensional. In addition to laws and procedures there are the international dimensions of multilateral and bilateral agreements. If we take policy-making as a process, with inputs and outputs, we must ask whether current migration policy responds efficiently to national and international expectations. This paper examines voluntary, legal migration and discusses the development of Egyptian policy on migration from the 1950s to date, the national and international determinants of migration, the profile of immigrants, the institutional and legal framework of emigration, and remittances as a paradox of success and failure.

The development of Egyptian policy on emigration

From the 1950s onward Egyptian emigration policy has gone through different phases. The period 1956–1965 was characterized by very strict controls on emigration. This was justified on the grounds of maintaining a national pool of labour and skills, but it is also clear that any significant exodus would have reflected badly on Nasser's ambitious development projects. The little emigration that did take place until the mid-1960s was more relevant to a political project than an economic one, and consisted almost exclusively of highly-skilled workers, particularly teachers. The emigration of Egyptian teachers to the Gulf, Iraq, Libya and Algeria, was an important gesture of solidarity promoting pan-Arabism, and a sign that Egypt remained the cultural centre of the Arab world. In the same period some emigration was authorized for post-graduate study, mainly to the USA or Canada.. Many student migrants did not return and, combined with other forms of highly-skilled migration, this caused concern about the risk of a brain drain.² In 1964, the Committee for Manpower was established and authorized to consider applications for emigration. Given the restrictions on the migration of skilled workers, in the early period it only issued a few thousand permits a year. By the mid-1960s, however, the Committee started to ease migration procedures for temporary and permanent migration, and in 1967 recommended that emigration should be more widely encouraged.

A series of factors prompted the state's promotion of migration.³ Egyptian policy under Nasser was always strongly influenced by his pan-Arabist agenda and centralized socialist state control, but when Sadat came to power in 1971 we witness a change in the ideological focus of migration policy. Permanent and temporary migration was authorized under Article 52 of the 1971 Constitution, which stated that 'all Egyptians are granted the right to emigrate and to return home'. The government also passed Law No. 73/1971, allowing public-sector employees to return to their jobs after one year's resignation, subsequently extended to two years together with the removal of other legal impediments. As a result large numbers of temporary migrants began to work in the Arab Gulf countries.⁴

The great jump in migration took place in the wake of the 1973 oil embargo and the subsequent hike in oil prices. The year 1974 was a watershed for emigration policy as the government lifted all restrictions on labour migration as part of its 'open door' (*infîtah*) policy. The move came at a time when Gulf States and Libya were implementing major development programmes with funds generated

¹ Philippe Fargues, *International Migration in the Arab Region: Trends and Policies*, UN Expert Group Meeting on International Migration and Development in the Arab Region, Population Division, Beirut 15–17 May, 2006.

² Michael Collyer, *The Development Impact of Temporary International Labour Migration on Southern Mediterranean Sending Countries: Contrasting Examples of Morocco and Egypt*, Sussex Centre for Migration Research, August 2004.

³ Ali Eddin Helal Dessouki, 'The Shift in Egypt's Migration Policy 1952–1978', *Middle East Studies*, Vol. 18, No. 1, 1982.

⁴ N. Zibani and D. Bouchez, 'Les Migrations Egyptiennes de main-d'oeuvre et leurs enjeux du point de vue de l'infîtah, bilan de deux enqutes nationales', *Revue Tiers-Monde*, 31(121), 1990. See also, Ayman Zohry and Barbara Harrell-Bond, *Contemporary Egyptian Migration: An Overview of Voluntary and Forced Migration*, Forced Migration and Refugees Studies Program, American University of Cairo, Dec. 2003.

by a quadrupling of oil revenues. The Central Agency for Public Mobilization and Statistics (CAPMAS) gives the number of Egyptians as about 70,000 in 1970. By 1976, this figure had increased to about 1.4 million.⁵ By 1980, over one million Egyptians were working abroad and this number more than doubled by 1986 to an estimated 2.25 million.⁶

The emergence of job opportunities abroad alleviated pressure on the national economy as many workers sent a significant portion of their earnings back to their families in Egypt. As early as 1979, these remittances amounted to US\$2 billion; a sum equivalent to Egypt's combined earnings from cotton exports, Suez Canal transit fees and tourism.⁷

During this period, the government relaxed migration procedures further. Migration became a priority in resolving unemployment problems, and in directing remittances towards offsetting the balance of payments deficit and financing private projects.⁸

The foreign demand for Egyptian labour peaked in 1983, when an estimated 3.28 million Egyptian workers were employed abroad. The drop in oil prices during the Iran–Iraq War and the consequent recession in the Arab Gulf oil industry cost many Egyptians their jobs, and up to one million workers returned home. Despite this most of the expatriate workforce remained abroad, and in the early 1990s the number of Egyptian workers abroad still exceeded 2.2 million, although new labour migration from Egypt slowed down considerably.⁹

The period 1988–1992 was characterized by a significant flow of return migrants from the Gulf to Egypt and a continuous decline in the number of jobs available for new labour migrants from Egypt. Taking 1988 as the base year, the number of jobs plummeted by half in 1989. This marked decline was due to the drop in the number of jobs available for Egyptians in Iraq, but also in Jordan, Saudi Arabia and other Arab Gulf countries. In 1990, the number of jobs fell again to around 43% of 1988 figures. In 1990, however, jobs in Saudi Arabia and Libya increased. The Gulf War forced almost all Egyptian immigrants in Iraq and Kuwait to return to Egypt.¹⁰

Following the Second Gulf War in 1992 and until 2004, migration rates almost returned to those at the beginning of the war although receiving countries wanted to minimize the number of immigrants. Moreover, many former migrants returned in Egypt. The findings of the 1996 census give the number of migrants abroad at almost 2.8 million or about 4% of total population of Egypt. Some sources indicate that this number fell to around 1.9 million in 2001.¹¹

Closer analysis clarifies the fluctuating trends of migration. The period 1989–2000 can be broken down into three main phases. In the years 1989–1991 migration suffered a downward trend due to the Second Gulf War and a sudden and massive increase in the number of returning migrant workers. The total number of nationals abroad fell from 1.964 million to 1.541 million. The years 1992–1997 witnessed an upward trend in the wake of the Second Gulf War and the return of migrant workers to Kuwait as well as a return to more stable economic conditions. The total number of nationals abroad increased from 1.856 million in 1992 to 2.901 million in 1997. The year 1998 witnessed another downward trend, partly due to the slowdown in the world economy as a consequences of the collapse of East Asian financial markets in 1997. The total number of nationals abroad decreased from 2.806 million 1997 to 2.724 million 2000.¹²

⁵ J. Birks and C. Sinclair, *Human Capital on the Nile: Development and Emigration in the Arab Republic of Egypt and the Democratic Republic of Sudan*, ILO Migration for Employment Project Working Paper 27, 1978.

⁶ CAPMAS, Housing and Population Census 1986, 1989.

⁷ Ayman Zohry, *Interrelationships between Internal and International Migration in Egypt: A Pilot Study*, Forced Migration and Refugees Studies Program, American University of Cairo, July 2005b.

⁸ Michael Collyer, *The Development Impact of Temporary International Labour Migration on Southern Mediterranean Sending Countries*, *op. cit.*, 2004.

⁹ Martin Baldwin-Edwards, *Migration in the Middle East and Mediterranean*, Regional Study for the Global Commission on International Migration (GCIM), May 2005.

¹⁰ Heba Nassar, *Migration, Transfers and Development in Egypt*, EUI-RSCAS, CARIM Research Report 2005/01.

¹¹ CAPMAS, *The Permanent Migration of Egyptians 2000, 2001*, Cairo.

¹² Heba Nassar, *Migration, Transfers and Development in Egypt*, *op. cit.*, 2005.

A combination of factors were at work to reduce Egyptian emigration:¹³ the end of the Iran–Iraq War in 1988; the Second Gulf War and the sudden and huge influx of return workers; a drop in oil prices; the declining demand for construction workers in Arab countries; the policy of replacing foreign labour with nationals in the Arab Gulf states; and the inflow of cheaper labour from Asia to the labour-importing Arab countries.

National and international determinants of migration

Since 2002 Egypt has been facing a sharp economic slowdown. In 2000–2003, the growth rate fell to an average of 3.3% as a result of the overvaluation of the Egyptian pound which encouraged imports and discouraged exports, leading to a shortage of foreign exchange reserves.¹⁴

Official estimates placed unemployment at almost 10%, but independent estimates push this figure up to 20%. Egypt needs a real GDP growth rate of at least 6% a year in order to keep unemployment under control and the economy must generate 600,000–800,000 new jobs annually in order to absorb new labour-market entrants. Unemployment is much higher among those with intermediate levels of education than among those with no education or a low level of education.¹⁵

Data for 1995/1996 report in Egypt 13,670,000 people were living below the lowest poverty line and unable to meet their basic needs. They constitute a little over 22% of the urban population and around 23.3% of the rural population. There were 28,580,000 people living below the higher poverty line, or almost 45% of the urban population and 50.2% of the rural population.¹⁶ In 2003 the estimates of the UN Development Program on Poverty and Social Capital indicated that the percentage of those living in absolute poverty in Egypt was 20.4% of the Egyptian population.¹⁷

Thus, emigration in Egypt is strongly related to poverty and unemployment and is a survival and livelihood strategy. It is also an important mechanism for alleviating poverty and for job-creation as the migration of Egyptian workers eases pressure on the labour market by reducing unemployment and raising real wages.¹⁸ In general, labour emigration has been part of a national strategy for dealing with high unemployment caused by high population growth in previous decades and a rapidly growing labour force.¹⁹ International determinants are negative and discourage migration as the linkage between migration and security has become an issue of great international concern. Recent incidents involving violence committed by migrants and minority groups have led to a perceived linkage between international migration and international terrorism.²⁰ Several countries in the Arab region have become key partners in the European Union's intensified efforts to halt irregular migratory flows and have reinforced border controls and engaged in strategic cooperation with the EU including joint sea-borne operations.²¹

¹³ Ayman Zohry, *Interrelationships between Internal and International Migration in Egypt: A Pilot Study*, Forced Migration and Refugees Studies Program, American University of Cairo, July 2005b.

¹⁴ Paul Rivlin, 'Egypt's Demographic Challenges and Economic Responses', *Middle East Review of International Affairs Journal*, Vol. 7, No. 4, Dec. 2003.

¹⁵ Soad Rezk, *Education and the Labor Market in Egypt*, The National Planning Institute (Egypt), 1999. See also Paul Rivlin, 'Egypt's Demographic Challenges and Economic Responses', *op. cit.*, 2003.

¹⁶ Heba El-Laithy and Maged Osman, *Profile and Trend of Poverty and Economic Growth*, I.N.P, UNDP, 1997.

¹⁷ UNDP, *Subjective Poverty and Social Capital in Egypt*, Cairo, UNDP, 2003.

¹⁸ Samir Radwan, 'Towards a Coherent Employment Strategy', *Al Ahram Weekly*, 14–20 Oct. 2004.

¹⁹ Department of Economic and Social Affairs, Population Division, UN, *International Migration in the Arab Region, United Nations Expert Group Meeting on International Migration and Development in the Arab Region: Challenges and Opportunities*, Beirut, 15–17 May 2006.

²⁰ Global Commission on International Migration (GCIM), *Migration in an Interconnected World, New Directions for Action*, Oct. 2005.

²¹ Department of Economic and Social Affairs, Population Division, UN, *International Migration in the Arab Region, United Nations Expert Group Meeting on International Migration and Development in the Arab Region: Challenges and Opportunities*, Beirut, 15–17 May 2006.

On transit migration see also, Howaida Roman, *Transit Migration in Egypt*, EUI-RSCAS, CARIM Research Report 2006/01; Mehdi Lahlou, *Les migrations irrégulières entre le Maghreb et l'Union européenne: évolutions récentes*, EUI-RSCAS, CARIM Research Report 2005/03; Ahmet Icduygu, *Transit Migration in Turkey: Trends, Patterns and Issues*,

Profile of Egyptian migrants

Migration is an important phenomenon in Egypt with an estimated 4% of the total population living abroad. The most important five host countries for Egyptian migrants (temporary and permanent) are Saudi Arabia, Libya, Jordan, USA, and Canada which accounted for a little over 70% of Egyptian migration in 2000, with Saudi Arabia alone hosting over one-third of Egyptian migrants. As regards temporary workers, Arab countries are the principal receivers, the most important being Saudi Arabia, Libya, Jordan, Kuwait and Iraq which accounted for slightly over 91% of Egyptian migrants in 2000, with Saudi Arabia alone receiving about 50% of these outflows.²² Two-thirds of Egyptian migrants are temporary and the other third is permanent.²³

From the early 1960s, political, economic and social developments led many Egyptians to migrate permanently to North America, Australia and Western Europe. The preferred destination is the USA where about two out of five Egyptian migrants to the West live, followed by Canada and Italy. Official Egyptian sources estimate the total number of permanent Egyptian migrants in non-Arab countries at slightly over 0.8 million (824,000), of which about 80% are concentrated in the USA (318,000), Canada (110,000), Italy (90,000), Australia (70,000) and Greece (60,000). The other 20% are mainly in Western European countries.²⁴

The data provided by CAPMAS are estimates drawn from the reports of Egyptian embassies abroad, records of cross-border flows from the Ministry of the Interior, emigration permits from the Ministry of Manpower and other sources. Receiving countries' estimates differ from those of CAPMAS so that for example, official Italian sources estimate that there are 40,000 Egyptians living in Italy whereas the CAPMAS figure is more than double, at 90,000.²⁵

In 2002, scientists and technicians accounted for between 41% (in Saudi Arabia) and 54% (in Kuwait) of migrants to the Gulf States, and 75%, 69% respectively in Libya and Yemen. Unskilled Egyptian migrants predominated in Lebanon (75%), Iraq and Jordan (63%).²⁶ Temporary migration to neighbouring countries consists of an almost equal mix of skilled professionals and semi-skilled or unskilled workers.

In the early phases of massive labour movement in the mid-1970s, most workers were employed in construction but currently the major opportunities are for skilled workers with an increase in the share of scientists and technicians and a drop in the share of unskilled workers (although the latter still accounted for one third of emigrants in 2002). Unskilled workers now face competition from new flows of cheap labour from South-East Asia.²⁷

Regarding gender, since 1970 at least 90% of temporary labour migration to the oil-rich Arab countries has been male.²⁸ The common characteristics of emigration are:

- mass temporary and permanent emigration since the 1970s
- economic development strategies have been linked with diaspora and remittances
- forcible return of migrants from the Gulf States during the first and second Gulf Wars created serious economic problems
- a demographic structure now requiring more job-creation for young people
- a significant risk of brain drain.²⁹

EUI-RSCAS, CARIM Research Report 2005/04; Kemal Kirişçi, *Asylum, Immigration, Irregular Migration and Internal Displacement in Turkey: Institutions and Policies*, EUI-RSCAS, CARIM Analytic and Synthetic Notes 2004/03.

²² Heba Nassar, *Migration, Transfers and Development in Egypt*, CARIM (Euro-Mediterranean Consortium for Applied Research on International Migration), European University Institute, May 2005.

²³ International Organization for Migration (IOM), *World Migration*, Geneva, 2003.

²⁴ Ayman Zohry, *Interrelationships between Internal and International Migration in Egypt: A Pilot Study*, Forced Migration and Refugees Studies Program, American University of Cairo, July 2005b.

²⁵ *Mediterranean Migration – Report 2005*, Florence, EUI-Robert Schuman Centre For Advanced Studies, CARIM.

²⁶ Martin Baldwin-Edwards, *Migration in the Middle East and Mediterranean*, Regional Study for the Global Commission on International Migration, May 2005.

²⁷ Ayman Zohry, *Interrelationships between Internal and International Migration in Egypt: A Pilot Study*, Forced Migration and Refugees Studies Program, American University of Cairo, July 2005b.

²⁸ Ayman Zohry, *Migration Without Borders: North Africa as a Reserve of Cheap Labour for Europe*, UNESCO, Migration Without Borders Series, 2005a.

Institutional and legal changes

Starting in the 1980s the Egyptian government has set up specialized agencies and passed legislation to organize emigration and to build links between Egyptian emigrants and their country of origin. Presidential Decree No. 574/1981 set up the Ministry of State for Emigration Affairs to sponsor Egyptians going abroad for work and provided them with a number of services. It also drew up an overall migration strategy aimed at national development.³⁰

The Emigration and Sponsoring Egyptians Abroad Law No. 111/1983 was one of the most important legislative outcomes in this period. It covers the general provisions applicable to all migrants, whether permanent or temporary, and lists the responsibilities of the Ministry of State for Emigration Affairs (Chapter 1). Chapter 2 deals with permanent emigration and defines a permanent migrant as an Egyptian who: ‘stays abroad permanently by obtaining the nationality of a foreign country and or a permanent residence permit; stays abroad for a period of at least ten years; or obtains an immigration permit from one of the countries of destination’ (Chapter 2).

The Emigration Law stipulated that permanent potential migrants should be granted ‘a permanent emigration permit’ after obtaining the approval of the host country. The law grants migrants the right to retain their Egyptian nationality along with the nationality of the country of destination. The law makes a clear distinction between permanent and temporary migration, though in practice the distinction is geographical with all migrants to Arab states defined as temporary, even though some have been there many years, and all migrants to Europe, North America and Australia defined as permanent, including those who arrived very recently. Chapter 3 covers temporary emigration and defines a temporary migrant as someone (not a student or seconded worker) who works abroad for twelve consecutive months. Chapter 4 covers migrants’ rights to sponsorship and to exemption from taxes and fees on the returns of their deposits invested in Egyptian banks. Moreover, migrants’ capital invested in projects in Egypt is granted the same advantages as foreign capital. Chapter 5 lists a series of rules and transitional provisions.³¹

In 1996, the Ministry of Manpower and Emigration (MME) became responsible for migration and Egyptians abroad under Presidential Decree No. 31/1996. A Higher Committee for Migration (HCM) was finally set up, fourteen years after Emigration Law No. 111/1983 which explicitly stipulated its creation, in accordance with Resolution No. 2000/1997. The membership of HCM includes representatives of the ministries and entities concerned with migration and is headed by the Minister of Manpower and Emigration. It convenes at least once every three months, by request of its chairman, and may set up other secondary committees to study specific issues. The competences of the HCM are listed in Emigration Law 11/1983, although most of them have not been fully implemented, particularly the establishment of professional training centres for potential migrants:³²

- to set up of professional training centres for potential migrants
- to organize specialized courses providing potential migrants with qualifications
- to provide Egyptians abroad with media and cultural material to maintain ties with their homeland including teaching Arabic to migrants’ children, and supporting efforts by Egyptian religious bodies to maintain the spiritual heritage of Egyptians abroad (Art. 5).

The Emigration Sector of the Ministry of Manpower and Emigration (MME) defined policies and proposed political solutions to address the needs of migrants abroad. In addition, the expertise acquired by Egyptians abroad and the opportunity to attract investment and remittances to Egypt were identified as a resource to be tapped for the benefit of the country’s economic development.

²⁹ Martin Baldwin-Edwards, *Migration in the Middle East and Mediterranean*, Regional Study for the Global Commission on International Migration (GCIM), May 2005.

³⁰ Ayman Zohry, *Interrelationships between Internal and International Migration in Egypt: A Pilot Study*, Forced Migration and Refugees Studies Program, American University of Cairo, July 2005b.

³¹ Law No. 111/1983, see MME website at <http://www.emigration.gov.eg/Awards/competition.aspx>.

³² Ayman Zohry, *Interrelationships between Internal and International Migration in Egypt: A Pilot Study*, Forced Migration and Refugees Studies Program, American University of Cairo, July 2005b.

Thus the main objectives of Emigration Sector are:

- to design executive plans and policies to encourage successful Egyptian emigration;
- to sponsor Egyptians abroad, encouraging them to socialize, and to set up clubs and associations, focusing on second and third-generation of migrants and fostering ties with their homeland;
- to benefit from Egyptian expertise abroad in the field of development, production and advanced technology in cooperation with the ministries and involved bodies; and
- to establish an integrated database on Egyptians abroad, emigration markets and migration legislation in destination countries.

The Emigration Sector has developed policies along economic and cultural lines but the latter is still weak in comparison with the economic component and is limited to religious and language classes for second-generation migrants in the host country.³³

As regards the economic dimension, emigration, whether permanent or temporary, generates substantial financial remittances that help offset persisting trade balance deficits and inadequate national welfare systems.³⁴ Because remittances and in-kind transfers are sent to migrants' families, they often return to migrants' regions of origin, that is, those most in need of development resources. All bodies working to develop links with emigrant communities focus on maximizing the financial flows received from migrants communities.

Apart from the economic and cultural role, countries of origin need to intervene in the legal domain, to protect migrants' rights in their country of residence, and in the political domain, to manage the political participation of migrants in their country of origin.³⁵ To date, the Egyptian government has been weak in this regard, and although many Egyptian migrants face severe legal problems, the government does not provide its citizens with the necessary legal protection. Politically, Egypt has not extended the right to vote to either first or second-generation migrants.

Legal protection must focus on:

- informing temporary migrants of their rights and conditions of employment prior to their departure from their country of origin;
- ensuring that migrants are treated in the same way as nationals with respect to their wages, working hours, health care and other entitlements; and
- licensing and regulating the activities of agents involved in the recruitment of temporary migrant workers.³⁶

The policies are not confined to national procedures and laws but include international interactions in the form of bilateral and multilateral cooperation. Bilateral agreements are a valuable means of addressing migration issues affecting two states and bilateral projects have become an important component for the management of labour migration.³⁷

In June 2001, at the request of the MME, the International Organization for Migration (IOM) set up a project to develop an Integrated Migration Information System (IMIS) between Italy and Egypt, financed by the Italian government.³⁸ The objectives of the project are to facilitate the legal emigration and integration of migrants; to improve the social conditions of Egyptian immigrants by reinforcing

³³ Philippe Fargues, *International Migration in the Arab Region: Trends and Policies*, UN Expert Group Meeting on International Migration and Development in the Arab Region, Population Division, Beirut 15–17 May, 2006.

³⁴ Philippe Fargues, *International Migration in the Arab Region: Trends and Policies*, op. cit., 2006.

³⁵ Philippe Fargues, *International Migration in the Arab Region: Trends and Policies*, op. cit., 2006.

³⁶ Global Commission on International Migration (GCIM), *Migration in an Interconnected World, New Directions for Action*, Oct. 2005.

³⁷ Global Commission on International Migration (GCIM), *Migration in an Interconnected World, New Directions for Action*, Oct. 2005.

³⁸ Andrea Stocchiero, *Fostering Egyptian Local Development Through Diasporic Networks in Italy*, CeSPI Policy Paper on The Integrated Migration Information System (IMIS) Project, May 2004. See also, www.emigration.gov.eg.

their cultural and economic ties with their country of origin; and to channel human and financial resources resulting from migration in order to benefit economic development in Egypt.

The IMIS has allowed policy-makers to store, update and recover migration-related data. The acquisition and systemization of data has permitted the localization of the Egyptian communities abroad, enabling a better definition of their profiles and consequently facilitating contact with them. The dissemination of information has allowed migrants to acquire information about labour-market conditions abroad, the procedures and opportunities for finding jobs and their rights and obligations. The information system has kept immigrants informed of socio-economic developments and investment opportunities in their country of origin. The Egyptian counterpart has received material and technical support and be adequately prepared to receive the entire expertise of the project in a way that allows its sustainability after the activities of technical assistance have elapsed.

Table 1: Description of project

Geographical area	All of Egypt
Area of development	social and human development
Sector	the control of migratory flows
Executive body	International Organization of Migration (IOM)
Institutional counterpart	Ministry of Manpower and Emigration
Beneficiaries	Actual or potential Egyptian migrants abroad, and the Emigration Sector
Period of implementation	2001–2004
Funding	multilateral and bilateral channels, 1,605,659.22 Euro (grant)
Type of intervention	technical assistance and institution-building
Objective	reinforcing the technical and institutional capacities of the Egyptian government in the efficient management of the Emigration Sector.

The IMIS has also planned to develop tools and build capacity to allow the Egyptian government to respond to the needs of the emigrant community and thus maximize the benefits of emigration. This is a capacity-building exercise, restructuring the Emigration Sector to enable improved coordination between the Egyptian government and the Egyptian diaspora, and also provides a number of concrete outputs through a website, which went online in October 2003.³⁹ The capacity building assistance included managerial capacities, information technology (IT) management, the upgrading of language skills and basic IT knowledge for the whole emigration sector, the setting up of a fully trained and operational IT unit to meet the future technical needs of the sector and the training of a research unit⁴⁰.

The project became self-sustaining after withdrawal of International Organization for Migration (IOM) in 2004. The restructuring has involved retraining and reorganizing 30 of the 60 staff of the Emigration Sector. The office is now fully networked and all staff have access to broadband internet connections. They are divided into teams, each with a specific role in the compilation and maintenance of an online database of Egyptians abroad and regular communication with the members of the Egyptian diaspora and prospective emigrants in Egypt.⁴¹

The Emigration Sector website has three functions. First, it provides a job-matching system allowing foreign employers to advertise positions in Egypt, and Egyptian candidates for emigration to advertise for prospective employers abroad. For the Gulf States, the service is carried out by private recruitment agencies licensed by the Ministry of Manpower and Emigration. Labour migration to Europe or North America does not normally pass through licensed labour brokers but through more informal networks involving family or friends, but also unlicensed recruitment agencies. Second, it provides practical information on legal migration to a range of countries. Third, it provides news on events of interest to Egyptian emigrants, particularly investment opportunities in Egypt.⁴²

³⁹ See www.ultcairo.org/progetti/progetti/imis.html.

⁴⁰ Cooperazione Italiana, Arabic Republic of Egypt and IOM, *Contemporary Egyptian Migration*, Cairo, 2003.

⁴¹ Andrea Stocchiero, *Fostering Egyptian Local Development Through Diasporic Networks in Italy*, CeSPI Policy Paper on The Integrated Migration Information System (IMIS) Project, May 2004.

⁴² Michael Collyer, *The Development Impact of Temporary International Labour Migration on Southern Mediterranean Sending Countries: Contrasting Examples of Morocco and Egypt*, Sussex Centre for Migration Research, August 2004.

These projects have not been running for sufficiently long to assess their success but they represent an extremely comprehensive, well-funded example of establishing practical links between actual and potential migrants and their home government. The problem with the system as it currently operates is that the strong European focus of the information provided does not match the geographical distribution of the Egyptian emigrant population. Italy has the largest Egyptian community in Europe, but it is still small (40,000 according to the Italian authorities, but 90,000 according to Egypt). Egyptian emigrants are overwhelmingly concentrated in the Gulf States, with approximately a million living in Saudi Arabia and perhaps another million in other states of the region. The Emigration Sector sees IMIS as a tool which will also enable them to stay in touch with Egyptians in the Gulf. Restructuring and capacity-building in the sector have certainly provided the necessary tools and expertise to use for other projects. On the other hand, an online database of Egyptian expertise has been set up to enable the government to advertise investment and employment opportunities in Egypt to suitable individuals in the diaspora (Misriat). A second potential problem is that, while access to the internet is becoming more widespread and cheaper in Egypt, it is concentrated in urban areas whereas the bulk of potential migrants are from rural areas and will not have access to this service.

Regarding multilateral cooperation, the Barcelona Process represents the framework of cooperation between European Union and Arab Mediterranean countries with the exception of Libya. The latter have signed association agreements with the European Union which are likely to have an impact on migration. These agreements include provisions relating to the living and working conditions of legally settled migrant communities, the prevention of illegal migration, and the reduction of migratory pressures, but nothing on the management of further economic migration.⁴³

Finally, at the regional level, the primary agreement on international migration is the Agreement of the Council of Arab Economic Unity of 1965. Its objective is to achieve the economic integration of the region within the framework of economic and social development. The agreement was meant to provide for freedoms of movement, employment and residence and to abolish some restrictions on movement within the region. As a follow-up to this agreement, the Arab Declaration of Principles on the movement of manpower was adopted in 1984.⁴⁴ This stressed the need to give preference to Arab nationals and called for intra-regional cooperation.⁴⁵

Remittances as a key determinant of emigration policy: success and failure

Remittances make a significant contribution to GDP in many countries. They help reduce the incidence and severity of poverty in low-income countries by alleviating the economic situation of the families of migrants who remain in the country of origin. The impact of remittances on poverty reduction is, however, not automatic since they generally raise the income of those already above the poverty line first, as those from the very poorest strata do not tend to migrate internationally.⁴⁶

For at least the last two decades, migrants' remittances to North Africa have constituted the highest ratio to GDP of any region: in 2002, they were 3.1% of GDP, compared with 1.6% for Latin America and 0.6% for sub-Saharan Africa.⁴⁷ In actual inflows, six out of the top seven are MENA countries—Morocco, Egypt, Syria, Turkey, Lebanon, Jordan and Yemen.⁴⁸ In 2004, the top twenty recipients of remittances in the world included two Arab countries: Morocco which received an estimated US\$ 4.2, and Egypt with US\$ 3.3 billion.⁴⁹ In general, the size and frequency of total remittance flows are determined by factors such as the number of migrant workers, wage rates, economic activity in the

⁴³ Philippe Fargues, *International Migration in the Arab Region: Trends and Policies*, UN Expert Group Meeting on International Migration and Development in the Arab Region, Population Division, Beirut 15–17 May, 2006.

⁴⁴ Department of Economic and Social Affairs, Population Division, UN, *International Migration in the Arab Region, United Nations Expert Group Meeting on International Migration and Development in the Arab Region: Challenges and Opportunities*, Beirut, 15–17 May 2006.

⁴⁵ Department of Economic and Social Affairs, Population Division, UN 2006.

⁴⁶ Department of Economic and Social Affairs, Population Division, UN, (2006).

⁴⁷ Martin Baldwin-Edwards, *Migration in the Middle East and Mediterranean*, Regional Study for the Global Commission on International Migration (GCIM), May 2005.

⁴⁸ United Nations, *World Economic and Social Survey 2004, International Migration*, New York, United Nations, 2004a.

⁴⁹ Department of Economic and Social Affairs, Population Division, UN, 2006.

host and in the sending country/region, exchange rates, political risk, facilities for transferring funds, and a migrant's level of education.⁵⁰

The Egyptian government experimented with a range of policies to exploit this resource but with little success. From 1964 Egyptians were allowed to hold foreign currency accounts in Egyptian banks and were initially obliged to repatriate a proportion of their income: 25% for single people, 10% for those with families.⁵¹ This proved unsuccessful and exchange rates were altered in 1968 and 1972 in an attempt to encourage remittances.⁵² By the end of the 1970s, the government had begun to issue bonds for Egyptians abroad as a way to tap their income for development investment.⁵³ None of these policies led to significant growth of access to remittances by official sources. Fluctuations in remittances clearly relate to the unpredictable nature of movements which are disruptive for migrants and make it very difficult to plan based on future remittance transfers.

In addition to the instability of remittances, the policy and institutions of Egypt were unable to exploit the potential benefits of remittances at the macro level, but instead tended to reinforce negative economic repercussions such as inflation, speculation in hard currency and increased dependence on imports.⁵⁴

On the other hand, research on the use of remittances indicates that a large part of these funds is used for daily expenses such as food, clothing and health care. Funds are also spent on building or improving housing, buying land or cattle and durable consumer goods. Generally, only a small percentage of remittances is used for productive investment. Egyptian data indicate that about 74% of migrant households spend the largest share of funds received from relatives abroad on daily household expenses, thus indicating the importance of migration and remittances in alleviating poverty.⁵⁵ Remittances are among Egypt's largest sources of foreign currency, along with Suez Canal receipts and tourism.⁵⁶

In the fiscal year 2003–2004 the remittances of Egyptian expatriates amounted to \$2.999 billion. The US ranked top among the countries from which Egyptians abroad send their remittances with \$1.111 billion. Saudi Arabia ranked second with \$951 million, followed by the United Arab Emirates with \$278 million, and Germany with \$131 million. Subsequently, the Prime Minister of Egypt called for a study to define priorities and needs of Egyptians abroad before taking decisions to attract their funds for investment in the homeland.⁵⁷

Conclusion

Population growth in the MENA region is a key factor impacting on socio-economic development and migration-related issues. Population projections to 2020 suggest growth in the MENA Region from 284 million to 410 million,⁵⁸ with the highest growth rates in Saudi Arabia, Oman and Yemen, and the greatest population sizes in Egypt at 91 million.⁵⁹

Depending on economic development, this demographic change is either a gift or a curse.⁶⁰ In the absence of structural economic change, it is likely to lead to higher unemployment and emigration

⁵⁰ Ayman Zohry, *Migration without Borders: North Africa as a Reserve of Cheap Labour to Europe*, UNESCO, Migration without Borders Series, 2005.

⁵¹ Michael Collyer, *The Development Impact of Temporary International Labour Migration on Southern Mediterranean Sending Countries: Contrasting Examples of Morocco and Egypt*, Sussex Centre for Migration Research, August 2004.

⁵² Ali Eddin Helal Dessouki, 'The Shift in Egypt's Migration Policy 1952–1978', *Middle East Studies*, Vol. 18, No. 1, 1982.

⁵³ J. Birks and C. Sinclair, *Human Capital on the Nile: Development and Emigration in the Arab Republic of Egypt and the Democratic Republic of Sudan*, ILO Migration for Employment Project Working Paper 27, 1978.

⁵⁴ Nader Fergany, *Aspects of Labor Migration and Unemployment in the Arab Region*, Almishkat Center for Research, Egypt, Feb. 2001.

⁵⁵ Ayman Zohry, *Rural-to-urban Labor Migration: A Study of Upper Egyptian Laborers in Cairo*, Ph.D. dissertation, University of Sussex, 2002.

⁵⁶ Central Bank of Egypt (CBE), *Monthly Statistical Bulletin*, Vol. 72, Cairo, 2003.

⁵⁷ See ArabicNews.com 10-30-2004.

⁵⁸ UNDP, *Arab Human Development Report 2002*, NJ, United Nations Development Program.

⁵⁹ Martin Baldwin-Edwards, *Migration in the Middle East and Mediterranean*, Regional Study for the Global Commission on International Migration (GCIM), May 2005.

⁶⁰ Martin Baldwin-Edwards, *Migration in the Middle East and Mediterranean*, Regional Study for the GCIM, May 2005.

incentives bearing in mind that Egypt already has one of the largest labour stocks in the region. In summary, Egyptian migration policy lacks the capacity required to formulate and implement effective policy. Key decisions taken in areas such as development, trade and the labour market are rarely considered in terms of their impact on migration, and there is a lack of consultation between the government and stakeholders, such as NGOs and the private sector, in formulating, implementing and evaluating migration policy.

In the light of these projections and findings any integrated rational emigration policy should take into consideration the following variables and have the following objectives:

Table 2: Variables and objectives for an integrated migration policy in Egypt

Variables impacting on migration policy	<ul style="list-style-type: none"> ➤ high open unemployment ➤ an increasing labour supply ➤ weak private-sector employment ➤ a very large and increasing informal sector ➤ the emergence of Egypt as a transit country ➤ the structural dependence on remittances ➤ emigration as a safety-valve ➤ brain drain
Objectives	<ul style="list-style-type: none"> ➤ a doubling of jobs by 2020 ➤ protecting the human and economic rights of migrants ➤ better migration management and economic development ➤ maximizing the use of returns of migrants ➤ building bilateral and multilateral linkages with receiving countries.

The world is increasingly characterized by global networks for the production and exchange of goods, services and information, and by a loosening of control by states over capital movements and the production of goods. In this context it will be difficult to control labour flows, but a migration and a development policy is still needed and should, at least, maximize the efficient utilization of manpower and remittances.⁶¹

The government needs to focus its efforts on including the liberalization of labour flows on its negotiating agendas, whether with Arab countries or other non-Arab partners. Under the EC–Egypt Association Agreement, the implementation of a new migration policy would facilitate the movement of labour from one side of the Mediterranean to the other.⁶²

Egypt and other Arab countries still lack a vision of regional integration in migration matters and neither the Arab League nor the Arab Labour Organization have been able to coordinate their member states in this regard. Euro-Mediterranean cooperation is another option, but recent events have weakened cooperation between the two shores of the Mediterranean.⁶³ Policy-making in this area requires a pro-active response which in turn calls for effective data collection, policy analysis, research, monitoring and evaluation.

⁶¹ Heba Nassar, *Migration, Transfers and Development in Egypt*, CARIM (Euro-Mediterranean Consortium for Applied Research on International Migration), European University Institute, May 2005.

⁶² Samir Radwan, 'Towards a Coherent Employment Strategy', *Al Ahram Weekly*, 14–20 Oct. 2004.

⁶³ Ayman Zohry and Barbara Harrell-Bond, *Contemporary Egyptian Migration: An Overview of Voluntary and Forced Migration*, Forced Migration and Refugees Studies Program, American University of Cairo, Dec. 2003.