International Migration of Egyptian Labour

A Review of the State of the Art

Galal A. Amin and Elizabeth Awny

May 1985
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International Migration

of

Egyptian Labour

A Review of The State of The Art

by

Galal A. Amin and Elizabeth Awny

September 1984

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Introduction

This is a review of the state of the art on the international migration of Egyptian labour solicited by the International Development Research Centre. It includes a critical examination of the existing economic and sociological literature on the subject, in the English and Arabic languages. The magnitude of the literature on this subject is so vast that some sources must have inevitably escaped our notice but we hope that no major source is neglected.

Rather than reviewing each work separately, we prefer to classify the material by topic, so as to make this review as readable as possible by those who may be more interested in the problems involved than in the evaluation of the various works, and to allow ourselves to express our own opinion on the problem discussed and not only on the literature dealing with it. The fact that this led to referring to the same work more than once under different sections did not seem to us to be too serious to warrant a different approach.

We have dealt with the subject exclusively from the Egyptian point of view, so that hardly any reference is made to the impact of migration on the host countries. To deal with this impact would have required a discussion of migration from labour exporting countries other than Egypt and would have certainly needed much more time and effort than we could give.
Chapter I

The Magnitude of Egyptian Labour Migration

1. Migration between 1965 and 1973:

There is general agreement that the rate of migration of Egyptian labour rose considerably after 1973, in response to the increase in demand in the Arab Oil-producing countries following the sudden increase in oil revenues. Although there is no reason to doubt this, it remains unsupported by firm data.

Referring to the low level of labour migration from Egypt before 1973, M. Abdel-Fadil\(^1\) gives an estimate of 100,000 Egyptians working abroad in 1965, "most of whom were working in Arab countries as teachers and professionals", but does not mention the source or the basis of this estimate. An estimate for 1973 is given by J. Birks, C. Sinclair and J. Socknat\(^2\) for "Egyptian migrants abroad" as "probably amounting to about 160,000" but again there is no reference to the basis on which this estimate is reached.

---

1. Abdel-Fadil, M: Oil and Arab Unity, Center for Arab Unity Studies (Arabic), Beirut, 1979, p. 21.
The only solid source of data on Egyptian migration before 1973 are the CAPMAS reports titled "Population Movements across the Borders" which give the number of Egyptians leaving the country every year from 1968 to 1973, either for permanent or temporary migration. These reports classify the annual flow of temporary migrants into those leaving on government secondment, public sector secondment, diplomatic missions, those having working documents or with security permits, those leaving to look for work or for other purposes (e.g. tourism, pilgrimage ...etc.), but does not include information on the stock of Egyptians abroad. Only for 1973 does a CAPMAS report mention a figure of 35,000 for the stock of Egyptians working in the Arab World. But this last figure cannot be checked by the annual flow figures in the absence of information on the average stay abroad, nor could it throw any light on the plausibility or otherwise of the estimate of Birks, Sinclair and Socknat of 160,000 Egyptians abroad in 1973.

The ILO Employment Strategy Mission to Egypt in 1980 has made a good attempt to make the CAPMAS 1968-73 series more indicative of the actual flow of Egyptian migration by adding 20% of those "leaving for other purposes" to the number of those declaring their intention to work abroad, so as to reach a more realistic estimate of the flow of temporary migrant. This brings the total flow to 219,453 in 1973, or about four times their number in 1968.1

All this however, does not provide us with any solid basis for estimating the stock of Egyptians working or living abroad in or before 1973, but only with figures on annual flows which are as close to the truth as our guess of the proportion of those not declaring their intention to work abroad but actually leave to work.

2. Between 1973 and 1975

Our state of knowledge became much worse with the suspension of the CAPMAS reports on population movements abroad after 1973. From now on we do not even have complete figures on annual flows, and the loss is particularly unfortunate because of the widely held view that the rate of migration has increased significantly after that date.

CAPMAS continues however to publish data on permanent migration, and the trend continues to decline even more sharply after 1973, until it reached the nominal figure of 96 persons in 1969, compared with 4512 in 1968 and 947 in 1973. Some writers explain the decline in permanent migration by the very rise in temporary migration, emphasizing the removal of many restrictions on the latter after 1971, but one may also add that there may be a much lower ceiling on permanent migration than on temporary movements of labour, set by the capital, technical skills as well as the psychological aptitude required.

1. Figrany, N.: Migration to Oil, Centre for Arab Unity Studies (Arabic), Buirut, 1983, p. 56.
by permanent departure by not by temporary migration.

With regard to temporary migration the only figures that CAPMAS continued to publish after 1973 are for those leaving on government secondment or "obtaining personal contracts", but who also apply for work permits through the Ministry of Labour, Power and Training. The CAPMAS figures do not therefore include the vast and increasing numbers of Egyptian workers who leave the country before securing a job abroad or without caring or being required to obtain work permits from the Egyptian authorities.

3. 1975 and 1976

From 1975 onwards, the student of Egyptian migration suffers not from the shortage of estimates of Egyptians working or living abroad but from their abundance. By the mid 1970's, a number of census and major labour market surveys had been carried out in the Arab world, several of which were funded by the ILO, and this allowed more informed guesses to be made on the likely magnitude of labour movements among Arab countries.
The two major estimates for 1975 were those of Birks and Sinclair\(^1\) and of the World Bank.\(^2\) Both estimates were undertaken not only for Egyptian migration but for migration movements within the whole region, both rely mainly on the census returns of labour importing countries and the two estimates differ only slightly, whether for the number of total migrants within the region or for Egyptian migrants in particular.

For the total number of migrants of all nationalities to the seven most important labour-importing countries at the time (1975), namely: Saudi Arabia, Libya, U.A.E., Kuwait, Oman, Qatar and Bahrain, the World Bank study gives an estimate of 1.6 million\(^3\) while Birks and Sinclair give 1.7 million\(^4\). The difference is mainly due to the World Bank revising downward the number of migrants in S. Arabia and Libya while revising upward the number of migrants in Qman. For Egyptian migrants workers in the Arab World in 1975, the two estimates are shown in table (1) which shows only a small difference for the total number of Egyptian workers in the seven main importing countries.

---

3. Ibid., p. 4.
In a later study by Birks, Sinclair and Socknat\(^1\), the figure of 397,545 for the total number of Egyptian workers in the Arab World in 1975 was referred to as "based upon a significantly inflated version of the Saudi Arabian census figure for the number of Egyptian migrants in the Kingdom", and a figure of 370,000 was given instead as "the most realistic estimate available\(^2\) for 1975. This brings Birks' and Sinclair's estimates even closer to that of the World Bank.

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2. Ibid, p. 118.
Table (1)

Estimates of Egyptian Migrant Workers in the Arab World in 1975 ('000)

<table>
<thead>
<tr>
<th>Country of Employment</th>
<th>Birks's and Sinclair's Estimate</th>
<th>World Bank Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>S. Arabia</td>
<td>95,000</td>
<td></td>
</tr>
<tr>
<td>Libya</td>
<td>229,500</td>
<td></td>
</tr>
<tr>
<td>Kuwait</td>
<td>37,558</td>
<td></td>
</tr>
<tr>
<td>U.A.E.</td>
<td>12,500</td>
<td></td>
</tr>
<tr>
<td>Qatar</td>
<td>2,850</td>
<td></td>
</tr>
<tr>
<td>Oman</td>
<td>4,600</td>
<td></td>
</tr>
<tr>
<td>Bahrain</td>
<td>1,237</td>
<td></td>
</tr>
<tr>
<td><strong>Total 7 Countries</strong></td>
<td><strong>383,245</strong></td>
<td><strong>353.3</strong></td>
</tr>
<tr>
<td>Jordan</td>
<td>5,300</td>
<td>n.a.</td>
</tr>
<tr>
<td>Yemen</td>
<td>2,000</td>
<td>n.a.</td>
</tr>
<tr>
<td>Iraq</td>
<td>7,000</td>
<td>n.a.</td>
</tr>
<tr>
<td><strong>Total 10 Countries</strong></td>
<td><strong>397,545</strong></td>
<td>n.a.</td>
</tr>
</tbody>
</table>

Sources: Birks and Sinclair: International Migration..., op.cit, p. 134 and Serageldin, op.cit, p.7.
In their earlier (1980) study, Birks and Sinclair also gave an estimate for Egyptian migrant population, in 1975 by country of residence which adds up to 655,059, and implies together with their estimate of migrant workers of 397,545 a crude participation rate of 61%.

This estimate of 655,059 Egyptians in Arab countries in 1975, when compared with the estimate of the same authors of 160,000 for "Egyptian migrants abroad" in 1973, implies a fourfold increase in 2 years but is not inconsistent with the ILO mission estimate, already referred to, of the flow of Egyptian temporary migrants in the early 1970's, which gives the flow in 1973 alone as 219,453. What complicates the picture, however, is the figure given by the Egyptian population census of 1976, which reported as many as 1.425 million Egyptians to be outside Egypt in November of that year, of whom 600,000 were estimated to be economically active. The former figure is more than double the estimate of Birks and Sinclair for the previous year (1975), while the estimate of those economically active is more than 50% higher. There is no clear indication of how the census figures were arrived at, but they were presumably based on the reports of the migrants' families in Egypt and supplemented by an analysis of passports and exit and entry information of the Ministry of the Interior. Birks, Sinclair and Socknat reject the census figures as too high. While admitting that people responding to the census in Egypt may possibly undernumerate the number of their relatives abroad, that the census figure may fail to capture the clandestine

movements of Egyptian labour, particularly to Libya, and may not include migrants masquerading as visitors or, in the case of Saudi Arabia, as pilgrims, they still think the census figure to be an overestimate because: (1) the data compiled in the recipient countries give of less than 400,000 and because (2) the crude participation rate indicated by the Egyptian figures (42%) is far too low when compared with that suggested by the data of the recipient countries (61%), while they have reasons to believe that "The 600,000 figure (of the actively employed) might be considerably more robust than the estimated number of workers and dependants abroad". Birks, Sinclair are more ready to accept the figures of the recipient countries on the grounds that "they have proved to be more reliable", and that it is inconceivable that clandestine movement of labour could account for the big difference (of about 200,000) in the two figures. "Such a large movement would not remain undetected".

1. Ibid.
2. International Migration and Development in the Arab Region, op.cit.
3. Ibid., P. 44.

Nader Firgany also considers the census figure of 1.425 million abroad in 1976 too high. (Migration to Oil, op.cit) but his reason for this is not clear. He says that if this figure was true it would mean, on the assumption of a 70% crude participation rate, as many as 1 million to have been gainfully employed abroad. The only reason he then gives for thinking this last figure too high is that labour remittances increased more than threefold between 1976 and 1980 which would mean, according to him, that "on the assumption that remittances per Egyptian worker abroad is constant, the number of Egyptians working abroad is more than 3 million". This seems to him to be obviously too high to make the census figure acceptable. No reason is given
Footnote (Cont.)

however for considering the 3 million figure for Egyptians abroad in 1980 too high, nor is there any reason to assume the remittances per Egyptian to be constant. What is more, had he used a lower crude participation rate of say 50%, which is reported for Egyptians in Saudi Arabia, the number of those gainfully employed in 1976 would have been only some 700,000, so that even under the assumption of constant remittances per Egyptian, the figure for 1980 would have been only about 2 million which he might not have found too high and would have therefore not provided a reason for rejecting the census figure.
While we have reasons to criticize Birks' and Sinclair's over-confidence in the official statistics of the labour-importing countries, we do not see their figures, as well as those of the World Bank, necessarily inconsistent with those of the Egyptian census. Official statistics of the labour importing countries are themselves inevitably incomplete, do not include illegal immigrants, and may deliberately underrate expatriate labour to hide their predominant share in the labour force. But if one is to disregard this, Birks' and Sinclair's estimates of 370,000-397,000 for Egyptians working in the Arab World in 1975, seem to be perfectly reconcilable with the Egyptian official figure of 600,000 for Egyptians actively employed "outside Egypt" on the day of the census in November 1976. For one thing there is at least one year separating the two dates for which the two estimates are made, and the difference of some 200,000 could simply be attributed to a new flow of emigrants which is quite consistent with the ILO estimate of the annual flow of emigrants around 1973 as has already been indicated. Moreover, while the official figure relates to all Egyptians actively employed abroad, the 397,000 figure given by Birks and Sinclair relates to the number of Egyptian workers in only 10 Arab countries¹, which do not include Algeria, Morocco, Lebanon or Syria, and excludes non-Arab recipient countries. The same two observations apply also to the World Bank figure of 353,300 for 1975, with the additional

¹. See their "International Migration"..., op.cit., P. 134.
explanation that this last figure relates to an even smaller number of countries (not including Jordan, Yemen and Iraq).

4. 1977-1983:

From 1977 onwards we have even less reliable estimates for the stock of Egyptians abroad than for previous years. The increase in labour remittances after 1976 suggests a rapid increase in migration, but of course there is no simple proportionality between remittances and the stock of migrants. Even with regard to annual flows we are much worse off, in terms of reliable data, than we were for the years up to 1973. Only Kuwait and Saudi Arabia provide us, in their Statistical Abstracts, with the annual flow of Egyptian workers to these two countries, which indicates a very big increase between 1973 and 1977 and a slackening off or even a decline afterwards (see table (2). But no similar data is available from the other Arab importing countries. The CAPMAS series on the "Movement of the Population across the Borders" which was suspended after 1973, has been substituted by annual figures on Egyptians leaving Egypt to Arab countries on government secondment or with "personal contracts" only, of which the latest available, up to the time of writing, are those for 1981. But these include only Egyptians passing through the Ministry of Labour Power and Training and exclude private sector migrants who do not require work permits, or government or public sector employees who leave under other pretexts\(^1\). These figures (shown in table 3) indicate an almost threefold increase between 1974 and 1981, and also a slackening off after 1977 and even a decline between 1979 and 1981.

---

1. See footnote to table (3).
Table (2)

Annual Flow of Egyptian Workers to Saudi Arabia and Kuwait: 1972-78

<table>
<thead>
<tr>
<th></th>
<th>Saudi Arabia</th>
<th>Kuwait</th>
</tr>
</thead>
<tbody>
<tr>
<td>1972</td>
<td>3863</td>
<td>4447</td>
</tr>
<tr>
<td>1973</td>
<td>7707</td>
<td>7199</td>
</tr>
<tr>
<td>1974</td>
<td>23100</td>
<td>12348</td>
</tr>
<tr>
<td>1975</td>
<td>33509</td>
<td>21924</td>
</tr>
<tr>
<td>1976</td>
<td>84238</td>
<td>23822</td>
</tr>
<tr>
<td>1977</td>
<td>93900</td>
<td>39733</td>
</tr>
<tr>
<td>1978</td>
<td>93800</td>
<td>39326</td>
</tr>
</tbody>
</table>

Table (3)  Annual Flow of Egyptian Workers to Arab Countries (1974-81)

<table>
<thead>
<tr>
<th>Year</th>
<th>Government Secondments</th>
<th>Personal Contracts</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1974</td>
<td>255177</td>
<td>8180</td>
<td>33357</td>
</tr>
<tr>
<td>75</td>
<td>26509</td>
<td>12224</td>
<td>38733</td>
</tr>
<tr>
<td>76</td>
<td>33992</td>
<td>24017</td>
<td>57999</td>
</tr>
<tr>
<td>77</td>
<td>40309</td>
<td>48074</td>
<td>88383</td>
</tr>
<tr>
<td>78</td>
<td>32812</td>
<td>67024</td>
<td>99836</td>
</tr>
<tr>
<td>79</td>
<td>33336</td>
<td>86188</td>
<td>119524</td>
</tr>
<tr>
<td>80</td>
<td>33152</td>
<td>33932</td>
<td>117084</td>
</tr>
<tr>
<td>81</td>
<td>34041</td>
<td>57920</td>
<td>91961</td>
</tr>
</tbody>
</table>

Source: Table supplied by CAPMAS, dated 5.2.1984, but having the obviously wrong title "Egyptian Labour Present in Arab Countries on 31st of December 1974-81". The letter supplied to authors by CAPMAS, and attached to table, indicates that the figures do not include the following categories:

1) manual labour and craftsmen,
2) Egyptians working, before departure, in foreign firms.
3) Egyptians who were self-employed before departure,
4) Egyptians in contracting companies abroad,
5) students, and
6) members of diplomatic missions.

The table must also exclude those who continue to work abroad but fail to renew their work permits, but includes those who have been granted work permits, but did not actually use them.
Comparison between the figures of tables (2) and (3) is sufficient to reveal the degree to which the CAPMAS figures fail to capture a good proportion of the flow of Egyptians abroad. For instance, the CAPMAS figures for the two mentioned categories leaving to work in Saudi Arabia in 1977 is 55070 as compared with 93900 given by the Saudi Arabian Statistical Yearbook for Egyptians admitted to Saudi Arabia in the same year. For Kuwait, the two corresponding figures are 8717 and 39733 respectively. We are therefore left with little more than a number of informed guesses on both the total annual flow and the stock of Egyptian workers abroad.

The most important of these is that of J. Birks, I. Serageldin, C. Sinclair and J. Socknat in a paper published in 1983.¹ Their estimate of the stock of Egyptian migrant workers in the Arab World in 1980, is shown in table (4). The estimate implies an increase of 117% from their own estimate of 370,000 in 1975 and an increase in the share of Egyptian migrant workers in all Arab migrant workers in the Arab World from 34.7% in 1975 to 42.7% in 1980.

¹. "Who is migrating Where: An overview of International Labour Migration in the Arab World", in Richard, A. & Martin, P. (eds.) op.cit.
It is worth noting that this estimate for 1980, like that of Birks and Sinclair for 1975, is based mainly on statistics of the labour importing countries but also on a great amount of very rough estimates and projections. The methodology used was basically to estimate employment growth in each labour importing country by sector, and then to estimate the growth of indigenous supply of labour, allocate that supply among economic sectors and thereby calculate the demand for expatriate labour. Additional migrants were then added to the 1975 stock of migrants to obtain the 1980 figures. Apart from building on the already tentative figures for 1975, the figures added to reach the 1980 stock have their own pitfalls at every step, since they rely on the similarly tentative figures or estimates for employment, indigenous supply of labour, its distribution by sector as well as its distribution by country of origin. The highly tentative nature of this estimate can be seen from the fact that only a short time before the estimate of 803,000 for Egyptian workers in Arab countries in 1980 was published in the article just referred to, Birks and Sinclair in a paper presented to the ECWA conference in Nicosia (May 1981) gave an estimate of only 695,650 for Egyptian migrant workers in the same year. The revision upward was mainly due to raising the number of Egyptians in Iraq from 100,000 to 223,000.

Table (4)

Birks et al.'s Estimate of the Stock of Egyptian Workers in the Arab World in 1980

<table>
<thead>
<tr>
<th>Country of Employment</th>
<th>'000</th>
<th>Country of Employment</th>
<th>'000</th>
<th>Country of Employment</th>
<th>'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saudi Arabia</td>
<td>155</td>
<td>Libya</td>
<td>250</td>
<td>Oman</td>
<td>5</td>
</tr>
<tr>
<td>Kuwait</td>
<td>82</td>
<td>Iraq</td>
<td>223</td>
<td>Jordan</td>
<td>56</td>
</tr>
<tr>
<td>Qatar</td>
<td>6</td>
<td>Bahrain</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yemen (YAR)</td>
<td>4</td>
<td>U.A.E.</td>
<td>18</td>
<td>Total</td>
<td>803</td>
</tr>
</tbody>
</table>

(a) The total exceeds the sum of individual figures in the table because of rounding.

Source: Birks, et-al, "Who is Migrating Where", op.cit, pp. 113-4

A more recent estimate of the stock of Egyptian workers in Arab countries was made by I. Saad El-Din and M. Abdel Fadil in a book in Arabic titled: "The Movement of Arab Labour: Problems, Consequences and Policies". The study is not confined to Egypt but attempts to estimate the stock of labour migrants from each of the Arab labour-exporting countries to each of the labour importers in 1980. Although some of their estimates for Egypt are directly derived from that of Birks et al. just referred to, the total number of Egyptian migrant workers differs significantly from that of the latter as a result of a radical revision of some of the estimates of the latter without sufficient justification.

1. Published by the Center for Arab Unity Studies, Beirut June 1983. ibid, p.69
The result is that the reader is quite at a loss why should one or the other be preferred. Saad-El Din and Abdel Fadil's estimates are shown in table (5) and a few remarks should suffice to indicate how little advance is actually made.

For three out of the ten importing countries in the table, namely Libya, Qatar and Yemen, the estimate of Egyptian migrant workers are directly taken from Birks et al. A radical revision is made however of the number of Egyptian workers in Saudi Arabia and Iraq, raising it from 155,000 and 223,000 (according to Birks et al) to 250,000 and 342,000 respectively. The only justification given for the revision of the figure for Saudi Arabia is that "the rate of granting work permit in Saudi Arabia to Egyptians was 70,600 per year during the period 1975-77".¹ But no indication is given of how this fact alone should raise the number of Egyptian workers in Saudi Arabia in 1980 to 250,000. If one is to take this rate of granting work permits to apply to the whole period of 5 years (1975-80), this alone would add 353,000 new Egyptian workers to their stock in Saudi Arabia in 1975, which according to the earlier estimate of Birks and Sinclair was 201,300. The total stock of Egyptian workers in Saudi Arabia would therefore, on the assumption of no movement back to Egypt, add up to 544,300 in 1980. With the complete absence of information on the average period of stay of Egyptians in Saudi Arabia or on the number of those returning to Egypt

¹. Ibid., p. 69.
Table (5)

Saad-El-Din and Abdel Fadil's Estimates of the
Stock of Egyptian Migrant Workers in
Arab Countries in 1980

<table>
<thead>
<tr>
<th>Country of Employment</th>
<th>'000</th>
<th>Country of Employment</th>
<th>'000</th>
<th>Country of Employment</th>
<th>'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>S. Arabia</td>
<td>250</td>
<td>Kuwait</td>
<td>105</td>
<td>Oman</td>
<td>6.3</td>
</tr>
<tr>
<td>Libya</td>
<td>250</td>
<td>Qatar</td>
<td>57.5</td>
<td>Yemen (YAR)</td>
<td>4</td>
</tr>
<tr>
<td>U.A.E.</td>
<td>22.1</td>
<td>Bahrain</td>
<td>13.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Iraq</td>
<td>342</td>
<td>Jordan</td>
<td>70</td>
<td>Total</td>
<td>1056.5</td>
</tr>
</tbody>
</table>

Source: Saad El-Din, I. & Abdel Fadil, M., op.cit, pp. 70-1

It is not clear why the stock in 1980 should be closer to 250000 than to Birks et al's figure of 155000.

For the revision upward of the figure for Egyptians in Iraq of more than 50%, no justification is given, but a source is mentioned for all figures on Arab migrants to Iraq as "an unpublished research paper in Iraq's Ministry of Planning" for which no author, date or title is given.

One is therefore inclined to take Saad El-Din and Abdel-Fadil's total number of Egyptian workers in Arab countries in 1980, amounting to 1,056,500, with caution and to see no reason to prefer it to the tentative

1. Ibid, p. 71.
estimate of 803,000 given by Birks and others for the same year. If the former estimate is accepted, however, and a crude participation rate for Egyptians in Arab countries is assumed to be around 50%, as seems to be assumed as a minimum by the the two authors 1, the total number of Egyptians in Arab countries, including dependents, would amount to 2,113,000 in 1980.

A less ambitious attempt at estimating Egyptian labour movement is that of the ILO 1980 mission to Egypt headed by Bent Hansen and resulting in a report titled "Employment Opportunities and Equity in Egypt" and published by ILO in 1982. The estimate here is just as tentative as those already discussed but has the merit of not alleging a precision which it does not possess and explicitly recognizing the severe limitations of available data.

The report starts by accepting the World Bank estimates of Egyptians working abroad in 1975 (353,300 in the seven major Arab importing countries and 362,000 in the Whole of the Middle East and North Africa) as "appearing to make sense"2, on the basis of the figures available from CAPMAS on the number of Egyptians leaving the country until 1973 and the mission's own estimate of the flow of temporary migration until 1975. For the years following 1975, since the CAPMAS data on the total numbers leaving Egypt had been discontinued and only a series on the movements of government and public sector employees are available, the mission made two

1. Ibid, pp. 56-7.
2. ILO, Employment Opportunities..., op.cit, p. 98.
alternative estimates of the flow of temporary migrants from 1974 to 1980. One alternative takes the following steps: actual data on the number of emigrants on government and public sector secondments up to the year 1973 is taken directly from CAPMAS, their proportion to total temporary migration proper up to 1973 is calculated, then an extrapolation of this proportion is made for the years 1974-80 on the assumption that the same rate of decrease in this proportion prevailing during 1968-73 has continued during 1974-80. This assumption is of course highly arbitrary but is made to allow the estimation of the volume of temporary migration proper for 1974-80. A column was then added representing those who give reasons for departure other than work but presumably leave to work. This column is derived by applying a fixed percentage (20%) to those "leaving for other purposes", but while it is applied to actual figures for the period 68-73, for the following years the numbers of person leaving for other purposes are merely an extrapolation of the 1968-73 figures. It is again very arbitrary to assume the same rate of increase in this category for both periods (1968-73 and 74-80) in spite of the change in government policy towards fewer restrictions on migration after 1973. In any case, total temporary migration is calculated by adding up the two categories: temporary emigration proper and the assumed percentage of those "leaving for other purposes." 1

1. Ibid, p. 87.
The other alternative follows a simpler method but is even more shaky since it merely extrapolates total temporary emigration for the years 1974-80 on the basis of its rate of growth during the period (1968-73) while there is every reason to believe that this rate was considerably higher after 1973.

The ILO report rightly describes these two alternative methods as only of "hypothetical nature", and in the absence of information on the duration of stay abroad, can tell us virtually nothing on the stock of migrants abroad which is the more interesting from the point of view of the impact on remittances and production at home. The report goes on however, to say that "assuming the average duration of stay to be about 1.5 years, (the two alternative methods) would imply that the stock of emigrants in 1980 was below 412,000 or 770,000 respectively. At an average stay of one year, the corresponding stock figures would be 638,000 and 1,063,000 respectively". The report therefore, reaches the startling conclusion that "we cannot be more precise than to say that any estimate of the stock of emigrants in 1980 between 500,000 and 1 million would be compatible with existing information". Perhaps no harsher verdict can be made on the present state of information on Egyptian labour movements. It is consistent with Birks (et al)'s estimate of 803,000 as well as with that of Saad El-Din and Abdel-Fadil of 1,056,500, but the two limits are too widely apart to make it interesting.

1. Ibid, p.88.
2. Ibid, p. 89.
The degree of confusion in the estimates of the number of Egyptians abroad could finally be gauged from the figures assembled in table (6). The table includes seven more estimates of the number of Egyptians working or residing abroad, most of which come from official Egyptian sources. For 1981, we have 3 estimates of Egyptians working abroad ranging from 486,300 to 2 million, the third being half way. For the total number of Egyptians abroad, including dependents, the estimates for 1982 and 1983 range between 1.7 and 3.4 million. The highly speculative nature of most of the estimates could be seen from reading the note on the sources of this table.

One further remark may be made about the figures of the Ministry of Foreign Affairs. Although this source is rarely referred to in the various works discussed above, it seems to us as probably one of the most reliable. Egyptian consulates are probably better situated to estimate the size of the Egyptian communities abroad than either authorities of the labour-importing countries or the Egyptian authorities at home. These figures, distributed by country of residence, are shown in table (7) and although they admittedly do not distinguish between the gainfully employed and their dependents, nor between temporary and permanent migrants, they still provide us with a good first step towards the estimation of the size of temporary migrants by applying varying crude participation rates to different importing countries.
Finally, it is worth noting that the widest discrepancies among the various estimates are for the numbers of Egyptians in Saudi Arabia and Iraq. A much larger number is given by the Egyptian Ministry of Foreign Affairs, for both countries, than could be explained either by the number of dependents, which is included in this estimate, or by the two-year difference between this estimate (1982) and that of the other two estimates included in table (8) (1980). The result is that while according to the Foreign Ministry Saudi Arabia and Iraq alone accounted for as much as 71% of all Egyptians living in the ten major Arab labour-importing countries in 1982, according to Birks et al. and Saad El-Din and Abdel-Fadil, the corresponding percentage ranges between 47% and 56% in 1980. Everybody agrees however, that Iraq is now the major recipient of Egyptian migrant workers, in contrast to its very minor importance in this respect in the mid-1970's, a fact which makes it particularly unfortunate that estimates of Egyptians working or living in Iraq should vary so widely.
<table>
<thead>
<tr>
<th>Year</th>
<th>Nazli Choicri¹</th>
<th>Ministry of Labour Power and Training²</th>
<th>Nader Firgany³</th>
<th>National Specilized Councils⁴</th>
<th>Total Egyptians Abroad</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Egyptian Workers Abroad</td>
<td></td>
<td>Five-Year Plan (82/87)</td>
<td>Ministry of State for Migration⁶</td>
<td>Ministry of Foreign Affairs⁷</td>
</tr>
<tr>
<td>1976</td>
<td>600,000</td>
<td></td>
<td></td>
<td>1,750,000</td>
<td></td>
</tr>
<tr>
<td>1977</td>
<td>659,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1978</td>
<td>1,365,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1979</td>
<td>725,000</td>
<td></td>
<td></td>
<td>2,000,000</td>
<td></td>
</tr>
<tr>
<td>1980</td>
<td>796,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1981</td>
<td>875,000</td>
<td></td>
<td>2,000,000</td>
<td></td>
<td>3,380,620</td>
</tr>
<tr>
<td>1982</td>
<td>1,750,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1983</td>
<td>1,054,000</td>
<td></td>
<td></td>
<td></td>
<td>2,980,000</td>
</tr>
</tbody>
</table>

¹ Ministry of Labour Power and Training
² National Specilized Councils
³ Ministry of State for Migration
⁴ Ministry of Foreign Affairs
⁵ Nazli Choicri
⁶ Ministry of Labour Power and Training
⁷ National Specilized Councils
⁸ Ministry of State for Migration
⁹ Ministry of Foreign Affairs

Table (6) Other Estimates of Egyptians Abroad
Sources and Notes:

1. Nazli Choucri's estimate is from her: Migration in the M.E.: Transformations, Policies and Processes, published by Cairo University and MIT, July 1983, Vol. 1, Table 3-7. She reached this estimate by "adding the 1,365,000 estimate for 1978 (of the Egyptian Ministry of Labour Power and Training) to the estimate of 700,000 Egyptians in Baghdad in 1981 of Hannah Batatu which he stated at a talk given at the Harvard University Center for International Affairs in Oct. 29, 1981." She seems to accept this estimate as the most plausible for 1981 (see p. 6-6).


3. Nader Firgany's estimate is from his Book: Migration to Oil, published by the Center for Arab-Unity Studies, Beirut, December 1983 (Arabic) p. 56. He calls it a "pure guess" of the number of Egyptian workers in Arab countries "in the early 1980's," and gives no reason for choosing this figure but adds that "they may be accompanied by another million of dependents."

4. The estimate of National Specialized Councils is from their publication: The Economics of Egyptian Savings Abroad, Cairo, 1983 (Arabic) p. 81. The figure given for 1976 is the familiar early estimate of CAPMAS, and for the following years 77-82, the estimates
are made on the assumption of an annual rate of growth of 6.4% for which no explanation is given.

5. The Five Year Plan estimate is taken from the Document of the Five Year (82/3-86/7) published in November 1982, Vol. I, p. 170. The plan gives no explanation of the estimate but simply states that "The number of Egyptians abroad is somehow between 1.75 and 2 million, most of whom are in the working age".

6. The estimate of The Ministry of State for Migration was published in Al-Ahram, 19 March 1983 when it was also estimated that the number of Egyptians in Iraq was 1.25 million "representing 42% of Egyptians abroad". The estimate probably refers only to Egyptians in Arab countries and is based on information from the Foreign Ministry whose figure for Egyptians in Arab countries is very close, 2,962,220.

Table (7)

Estimates of the Egyptian Ministry for Foreign Affairs of Egyptian Communities Abroad (1982)

<table>
<thead>
<tr>
<th>Host Country</th>
<th>'000</th>
<th>Host Country</th>
<th>'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iraq</td>
<td>1,250</td>
<td>Lebanon</td>
<td>.5</td>
</tr>
<tr>
<td>S. Arabia</td>
<td>800</td>
<td>Tunisia</td>
<td>.1</td>
</tr>
<tr>
<td>Libya</td>
<td>300</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kuwait</td>
<td>200</td>
<td>Total Arab Countries</td>
<td>2,962.220</td>
</tr>
<tr>
<td>U.A.E.</td>
<td>150</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jordan</td>
<td>125</td>
<td>U.S.A.</td>
<td>200</td>
</tr>
<tr>
<td>Algeria</td>
<td>35</td>
<td>England</td>
<td>70</td>
</tr>
<tr>
<td>Qatar</td>
<td>25</td>
<td>Canada</td>
<td>60</td>
</tr>
<tr>
<td>Sudan</td>
<td>20</td>
<td>Australia</td>
<td>50</td>
</tr>
<tr>
<td>Syria</td>
<td>15</td>
<td>Italy</td>
<td>30</td>
</tr>
<tr>
<td>N. Yemen</td>
<td>12</td>
<td>Greece</td>
<td>27</td>
</tr>
<tr>
<td>Oman</td>
<td>11.5</td>
<td>France</td>
<td>9</td>
</tr>
<tr>
<td>Morocco</td>
<td>11.5</td>
<td>W. Germany</td>
<td>5</td>
</tr>
<tr>
<td>Bahrain</td>
<td>6</td>
<td>Austria</td>
<td>7</td>
</tr>
<tr>
<td>Somalia</td>
<td>.5</td>
<td>Switzerland</td>
<td>2.5</td>
</tr>
<tr>
<td>Mauritania</td>
<td>.120</td>
<td>Sweden</td>
<td>1</td>
</tr>
</tbody>
</table>

Total Non Arab Countries | 461.5
Grand Total              | 3,380.620

Source: Ministry of Foreign Affairs, Department of Migration, reported in Shafiq, M. op.cit
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1000</td>
<td>%</td>
<td>1000</td>
</tr>
<tr>
<td><strong>Libya</strong></td>
<td>229</td>
<td>58</td>
<td>250</td>
</tr>
<tr>
<td><strong>Saudi Arabia</strong></td>
<td>95</td>
<td>24</td>
<td>155</td>
</tr>
<tr>
<td><strong>Kuwait</strong></td>
<td>38</td>
<td>10</td>
<td>82</td>
</tr>
<tr>
<td><strong>U.A.E.</strong></td>
<td>12</td>
<td>3</td>
<td>18</td>
</tr>
<tr>
<td><strong>Iraq</strong></td>
<td>7</td>
<td>2</td>
<td>223</td>
</tr>
<tr>
<td><strong>Jordan</strong></td>
<td>5</td>
<td>1</td>
<td>56</td>
</tr>
<tr>
<td><strong>Oman</strong></td>
<td>5</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td><strong>Qatar</strong></td>
<td>3</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td><strong>Yemen</strong></td>
<td>2</td>
<td>--</td>
<td>4</td>
</tr>
<tr>
<td><strong>Bahrain</strong></td>
<td>1</td>
<td>--</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>397</td>
<td>100*</td>
<td>802</td>
</tr>
</tbody>
</table>

Sources and Notes: See Next Page
Sources and Notes of Table (8)

1. Birks' and Sinclair's estimate for Egyptian workers in Arab Countries in: International Migration...op.cit, p. 134.

2. Estimate of Birks, Seragelding, Sinclair, and Socknat in "Who is Migrating Where", op.cit, and refers to Egyptian workers in Arab Countries.

3. Estimate of Saad El-Din and Abdel Fadil in: Arab labour Movements, op.cit, pp 70-1, and refers to Egyptian Workers in Arab Countries.

4. Estimate of the Department of Migration of the Egyptian Ministry of Foreign Affairs, of the total number of Egyptian Communities in Arab Countries.

* Percentages do not add up to 100 because of rounding.
I Migration during the Nasser era: pre-oil boom

The dramatic expansion in the rate of Egyptian labour migration in the 1970s brought the issue of migration into the forefront of research. The earlier, and far less significant, migration flow of the 1950s and 1960s received little attention as a subject in its own right. However, many studies of migration in the 1970s refer back to this earlier migration flow primarily by way of contrast with what was to follow. The two periods of migration, pre- and post-oil boom, broadly corresponding historically to two radically different political and economic regimes within Egypt, are generally treated as significantly distinct.

During the Nasser period, external migration took basically two forms, both of which were tightly controlled by the Egyptian government: temporary migration for work abroad which comprised for the most part government seconded labour to other Arab and African states, and permanent emigration which was carefully regulated by the state to the West and to Australia. The vast majority of both categories of migrants were professionals or high level administrators; few peasants or unskilled workers migrated, although notable examples of the former are those peasants who settled in Iraq's agricultural development schemes.
Whilst the emigration of professionals to the West comprised general features of the "brain drain" universally, the secondment of professionals to the Arab world and to Africa was part of a conscious government policy to establish Egypt's position within the Arab and African "circles".

Thus, migration was closely regulated by the state to be consistent with what was perceived as Egypt's interests abroad as well as her manpower needs at home. The relation between foreign policy considerations and the rate and direction of the migration flow within the Arab world has been examined in a paper by Youssef\(^1\) who concludes that migration to Arab states during this period was primarily a function of Egypt's political relations in the area.

Given the central role of the state in determining the pattern of migration, any comprehensive analysis of the determinants of migration during the 1950s and 1960s clearly needs to examine the nature of the Nasserist state. Although this is treated by most as a coherent body with a single interest in migration, an intriguing comment in a paper by Dessouki\(^2\) suggests that different sections of the state, at least by the end of the 1960s, assumed different stances towards migration with, for example, the Ministries of Health and of Industry opposing a more liberal migration

\(^1\) A. Youssef. "The Effect of Egyptian Arab Relations on the Flow of Egyptian Labour to the Arab Countries." Paper prepared for the project on Egyptian labour migration, Cairo University/MIT Technology Adaptation Program, 1981.

policy. This is an area so far unexplored, beyond Dessouki's brief comment, and insofar as echoes of such internal disagreement within the state over migration policy seem to be reoccurring in the 1980s, such an examination would not be of "mere" historical interest.

II Migration since the oil boom

The shift in Egypt's economic policy after 1967, towards greater "liberalisation", which was accelerated and made explicit in the early 1970s, was accompanied by a shift in migration policy. Restrictions on migration were less consistently applied after 1967. In 1971, migration as a "right" was incorporated into the constitution and a systematic easing of migration controls began to become apparent. By the mid-1970s, the Egyptian government was in effect actively facilitating the migration process.\(^1\)

The easing of constraints on migration within Egypt was concurrent with, and related to, the dramatic expansion of demand for labour in the oil rich states abroad.\(^2\) As the volume of Egyptian migration consequently increased (showing perhaps a four-fold increase between 1965 and 1975), so too the composition of the migrant stream changed. Government

1 For a detailed exposition of Egypt's migration policy since the 1950s, see Dessouki, \textit{op. cit.}

2 Dessouki, \textit{op. cit.}, p. 60: "In the final analysis, the 'liberalization' of emigration policy was a 'political' decision related to the events of 1971-72--namely the emergence of an alliance between Egypt and the Gulf States, in particular Saudi Arabia, and the change of development strategy from a Socialist, Centrally-planned economy to a rather open, free market economy."


seconded professionals, who during the 1960s comprised the bulk of migrants to Arab states, were soon dwarfed by the massive flow of "spontaneous" migrants drawn from all skill levels. Furthermore, as the flow of temporary migrants to the Arab states swelled, the number of permanent emigrants to the West concommitantly declined, until by 1979 these accounted for a bare 100 emigrants.

Oweiss, expressing a judgment shared by many, maintained that whereas in the 1950s and 1960s political considerations overruled market forces in determining the pattern of Egyptian migration, in the 1970s the lifting of constraints on migration allowed "the laws of supply and demand to take their course". Indeed, the vast majority of studies of Egyptian labour migration since the oil boom employ a neo-classical model of supply and demand, whereby migration is explained as a movement towards greater equilibrium in the regional labour market.

The logic of this approach runs as follows: the uneven distribution of resources in the region is such that oil reserves tend to be concentrated in sparsely populated and less developed states such as the Gulf and Libya. The more densely populated states, for example Yemen and Egypt, have relatively small oil reserves. Thus, the dramatic expansion in the development programmes of the oil rich


2 Included here are all major reports on Egyptian and Arab labour migration: those of the ILO (1980 and 1982); the World Bank Report (1981), and the Egyptian Labour Migration Project undertaken jointly by Cairo University and MIT Technology Adaptation Program.
states following the oil price rises (1971-73) has created a demand for labour at all skill levels that is way beyond the possibility of being met by indigenous labour supplies. In response to the higher wages offered by these states, labour has flowed out of the poorer, over-populated economies of the area into the rapidly expanding economies of the under-populated oil rich states.

Central to this perspective is the individual migrant whose motivation for work abroad is his perceived opportunity to earn higher wages. Thus, Mohie-Eldin demonstrates by attitude surveys that the prime motivation for migration of both university teachers and unskilled labourers is the opportunity of earning higher wages abroad.\(^1\) Where the general features of the supply and demand sides of the model are broken down, as they are for example by Choucri, these are invariably presented as a list of discrete factors. "Egypt's position as a major donor", writes Choucri, "is due to the particular mix of supply and demand relationships".\(^2\) On the supply side she identifies three factors: Egypt's relatively extensive educational structure which produces large numbers of graduates; the limited

\(^1\) Or, more precisely, university teachers sampled from three universities, and unskilled labourers, the basis of whose selection is not clear. A. Mohie-Eldin. "External Migration of Egyptian Labour", ILO Mission of Employment Strategy in Egypt Background Paper No. 9, September 1980 (mimeographed). Mohie-Eldin here interviews a sample of 50 university teachers from three universities and 50 unskilled workers.

domestic opportunities for graduate employment, and the large pool of employable manpower at other levels not absorbable by the domestic labour market. On the demand side she presents further three factors: the economic incentives provided by the elaborate development programmes after the oil price rises; the brokerage role of Egyptians historically in technological transfers from the West to other Arab states, and the cultural similarity of Egyptian labour which means that "Egyptian labour is clearly more desirable than labour from elsewhere". At times these market forces are constrained by political forces, as examples of which she cites the migration policies of the Nasser era and the vicissitudes of Egypt's relations with Libya in the 1970s. 1

Variants on this supply and demand model are employed by the majority of studies of Egyptian labour migration, the "variants" being supplied by the identification of different specific elements that go to make up the demand and supply factors, as well as by the choice of political constraints that at times inhibit their free interplay. These factors are treated as discrete developments with little or no attempt to discuss the logic of

1 Here, Choucri's assessment differs from that of Youssef (A. Youssef, Effect of Egyptian Arab Relations..., op. cit.), whose examination of the effect of political relations on Egyptian migration concludes that the deterioration of Egypt's relations with Libya in the 1970s had only a minimal effect on the migration of Egyptian labour to Libya.
either selection or of the final resulting "mix". Thus, Choucri identifies one mix of six factors responsible for Egyptian labour migration, Hansen and Radwan\(^1\) list three (two of these being the Egyptian government's encouragement of labour migration and the improvement of Egypt's political relations in the region, not mentioned by Choucri) and the World Bank Report\(^2\) identifies a third set. They all share however the common feature of abstracting the regional labour market from the international context, i.e., of attempting to explain regional patterns of migration solely in terms of factors internal to the region. Patterns or structures arising as a result of the greater integration of the region since the oil boom into the world economy and determined at least partially by developments external to the area thus escape the attention of those employing such a model. Factors associated with such patterns therefore appear as arbitrary or discrete forces. This point will be developed later on in this chapter. It is here noted as a severe limitation on the explanatory power of the model.

Indeed, as an explanation of the migration process, this approach does not take us very far, except at a very obvious or general level: individuals migrate in search of higher wages which are provided by the oil rich, labour

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poor states engaged in ambitious development programmes. Furthermore, in terms of grasping the functioning of the regional migrant labour market, an understanding of which is surely vital to any analysis of present and future trends, the model is sadly inadequate. For insofar as it assumes that the regional labour market is competitive and non-segmented and thus ignores the non-equivalence of different categories of labour, for example at the unskilled level, of contract labour employed in turnkey projects and individual labour in the "free" labour market; or at the professional level, of different nationalities to whom differential preference and salaries are afforded), the model is more a distortion than a clarification of the migrant labour market and of the forces that shape the migration process.

Although the above approach is the one most commonly used in studies of labour migration, alternative approaches are provided by a few studies which attempt to explain migration in terms of the structures that have given rise to, and that sustain, the migration process. By "structures" is meant the interrelationship of historical forces, or, more precisely, the logic of their interrelationship. An attempt is made not merely to list the various factors that give rise to migration, but to identify the rationale of their development and sustenance. In such an approach, the various historical forces (many of which may have been identified by the standard approach previously outlined)
appear less as arbitrary, discrete or chance historical factors than as integral parts of a pattern, or patterns, of development whose dynamics have a certain discernible logic.

III Internal structures

In terms of an analysis of structures that within Egypt have led to the massive flow of labour abroad in the 1970s, the most comprehensive is that of Ibrahim. Ibrahim firmly locates Egyptian migration as an integral part of Egypt's ideological and economic shift in the 1970s to an "open door" policy. Explaining this shift as primarily and initially a product of the confluence of three internal structural forces (and only later aided by regional and international factors), he identifies these as: demographic, economic and socio-political. It is the confluence of these interacting structures that "made it possible for Egyptian labour to respond to the expanding market in capital rich countries".

In outlining the salient features of Egypt's demographic structure, Ibrahim notes that with a labour force of 13 million and one of the highest literacy rates in the area (44 percent), Egypt's demographic structure makes it possible to have the largest well-trained deployable labour force in the region. At the same time, Egypt shows clear signs of "over population". For as the most populous state

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2 Ibid., p. 64.
in the area and with a natural growth rate of 2.3 percent, Egypt evidences the low economic participation rate of 36.8 percent and a high percentage of young people below the age of 15 (40 percent). The largest percentage of the labour force is engaged in agriculture (48 percent) but whereas the population has quadrupled since the turn of the century, agricultural land surface has increased by only 20 percent. However, having outlined all these features of over-population, Ibrahim is at pains to point out that it is not "surplus population" in any absolute sense that is here the crucial structural factor, but rather the extent to which the population is "well-utilized" as indexed by gainful and productive employment and "whether the population is registering steady improvement in its standard or quality of living".\(^1\) In other words, it is the relationship of demographic structure to economic development that comprises "surplus population".

Turning to examine Egypt's economic structure on the eve of the oil boom, Ibrahim contrasts the decade of economic expansion of 1955-56 with the crises of the late 1960s during which Egypt's economic growth declined from its previous 6.5 percent per annum to about 2 percent. Economic expansion took place at a time when Egypt was actively pursuing socialist type policies as evidenced by the prominent role of the public sector in a centrally planned economy, worker participation in management, land

\(^1\) Ibid., p. 65.
reform, and rent controls. As the share of industry in Egypt's GNP steadily rose, "the transformation of Egypt's labour force to modern sectors looked irreversible. With such socio-economic forces at work, the thought of massive labour transfers to other countries was unthinkable".¹ Migration was regulated at this period according to political considerations and domestic manpower requirements.

By the end of the 1960s, Egypt's economy was in serious difficulties. Much disagreement surrounds the reasons for the series of crises that were evident during this period. Ibrahim, however, pins the blame firmly on the defeat of 1967: "...most of Egypt's resources which would otherwise have gone into productive investment were now diverted into the war efforts".² Crippled by huge defense burdens, foreign debts and a high inflation rate, Egypt was unable to continue to raise sufficient domestic capital for investment. Employment opportunities froze. The response was a retreat from socialism only fully implemented after the death of Nasser in 1970 and an endorsement of a capitalist orientation. With the encouragement of the private sector and minimal state involvement in economic planning, the manpower policies of the Nasser period appeared "not only irrelevant but an outright impediment to the economic orientation".³

¹ Ibid.
² Ibid.
³ Ibid., p. 66.
Controls on migration were gradually lifted and after the oil price rise of 1973, the migration of labour was actively encouraged by the Egyptian government, in order both to ease unemployment and to attract foreign currency. Thus, the export of labour was pursued as an integral part of the new "open door" policy. Here, Ibrahim follows Dessouki\(^1\) in firmly relating the shifts in migration policy to shifts in the overall development strategy of Egypt.

Ibrahim then moves on to examine briefly the "socio-political" forces that were instrumental in the shift in economic policy. By these he seems to mean the class structure of Egypt at the turn of the 1970s or, more specifically, those class interests that were represented by the Sadat regime. These he identifies as both those groups who were from the outset thwarted by Nasserist policies as well as those groups which, having been promoted by the economic and social policy of the previous decade, "had reached their ceiling by the late sixties. They could go no higher".\(^2\) The former comprise the pre-revolutionary, large land owners and "private sector businessmen-capitalists"; the latter, the post-revolutionary professionals, top technocrats and managers of the public sector. After the defeat of 1967, the discontent of these groups began to be voiced, but it was only after the death of Nasser that they together formed an effective (although not unopposed) coalition of forces represented within the

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1 Dessouki, *op. cit.*

new ruling elite. Seeing the solution to their own, and their country's economic crises in terms of increased access to foreign capital, alignment with the West, and a liberalisation of the economy, it was these class interests that provided the social base for the pursuance of the open door policy. Ibrahim concludes that it was the confluence of these three structural forces that made possible the massive transfer of labour out of Egypt during the 1970s. Thus Ibrahim explains the response of Egyptian labour to the increase in demand in the oil rich states in terms of a coherent set of structures that are internal to Egypt.

Whilst Ibrahim concentrates on internal structures allowing for the massive export of Egyptian labour in the 1970s, others have attempted to locate Egyptian migration within the wider structures of the regional and international economies. Thus Kerr, who shares Ibrahim's understanding of Egyptian migration in the 1970s as part of the "liberalisation" of the political economy of Egypt, explains this shift in policy not solely as a product of domestic forces within Egypt, but also as a response to shifts in the international arena. Stressing the importance of oil wealth to the West and its close connection to the industrial and financial systems of the West, Kerr maintains that accompanying the increased control of the oil rich states over oil revenues was a new perception by Western governments of their "vital stake in protecting the status quo

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in the Middle East". American military and political presence in the region was subsequently increased. At the same time the detente between the superpowers, which made the playing off of one power against the other, "a la Nasser", less plausible, resulted in less room for independent manoeuvre for states in the area. The response of Egypt to the series of domestic crises, which took the form of a political and economic shift along lines more consistent with Western interests, has then to be placed within this broader context. It also has to be seen within the context of a similar shift in many other countries of the region: Syria, Jordan, Tunisia, the Sudan and North Yemen. From this perspective then, the "open door" policy of Egypt, of which the official encouragement of migration was an integral part, is understood not merely as an internal response to internal domestic crises, but also as a "solution" which formed part of a regional realignment of pro-Western groups and interests in conjunction with shifts in the international arena.

IV Structures within importing states

Articles by Halliday, Owen and Stork add an important dimension to the discussion thus far by examining the structures that have developed within the oil rich states as a result of the oil boom as these affect the importation of labour. Halliday examines patterns of development arising from the lopsided dependence of the oil rich states on the export of oil, as these have affected the composition
of the labour force and migration. Here the importation of labour is discussed not merely as a function of the extent of the investment programmes undertaken, but also as a function of the type of development programmes these states have embarked upon.

The demand for labour within a specific national economy is an effect of the over-all development pattern of that society....In analysing internal developments it is no longer possible to talk in a generic manner of 'oil States', since the use to which oil revenues are put depend, in part, on the internal features of these states. The disposal of oil revenues, and the effects of this on the labour market, are a function of the varying resources, natural and human, of such countries and of the policies of the rulers...

Halliday proceeds by distinguishing between different types of oil rich states: "standard developing countries", e.g., Algeria and Iraq; desert states, e.g., Libya, Saudi Arabia and Oman, and the city-states of Bahrain, Kuwait, Qatar, and the United Arab Emirates. 2

Algeria and Iraq evidence similar features of many developing countries: relatively large populations, the majority of which are rural; small manufacturing sectors incorporating local labour; populations expanding at rates faster than development, and ample reserves of unskilled labour. Both the size of the populations and the nature of the development patterns embarked upon prohibit the maintenance of the local population by the state in the form

1 F. Halliday, "Labour Migration in the Middle East". Middle East Research and Information Project, No. 59, August 1977, p. 4

2 For the purpose of our discussion of structures affecting labour demand, the last two categories can be combined into one. Halliday distinguished between them in terms of the different impact of migration on their internal structures.
of direct grants as is possible in the desert and city states. Unemployment in Algeria and Iraq (at least until the Gulf war) remains an economic problem and surplus labour exists alongside shortages of certain categories of labour. In relation to the labour market, Algeria and Iraq stand as both exporters and importers of labour.

The desert and city states, on the other hand, have very few productive resources (including agriculture) apart from oil, no economic integration prior to oil, and very small populations. Although in these states there does exist an overall shortage of labour in relation to their development plans, Halliday is not alone in pointing out that the concept of labour shortage is not an absolute one but exists in a context of a high degree of underemployment of the indigenous potential labour force. This is due to a number of factors including low educational and literacy levels, the low economic participation of women, and the distribution of oil revenues in the form of government subsidies and grants that enables local citizens to choose not to participate in paid employment.

Halliday then examines the types of structures that have arisen within these states as a result of the oil boom. In particular, he examines the "lopsided" development around the export of oil that characterises both types of state and which in turn has created certain structural features that have determined the volume and composition of labour force requirements.
Oil itself generates little direct employment. After the exploratory stages, oil production requires only a small work force and even this has been reduced by the oil companies, "partly in response to technical developments and partly to make output less vulnerable to political pressure".¹ The most labour intensive aspects of the industry, refining and petrochemicals, have been situated outside the producing countries. It is only through the conversion by governments of oil revenues into extensive development programmes that oil has generated large scale employment. However, as Halliday notes, this process of converting revenue into employment and development projects is one that contains several distorting factors. For while oil-based development provides the potentiality for industrialisation and for agricultural development, it "disproportionally encourages the growth of occupations that are either transient or unproductive".² In all producing states, investment has been directed primarily into the expansion of four main sectors: services; construction; government employment, and arms. This inbuilt bias towards non-productive sectors is the result of a number of factors. The huge revenues from oil afford governments the luxury of dispensing with the development of internal resources, i.e., agriculture, industry and skills. It is easier to invest in the expansion of government employment than to develop

¹ Halliday, op. cit., p. 6.
² Ibid., p. 5.
an industrial base and a skilled work force. In addition, the development of such a labour force could threaten the internal political stability of these regimes. It is also easier to promote construction than industrial projects, and profits from construction are easier to acquire. Finally, political and social pressure is strong on governments to build up their armed forces.

To these could be added a further factor noted by both Owen\textsuperscript{1} and Stork.\textsuperscript{2} The increase in oil revenues has greatly enhanced the role of the state and led to an immense expansion of the state apparatus. This has taken the form of both an extension of the state security system and the implementation of ambitious welfare programmes. Oil wealth has brought with it a sense of increased vulnerability on the part of the states concerned and this, coupled with political pressures, has led to vast expenditures on arms for defense. The highly uneven distribution of oil wealth internally has also provided a potentially destabilizing factor within these states. In the absence of political institutions of civil society, regimes have attempted to promote their stability (and thus far with a high degree of success) by both extending their security apparatus and establishing a comprehensive welfare state. The latter means of redistributing wealth is one not accidentally chosen. Alternatives, such as progressive taxation, would hit hardest the supporters of the regimes.

\textsuperscript{1} R. Owen, "The Arab Economies in the 1970s", Middle East Research and Information Project, No. 100/101, October-December, 1981.

\textsuperscript{2} J. Stork, "Ten Years After", Middle East Research and Information Project, No. 120, January 1984
themselves.

While these biases towards non-productive employment are evident in all the oil rich states in the area, they are particularly apparent in the desert and city states that evidenced no industrial expansion prior to oil. The vast majority of migrants in the area are thus incorporated into these non-productive sectors. However, the distinction made by Halliday between desert and city states on the one hand and standard developing countries on the other is pertinent in terms of the categories of labour these states import. In the desert and city states all categories and skill levels are imported, the majority being unskilled workers. Algeria and Iraq, at least until the Gulf war, could draw on their own rural populations to meet most of their requirements of unskilled labour. It is primarily at the skilled and professional levels that these two countries import labour.

In recent years two non-oil producing states, Jordan and the Yemen Arab Republic, have assumed increasingly important roles as labour importers in the region. An article by Birks et al. elaborates their role as "secondary labour importers" as distinct from the primary, oil rich importers that have triggered the migration flow.


Migration into these secondary importing states is partly a response to labour shortages created by the departure of their own domestic labour to the oil rich states. But as the authors significantly point out, it is not merely "replacement" labour that has been drawn into the labour markets of these states. In fact, they maintain that "this simple replacement movement is only a small proportion of the flow...Their labour markets have expanded to bring in imports of workers beyond the needs of replacement migrants because out-migration has become so pervasive that the relationship between labour and other factors of production have altered profoundly". In addition, "the process of importing labour at all tends to feed upon itself". The ready availability of cheap migrant labour has led to an artificial expansion of the labour market. "Thus migration begets migration."\(^1\)

This article also raises a number of important points. First, in the development of literature on Arab migration it is significant insofar as it represents a shift in approach on the part of authors who have previously been involved in major ILO and World Bank studies of regional migration. From the somewhat mechanistic model of migration employed in these previous studies (noted at the beginning of this section), a shift is evident towards an approach which sees migration as a process, both responding to and creating certain structural requirements in the labour market. Whereas they, and others,

\(^1\) Ibid., p. 107.
had previously noted that the process of out-migration in some states in the area, notably Jordan and North Yemen, had itself given rise to in-migration from other states, this had been discussed purely in terms of "replacement" labour. In the article being considered here, the authors maintain that migration into these states has to a large extent determined labour force requirements. Migration is here noted for the first time as a process that itself creates and not merely responds to certain structural requirements in the labour market.

V The international context

One notable consequence of the oil boom has been the far greater integration of the region into the world economy. The basis of this integration is trade: the exchange of oil\(^1\) for imports of food, manufactured goods, and arms. Throughout the 1970s the Arab world showed a growing dependence on sources of supply outside the region to meet increased local demand, until by the end of the decade 93 percent of Arab imports came from outside the region. This includes about half the Arab world's food requirements.\(^2\)

\(^1\) Oil represents about 90 percent of all Arab exports; c.f. Y. Sayigh, "The Arab Oil Economy", in T. Asad and R. Owen, Eds., Sociology of 'Developing Societies': the Middle East, Macmillan Press, London, 1983.

\(^2\) R. Owen, "The Arab Economies...", op. cit.
Given the tight integration of the region into the world economy it is perhaps surprising that very little work on labour migration in the region takes any account of the wider international context. One of the few attempts to examine the implications of trends in the world economy for the regional migrant labour market is made by Hill in a paper examining the impact of multinational corporations on the movement of labour in the region.¹ Hill points out that many development projects in the oil rich states have been undertaken by multinational corporations. These have access not only to international capital, but also to an international labour supply. Drawing on supplies of labour that cut across national boundaries in order to minimize labour costs, the multinational corporations have brought into the area not only skilled technical and managerial staff mainly from the West, but unskilled and semi-skilled labour from South and Southeast Asia. Often employed in turnkey type projects, such labour is moved into the area for a specific project and re-exported upon its completion. This type of contract labour is significantly cheaper and seemingly more "disciplined" than that drawn from the "free" market. Hill identifies the utilisation of this type of labour component as part of the present logic of international capital accumulation. Although by no means the major type

of labour movement in the area, it is becoming increa-
singly apparent in many states of the region, notably
the Gulf, and thus has immediate relevance not only to
and discussion of the present functioning of the regional
labour market, but also of future trends.

VI Conclusion

The vast majority of studies of Egyptian labour
migration, including all major reports and projects,
have been conducted within -for want of a better term-
a neo-classical economics framework. We have attempted
to indicate the limitations of such an approach as we
see them. Studies using alternative approaches are few
and somewhat "pioneering" in nature. They are more in
the nature of attempts to sketch out the overall logic
of development patterns in the area as these affect the
migration process, than of detailed empirical analysis.
They do, however, make a significant contribution to the
literature on migration in the area, not the least by
their refreshing awareness of international developments
in the "state of the art". For, apart from occasional
references to Turkish workers in Europe, the vast majority
of work on Egyptian (and possibly Arab) migration is con-
ducted with little acknowledgment of studies of migration
outside the area, or of the theoretical debates and de-
vvelopments that have accompanied these.

One of the more significant developments in the
general body of literature on international labour migration
has been the increased awareness of the need to contextualize studies of regional labour movements within the wider framework of the international division of labour. Such context is lacking in the vast majority of studies of Egyptian labour migration. Rather, the regional labour market is abstracted from its international context and treated as an autonomous entity.

Such an approach is apparently not peculiar to studies focusing on the Arab component of the regional market. A similar "lack of context" is noted by Keely in his summary of papers presented to a recent conference on Asian migration to the Middle East.¹ Noting that "the international circulation of capital and the changing divisions of labour since World War II, the restructuring of the global economic and monetary systems, to say nothing of political restructuring", had been completely ignored by conference participants, Keely proceeds to ask, "how then can anyone interpret the implications and consequences of the worldwide movement of labour, much less Asian streams to the Middle East?"² Insofar as these "Asian streams" have a direct impact on the region's demand for Arab unskilled labour, this question can equally well be asked of those examining Egyptian labour migration. Indeed, by ignoring this wider context, misinterpretations of regional trends may have already arisen. An example, perhaps, of such a misinterpretation

¹ C.B. Keely, "Research on Asian Labour Migration to the Middle East", summary discussion of the East-West Population Institute Conference on Asian Labour Migration to the Middle East, East-West Center, Honolulu, Hawaii, 19-23 September 1983.
is the opinion often expressed within Egypt that the recent declining share of the Arab component in the regional labour market will stabilize or even be reversed due to the cultural and linguistic affinity of Arab labour and to the comparative advantage this affords. Such sentiments are expressed without reference to the "logic" of international capital accumulation and nationalization of labour, which is in fact behind the increased use of the non-Arab labour component. The significance of such trends is therefore obscured, inhibiting not only our understanding of regional labour markets, but also of trends that are beginning to become apparent within Egypt itself. For as Choucri, Eckaus and Mohie-Eldin have noted in passing, "there is spotty evidence of the beginning of in-migration of alien labour into Egypt". The example they cite is of Korean workers employed in several industrial enterprises outside Cairo. Whilst noting that "there is no historical precedent for this type of labour immigration", they fail to comment on its significance in terms of the international division of labour and refer to it solely in terms of labour shortages within Egypt's construction sector.

Studies of Egyptian labour migration tend to suffer from a somewhat blinkered vision. Discussion proceeds with little reference either to developments within the

general body of literature on international labour migration, or to wider trends in the international labour market. By ignoring developments on both these levels we are in danger of being limited not only to a partial, but quite possibly also a distorted grasp of regional migration trends and processes.
CHAPTER III

THE IMPACT OF MIGRATION ON

THE EGYPTIAN ECONOMY AND SOCIETY

I. ECONOMIC IMPACT

1. Impact on the Balance of Payments

Official data on the remittances of Egyptians working abroad are regularly published by the Central Bank of Egypt which classifies remittances into financial transfers and real remittances. Financial transfers are predominantly transfers from abroad but also include a relatively small component consisting of the foreign currency declared and converted into Egyptian pounds by returning migrants on their arrival to Egypt. It also includes even smaller amounts of financial transfers to buy Egyptian goods which are sold in Egypt in foreign currencies. Real remittances consist of imports of goods financed by the "own-exchange import" system, and constitute by far the greater part of total remittances.

The magnitude of these two categories, shown in Table 9, indicate little variation between one source and another since most sources rely on the Central Bank's figures. Differences among the various sources are mainly due to differences in the exchange rates used in converting Egyptian pounds into dollars or vice versa.
But to regard the sum of these two categories as representing
"total remittances of Egyptians working abroad", is not completely ac­
curate. Part of the imports financed by the own-exchange system could
be financed by foreign exchange earnings from sources other than work
abroad, (e.g. tourism, working for foreign firms or international organi­
zations in Egypt as well as that part of the value of Egyptian exports
which is either undeclared or allowed to be retained by exporters). On
the other hand, part of Egyptian earnings abroad could be remitted but
not declared, in the form of undeclared goods or foreign currency brought
into Egypt. Although a good part of this undeclared foreign currency may
find its way to the free foreign exchange market and may therefore finally
appear as part of imports financed by the own-exchange system, part of it
could also be deposited in branches of foreign banks in Egypt or in foreign
currency accounts in Egyptian banks and would therefore escape calculation
either as financial remittances or imports.

These three deficiencies in reporting the magnitude of remittances
do not seem, however, to be equally serious. That part of imports financed
by the own exchange system but not by remittances is certainly too small a
part of the total own-exchange imports. With regard to that part of un­
declared financial remittances which does not appear again in the form of
imported goods but is used in creating deposits in foreign exchange accounts
in foreign or Egyptian banks, although it appears to be considerable, it
does not affect the country's balance of payments situation. Only undeclared
imports of goods financed by Egyptian earnings abroad and accompanying returning
Egyptians could be an important missing component from recorded remittances and also have direct bearing on the balance of payments.

Table (9)

Remittances of Egyptians Working Abroad (1974-82/83)

(L.E. million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Financial Transfers (1)</th>
<th>Declared Imports Financed by Own-Exchange System (2)</th>
<th>Total Remittances (1 + 2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1974</td>
<td>124</td>
<td>16</td>
<td>140</td>
</tr>
<tr>
<td>1975</td>
<td>164</td>
<td>93</td>
<td>257</td>
</tr>
<tr>
<td>1976</td>
<td>364</td>
<td>167</td>
<td>531</td>
</tr>
<tr>
<td>1977</td>
<td>384</td>
<td>265</td>
<td>649</td>
</tr>
<tr>
<td>1978</td>
<td>654</td>
<td>587</td>
<td>1241</td>
</tr>
<tr>
<td>1979</td>
<td>666</td>
<td>883</td>
<td>1549</td>
</tr>
<tr>
<td>1980</td>
<td>818</td>
<td>1070</td>
<td>1888</td>
</tr>
<tr>
<td>1981</td>
<td>591</td>
<td>936</td>
<td>1527</td>
</tr>
<tr>
<td>1982/83</td>
<td>931</td>
<td>1396</td>
<td>2327</td>
</tr>
</tbody>
</table>

An attempt to go beyond the level of declared remittances, financial or real, is to be found in a short but useful monograph recently published by the National Specialized Councils. It starts by estimating the earnings of Egyptians working abroad, by multiplying the estimated number of Egyptians working abroad by their estimated "average wage", this being assumed to fall between the average wage in Saudi Arabia (taken to represent the 'high-wage countries') and that in Iraq (representing the 'moderate-wage countries'). To these earnings an estimated average propensity to save is applied, which is taken as the average between that calculated for Bangladeshi workers in the Middle East and that for unskilled Pakistani workers in the same region. This average (56%) is said to be in line with the statements of some Egyptian workers abroad about the proportion they save out of their income, ("more than half"). This allows the estimation of the "real savings" of Egyptian workers abroad, part of which is invested abroad and the rest constituting the remittances. The part which is invested abroad, either directly or transferred to Egypt and then smuggled out of the country, is estimated at £2778 million or $3969 million during the whole period 1974-81, and constitutes a pure loss to the Egyptian economy. Remittances are then broken down into four categories:

1. Financial transfers converted into Egyptian pounds or used to buy Egyptian goods which are sold in foreign currencies,

2. The increase in foreign currency deposits in Egyptian or foreign banks operating in Egypt,

3. Imports financed by the own-exchange import system and,

4. Undeclared goods brought into Egypt by returning migrants.

Tables 10, 11 and 12 include the estimates for these various components for the period 1974-81, compare them with the estimates for total earnings and savings of Egyptians abroad and indicate the relative importance of each component.
Table (10)
Estimates of Total Earnings, Savings and Remittances of Egyptians Working Abroad (1974-81)

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Egyptians Working Abroad ('000)</th>
<th>Average Wage Abroad (L.E.)</th>
<th>Total Earnings (Million L.E.)</th>
<th>Total Expenditure Abroad (Million L.E.)</th>
<th>Total Savings (million L.E.)</th>
<th>Total Remittances as % of Savings (6 ÷ 5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1974</td>
<td>500</td>
<td>1600</td>
<td>800</td>
<td>352</td>
<td>448</td>
<td>255</td>
</tr>
<tr>
<td>1975</td>
<td>550</td>
<td>2526</td>
<td>1389</td>
<td>611</td>
<td>778</td>
<td>457</td>
</tr>
<tr>
<td>1976</td>
<td>600</td>
<td>3386</td>
<td>2032</td>
<td>894</td>
<td>1138</td>
<td>681</td>
</tr>
<tr>
<td>1977</td>
<td>659</td>
<td>4382</td>
<td>2888</td>
<td>1271</td>
<td>1617</td>
<td>1040</td>
</tr>
<tr>
<td>1978</td>
<td>725</td>
<td>5244</td>
<td>3802</td>
<td>1673</td>
<td>2129</td>
<td>1762</td>
</tr>
<tr>
<td>1979</td>
<td>796</td>
<td>5342</td>
<td>4253</td>
<td>1871</td>
<td>2382</td>
<td>2208</td>
</tr>
<tr>
<td>1980</td>
<td>875</td>
<td>5880</td>
<td>5145</td>
<td>2264</td>
<td>2881</td>
<td>2856</td>
</tr>
<tr>
<td>1981</td>
<td>931</td>
<td>6079</td>
<td>5660</td>
<td>2491</td>
<td>3169</td>
<td>2505</td>
</tr>
</tbody>
</table>

### Table (11)

<table>
<thead>
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</thead>
<tbody>
<tr>
<td><strong>I. Financial Transfers:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Transfers from Abroad into Egyptian Pounds</td>
<td></td>
<td>168</td>
<td>198</td>
<td>284</td>
<td>556</td>
<td>490</td>
<td>643</td>
<td>445</td>
</tr>
<tr>
<td>2. Payments for Egyptian Goods in Foreign Currencies</td>
<td></td>
<td>1</td>
<td>3</td>
<td>22</td>
<td>8</td>
<td>62</td>
<td>58</td>
<td>41</td>
</tr>
<tr>
<td>3. Declared Currencies Converted into L.E. on Arrival</td>
<td></td>
<td>25</td>
<td>52</td>
<td>78</td>
<td>90</td>
<td>113</td>
<td>118</td>
<td>105</td>
</tr>
<tr>
<td><strong>Total I</strong></td>
<td></td>
<td>194</td>
<td>253</td>
<td>384</td>
<td>654</td>
<td>666</td>
<td>818</td>
<td>591</td>
</tr>
<tr>
<td><strong>II. Increase in Foreign Currency Deposits Within Egypt</strong></td>
<td></td>
<td>54</td>
<td>90</td>
<td>148</td>
<td>201</td>
<td>302</td>
<td>536</td>
<td>503</td>
</tr>
<tr>
<td><strong>III. Imports Financed by Own-Exchange Import System</strong></td>
<td></td>
<td>93</td>
<td>167</td>
<td>265</td>
<td>587</td>
<td>883</td>
<td>1070</td>
<td>936</td>
</tr>
<tr>
<td><strong>IV. Undeclared Goods Accompanying Returning Migrants (2)</strong></td>
<td>117</td>
<td>171</td>
<td>243</td>
<td>319</td>
<td>357</td>
<td>432</td>
<td>475</td>
<td></td>
</tr>
<tr>
<td><strong>Grand Total (1)</strong></td>
<td>457</td>
<td>681</td>
<td>1040</td>
<td>1762</td>
<td>2208</td>
<td>2856</td>
<td>2505</td>
<td></td>
</tr>
</tbody>
</table>

**Source:** as for Table (10), p. 85

1. Totals may diverge from the sums of individual items because of rounding.
2. On the assumption that they amount to 15% of total savings of Egyptians working abroad.
<table>
<thead>
<tr>
<th></th>
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<td><strong>I. Financial Transfers:</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>1. Transfers from Abroad into Egyptian Pounds</td>
<td></td>
<td>49</td>
<td>39</td>
<td>36</td>
<td>38</td>
<td>26</td>
<td>26</td>
<td>22</td>
</tr>
<tr>
<td>2. Payments for Egyptian Goods in Foreign Currencies</td>
<td></td>
<td>--</td>
<td>--</td>
<td>3</td>
<td>--</td>
<td>3</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>3. Declared Currencies Converted into Egyptian Pounds on Arrival</td>
<td></td>
<td>7</td>
<td>10</td>
<td>10</td>
<td>6</td>
<td>6</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total I</strong></td>
<td></td>
<td>57</td>
<td>50</td>
<td>48</td>
<td>45</td>
<td>36</td>
<td>34</td>
<td>29</td>
</tr>
<tr>
<td><strong>II. Increase in Foreign Currency Deposits Within Egypt</strong></td>
<td></td>
<td>16</td>
<td>18</td>
<td>18</td>
<td>14</td>
<td>16</td>
<td>22</td>
<td>25</td>
</tr>
<tr>
<td><strong>III. Imports Financed by Own-Exchange Import System</strong></td>
<td></td>
<td>27</td>
<td>33</td>
<td>33</td>
<td>41</td>
<td>48</td>
<td>44</td>
<td>46</td>
</tr>
<tr>
<td><strong>Grand Total (1) (2)</strong></td>
<td></td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: as for Table (10), p. 86

1. Excluding declared goods accompanying returning migrants.
2. Totals may diverge from the sums of individual items because of rounding.
   (-) Less than 1%
The impact of remittances on Egypt's balance of payments is probably the most favourable aspect of the phenomenon of labour migration. This impact could be approached from a number of angles. The most obvious is to relate the remittances to a number of important components of the balance of payments such as total foreign exchange proceeds, total imports, balance of trade and balance of current account deficits...etc., to compare labour remittances to other important sources of foreign exchange, such as oil, the Suez Canal and tourism and to indicate the change in their relative importance as a source of foreign exchange over time. It is also important, however, to examine and try to account for the fluctuations in remittances from year to year, the changes in the relative importance of the various components of remittances, the allocation of remittances by country of employment and the degree of response of remittances to various government policies. It is striking how all this has attracted so little discussion compared with the effort spent on estimates of the number of migrants. The two most useful discussions of some of these aspects are to be found in an unpublished paper by Osman M. Osman\(^1\) prepared for the Cairo University/MIT research project on Egyptian labour migration and the study by the National Specialized Councils just referred to.\(^2\)

---


Osman's paper gives a good account of the increasing importance of remittances as a source of foreign exchange, as compared with the values of other exports, major imports and balance of trade and current accounts deficits, until 1979. (See Table 13). By 1982/83, remittances had become of even greater importance, with their two major components shown in Table 9 amounting to about double the deficit on current accounts (L.E. 2327 and 1063 million respectively) and becoming the most important single source of foreign exchange, surpassing even oil. In the same year, these two major components of remittances represented 87% of all commodity exports including oil (compared with only 8.6% in 1973) and 31% of all foreign exchange proceeds from both visible and invisible exports (compared with 6% in 1973). The fact that remittances had reached more than double the value of the deficit on current accounts implies that an increase in remittances by 50% would more than cover this deficit, assuming that remittances in kind would partly replace but not add up to the total import bill.

The study of the National Specialized Councils goes further to trace the declining importance of financial transfers as compared with remittances taking the form of imports of goods, and discusses, though briefly, factors acting in favour of the latter form of remittances and examines, also briefly, the distribution of remittances by country of employment.
Table (13)

Remittances as Percentage of Major Items of Egypt's Balance of Payments (1974-1979)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Remittances ($ million)</td>
<td>189</td>
<td>366</td>
<td>755</td>
<td>897</td>
<td>1761</td>
<td>2214</td>
</tr>
<tr>
<td>Balance of Trade Deficit ($ million)</td>
<td>1800</td>
<td>2733</td>
<td>2490</td>
<td>2764</td>
<td>7440</td>
<td>3412</td>
</tr>
<tr>
<td>Deficit on Current Accounts ($ million)</td>
<td>1638</td>
<td>2516</td>
<td>1450</td>
<td>1519</td>
<td>1415</td>
<td>1572</td>
</tr>
</tbody>
</table>

Remittances as % of:
- Balance of Trade Deficit 10 13 30 32 24 65
- Deficit on Current Accounts 11 14 52 59 124 141
- Total Commodity Exports 10 19 35 38 69 55
- Oil Exports 75 77 91 89 139 77
- Total Commodity Exports excluding Oil 12 26 56 67 136 190
- Suez Canal & Tourism Revenues 71 88 97 78 145 186
- Total Commodity Imports 2 8 16 18 29 30
- Imports of Wheat & Flour 24 57 138 150 209 287

The study also includes a good discussion of the reasons leading to the big increase in that part of remittances taking the form of increased deposits in foreign currency accounts within Egypt, attributing it mainly to the relatively low level of interest rates on deposits in Egyptian pounds and the lack of other remunerative channels of investment. The increasing role of the own-exchange system of imports in total Egyptian imports is also indicated and explained.¹

There is still wide scope, however, for detailed studies of factors affecting Egyptians' propensity to remit, its variations among the various countries of employment, the various policy measures (e.g. exchange rate, interest rates, import system...etc.) as well as other economic, political and psychological factors affecting the magnitude and structure of remittances. Also lacking is a detailed study of year-to-year fluctuations of total remittances and their various components. The absence of virtually any study of fluctuations in remittances is particularly striking in view of the very wide fluctuations observed since 1974 (see table 14).

¹. See National Specialized Councils, op.cit, p. 42.
Table (14)
Annual Fluctuations in Remittances
(1974-82/3)

<table>
<thead>
<tr>
<th>Year</th>
<th>Financial Transfers (million L.E.)</th>
<th>% Change</th>
<th>Own-Exchange Imports (million L.E.)</th>
<th>% Change</th>
<th>Total Remittances (million L.E.)</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1974</td>
<td>124</td>
<td>---</td>
<td>16</td>
<td>--</td>
<td>140</td>
<td>--</td>
</tr>
<tr>
<td>1975</td>
<td>164</td>
<td>+32</td>
<td>93</td>
<td>+481</td>
<td>257</td>
<td>+84</td>
</tr>
<tr>
<td>1976</td>
<td>364</td>
<td>+122</td>
<td>167</td>
<td>+80</td>
<td>531</td>
<td>+107</td>
</tr>
<tr>
<td>1977</td>
<td>384</td>
<td>+55</td>
<td>265</td>
<td>+59</td>
<td>649</td>
<td>+22</td>
</tr>
<tr>
<td>1978</td>
<td>654</td>
<td>+70</td>
<td>587</td>
<td>+121</td>
<td>1241</td>
<td>+91</td>
</tr>
<tr>
<td>1979</td>
<td>666</td>
<td>+18</td>
<td>883</td>
<td>+51</td>
<td>1549</td>
<td>+25</td>
</tr>
<tr>
<td>1980</td>
<td>818</td>
<td>+23</td>
<td>1070</td>
<td>+21</td>
<td>1888</td>
<td>+22</td>
</tr>
<tr>
<td>1981</td>
<td>591</td>
<td>-28</td>
<td>936</td>
<td>-12</td>
<td>1527</td>
<td>-19</td>
</tr>
<tr>
<td>1982/83</td>
<td>931</td>
<td>+57</td>
<td>1396</td>
<td>+49</td>
<td>2327</td>
<td>+52</td>
</tr>
</tbody>
</table>

Source: Calculated from Table (9).
Two recent books on labour migration in the Arab World which have already been referred to, contain surprisingly little on the impact of remittances on the balance of payments. One is Saad El-Din and Abdel Fadil's, where the chapter on the "Economic Effects of Inter-Arab Labour Movement" has nothing whatever on the impact of labour migration on the balance of payments other than two tables showing the volume of remittances between 1973 and 1980, one in Egyptian pounds and the other in dollars, and a reference to the fact that, "in Egypt and Sudan, more than 50% of labour remittances from the oil producing countries are transferred through non-official currency deals abroad and at home".

The other book, by N. Firqany, dedicates 22 pages to Egypt which contain a section titled "Migration Laying the Foundation for Dependence". In this section labour remittances are referred to in two short paragraphs: one indicating the increase in their value from "less than $1 million in 1973" to about $3 billion in 1980/81", and the other warning us that these figures do not include undeclared imports accompanying returing migrants and that "the continuation of this source of income is dependent on the level of economic activity outside Egypt and requires that the most important part of the Egyptian population (sic) should continue to live abroad, as we have already pointed out".

2. Ibid., PP. 78-81.
3. Firqany, N.: Migration to Oil, op.cit.
On the whole, one notes an obvious tendency among Egyptian writers on labour migration to understate the impact of remittances on the balance of payments and often a reluctance to admit their favourable impact on Egypt's foreign exchange proceeds. This probably accounts for the scarcity of detailed discussion of the subject. ¹

¹ Another example is the recent Ph.D. Thesis by Naglaa El-Ahawany on The Impact of Labour Migration on The Egyptian Economy", submitted to the Faculty of Economics, Cairo University in July 1984. Here also, the reference to the impact of remittances on the balance of payments is very brief. The growing proportion of own-exchange imports in total remittances is lamented on the grounds that "since they do not represent resources coming into the possession of the monetary authorities and since the latter have no control on the way they are used", they cannot be regarded as contributing to the reduction in the balance of payments deficit. (PP. 241-2). This is obviously unacceptable since part of these imports would certainly have been imported with or without the remittances and there is no necessary connection between their coming under government control and the reduction in the size of the deficit.
2. Impact on National Income:

Remittances are not only a source of foreign exchange but also of income, and as a percentage of GNP they have risen from 7.5% in 1976 to 8.7% in 1982/83. But the impact of migration on national income is not confined to the impact of remittances. The increase in consumption and savings of Egyptians abroad, though not reflected in increased remittances should certainly be considered when analysing the impact of migration on the economic welfare of migrants. Whether this should be counted in the "national income" of Egypt raises a number of complications resulting from the question whether the migrants should be regarded as residents in or outside Egypt.

In the existing literature on Egyptian migration this point is not given much attention, the only exception is the report of the ILO 1980 mission on "Employment Opportunities and Equity in Egypt".¹

The ILO report distinguishes between the impact on national income of permanent and temporary migration. With regard to the former, it suggest that since permanent migrants should be more appropriately regarded as residents of the host countries, their earnings abroad should

---

¹ The study of the National Specialized Councils referred to in the previous section, has attempted to estimate total earnings and total expenditure of Egyptians abroad but not the increase in income as a result of migration.
not be included in the national income of Egypt, nor even their remittances since these should be regarded as "transfers". These transfers may only be included in a concept that may be called "disposable national income". In any case, since available data on remittances does not distinguish between those coming from permanent and temporary migrants, there is no way of knowing how much is the magnitude of these transfers. They seem, however, to be insignificant compared with the remittances of temporary migrants. On the other hand, permanent migration entails certain costs to Egypt in the form of the loss of the cost of earlier training and education in Egypt, as well as the loss of their contribution to national production as a result of their migration. Again, there is no way of estimating these costs which, in any case, have been also declining in relative importance with the increasing predominence of temporary migration. It seems safe to say that permanent migration of high productivity labour (technicians, professionals...etc.) has a net negative impact on the welfare of those remaining behind since the loss of production as a result of their migration is likely to exceed whatever remittances they may send back. In other words, disposable income per head of the remaining population is likely to decline as a result of the permanent migration of this category. Permanent migration of low productivity labour seems however to have a positive effect on the average welfare of those remaining behind, even irrespective of their remittances, since the loss of production (income) as a result of their departure is proportionately less than the decline in population.
For temporary migration, the report suggests a completely different treatment. Total earnings abroad, and not only their remittances, should be included in the national income of Egypt, since they should be more appropriately regarded as residents of Egypt even while abroad. The loss to Egypt's national income as a result of their departure consists of the production foregone, but the gains include all their earnings abroad. The net gain is the difference between their incomes before and after migration, plus whatever increase in productivity that may be gained during their stay abroad. Remittances, therefore, represent only part of the total gain to Egypt's national income.¹

There is very little information available on the differences between incomes before and after migration. Table (15) contains figures, which are often quoted, on the estimated differentials among earnings at home and abroad of some categories of migrants. But the fact that these figures are frequently quoted is due less to their high reliability or comprehensiveness than to the nonexistence of better data.

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¹ ILO: Employment Opportunities.....etc., op.cit., PP. 233-8.
Table (15)

Incomes of Temporary Emigrants Before and After Emigration, (1977)

(Monthly Cash Income in L.E., at Official Rates)

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Country of Destination</th>
<th>Average Income</th>
<th></th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Before Emigration</td>
<td>After Emigration</td>
<td></td>
</tr>
<tr>
<td>Construction Workers</td>
<td>Saudi Arabia</td>
<td>33.44</td>
<td>378.26</td>
<td>11.31</td>
</tr>
<tr>
<td></td>
<td>Libya</td>
<td>35.83</td>
<td>289.55</td>
<td>8.08</td>
</tr>
<tr>
<td></td>
<td>Other Gulf States</td>
<td>33.33</td>
<td>260.42</td>
<td>7.81</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>34.00</td>
<td>336.19</td>
<td>9.89</td>
</tr>
<tr>
<td>University Staff</td>
<td>Saudi Arabia</td>
<td>210.58</td>
<td>1485.71</td>
<td>7.06</td>
</tr>
<tr>
<td></td>
<td>Libya</td>
<td>239.29</td>
<td>992.86</td>
<td>4.15</td>
</tr>
<tr>
<td></td>
<td>Kuwait</td>
<td>160.00</td>
<td>1056.25</td>
<td>6.60</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>200.42</td>
<td>1235.89</td>
<td>6.17</td>
</tr>
<tr>
<td>Teachers</td>
<td>Saudi Arabia</td>
<td>56.25</td>
<td>492.55</td>
<td>8.76</td>
</tr>
<tr>
<td></td>
<td>Libya</td>
<td>51.97</td>
<td>481.58</td>
<td>9.27</td>
</tr>
<tr>
<td></td>
<td>Kuwait &amp; Gulf States</td>
<td>45.39</td>
<td>508.93</td>
<td>11.21</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>52.83</td>
<td>494.11</td>
<td>9.35</td>
</tr>
</tbody>
</table>

Source: ILO: Employment Opportunities...etc., op.cit., quoted from Mohie El-Din, A.: External Migration of Egyptian Labour, paper solicited by the ILO 1980 mission, Cairo 1980 (mimeo.)

Averages estimated by the mission.
The ILO report notes a number of serious shortcomings of these figures. The survey on which they are based was conducted in 1977, it covers only three occupations, and "may not be representative insofar as construction workers are concerned". The samples on which the data is based are too small, figures on earnings abroad do not include free housing and possible benefits through training and experience, and domestic earnings may exceed or fall short of the emigrant's (or his replacement's) domestic productivity. The report also notes that construction workers' income before migration, included in this table, should be adjusted somewhat upwards to allow for general inflation until 1977. Adjusted for the increase in Egypt of construction workers' wages from 1973 to 1977, the average total of L.E. 34 would come close to L.E. 105, and the ratio for construction workers between earnings after and before migration would fall to 3.2. These qualifications would imply that "earnings both before and after emigration and hence national costs and benefits are underestimated." but the table, "nonetheless gives an impression of orders of magnitude", pointing to income differentials of 500 to 900%, or "foreign earnings being six to ten times domestic earnings." If this is accepted, and "assuming that about one tenth of the labour force is working abroad, the conclusion would be that emigration......has contributed to the increase of labour income in Egypt by some 50 to 90%, totally and per head. Calculated on national income, the effect may be

1. ILO, op.cit, pp. 91-2.
an increase of about half, i.e., 25 to 45\%", on the assumption of labour income being about 50\% of national income. This is a very impressive increase and is considerably greater than the impact calculated on the basis of remittances alone, the highest level it reached being 11\% of national income in 1978 and 1979 (see table 16), "but then, remittances are underestimated and emigrants' consumption and foreign savings are disregarded".  

1. Ibid, pp. 237-238.
<table>
<thead>
<tr>
<th>Table (16)</th>
<th>Remittances as % of GDP and GNP</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP at Market Prices(^1)</td>
<td>4339</td>
</tr>
<tr>
<td>GNP at Market Prices(^2)</td>
<td>7105</td>
</tr>
<tr>
<td>Remittances (Financial transfers &amp; Own-exchange imports)(^3)</td>
<td>140</td>
</tr>
<tr>
<td>Remittances as % of GDP</td>
<td>3.2</td>
</tr>
<tr>
<td>Remittances as % of GNP</td>
<td>7.5</td>
</tr>
</tbody>
</table>

2. Calculated from World Bank, op.cit, pp. 410 & 433, except for 1980/1 and 81/2 which is from American Embassy in Cairo, Economic Report, Nov. 1983; and for 1982/3 which has been estimated on the assumption that net factor income increased in 1982/3 over the previous year at the same rate as remittances.
3. Table (9) above, except for 1981/82 which is taken from Central Bank of Egypt: Annual Report, 1982/83
3. Impact on Savings, Investment and Consumption Patterns:

Migration initially leads to a reduction in total consumption, savings and investment at home by the amount of migrants' income before migration. In the host countries, part of the migrants' income is lost to the home country, this part consisting of whatever is consumed or invested abroad. The home country receives, however, an addition to its total savings and investment consisting of:

1. that part of financial remittances which is saved and invested locally,
2. that part of imports (declared or undeclared) which is financed by the own-exchange system and consists of capital or intermediate goods, and
3. that part of the increase in deposits in foreign currency in foreign or Egyptian banks in Egypt which goes to finance investment projects at home, as well as that part of the interest accruing on these deposits which is also directed to investment at home.

Any estimate of the net effect of migration on total savings and investment must therefore be inevitably very rough. We have very imperfect information on the total earnings of migrants before or after they leave Egypt, or on their propensity to save at home or abroad. We also have no idea how much of the financial remittances is saved and how much consumed.
We do have detailed accounts of the components of imports financed by the own-exchange system which may allow us to distinguish between imports of consumption, intermediate and capital goods, but we have no information on how the foreign currency deposits created in Egypt by Egyptian migrants or the interest accruing on them are allocated between domestic and foreign investment. We can therefore make no more than very tentative remarks on the impact of migration on the rate of domestic savings and investment.

Since the sharp rise in remittances in the mid 1970's, the ratio of remittances to GDP has about doubled, from 4.9% in 1975 to 9.1% in 1982/3. During the same period of seven years, the rate of savings (gross national savings as percentage of GDP) has also increased substantially, from about 15% to about 21%. Over the last 10 years, national savings as a percentage of GNP seems to have reached a peak in 1978 and 79 when it amounted to 25%, compared to 21% in 1976 and 20% in 1980/1, but in those two years (78 & 79) remittances as a percentage of GNP also reached their peak (about 11%) compared to 7.5% in 1976 and 8.7% in 1982/3.

The increase in investment since 1974 has been even more impressive than the increase in savings. From 13.9% of GNP in 1970, gross investment rose to 22.5% in 1974, 33.4% in 1975 and remained a little

1. See table (16) above.
2. See table (17) below.
less than one third of GNP in the early 1980's.1

This sharp rise in both savings and investment rates coinciding with the sharp rise in remittances may strongly suggest a causal relationship, but of course other factors have also been at work. The sharp rise in the rate of growth of GNP itself after 1975 must have been such a factor but the higher rate of growth of GNP has itself been partly activated by the big rise in remittances. The series of measures constituting what is known as the Open Door Policy may also be partly responsible, but here again, many of these measures, such as those involving trade liberalization and relaxing foreign exchange control must have influenced the rates of savings and investment partly through their impact on remittances.

It is to be expected that remittances should exert greater influence on private than on public savings and investment, and the figures seem to support this. As remittances reached their peak as a percentage of GNP in 1978, 79, so also have private savings, while public savings showed a somewhat different pattern.2 Again, private investment followed more closely the movement of remittances than public investment3, but since the public sector is much more predominant in total investment than in national savings (70% of the former and only 50% of the latter in 1980/1), fluctuations in remittances are followed more closely by fluctuations in the rate of savings than by those of the rate of investment.

1. See table (17) below.
2. See table (18) below.
3. Compare tables (17) and (16).
Table (17)
Consumption, Savings and Investment (1974-80/1)
(at Current Prices)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP at Market Prices</td>
<td>4339</td>
<td>100</td>
<td>5218</td>
<td>100</td>
<td>6727</td>
<td>100</td>
<td>8344</td>
</tr>
<tr>
<td>Final Consumption:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Public</td>
<td>4093</td>
<td>94</td>
<td>4578</td>
<td>88</td>
<td>5606</td>
<td>83</td>
<td>6804</td>
</tr>
<tr>
<td>- Private</td>
<td>3191</td>
<td>73</td>
<td>3280</td>
<td>63</td>
<td>3936</td>
<td>58</td>
<td>5176</td>
</tr>
<tr>
<td>Gross Investment</td>
<td>975</td>
<td>22</td>
<td>1741</td>
<td>33</td>
<td>1910</td>
<td>28</td>
<td>2434</td>
</tr>
<tr>
<td>Gross Fixed Investment</td>
<td>685</td>
<td>16</td>
<td>1282</td>
<td>24</td>
<td>1471</td>
<td>22</td>
<td>1873</td>
</tr>
<tr>
<td>- Public</td>
<td>582</td>
<td>13</td>
<td>863</td>
<td>16</td>
<td>980</td>
<td>15</td>
<td>1505</td>
</tr>
<tr>
<td>- Private</td>
<td>103</td>
<td>2</td>
<td>419</td>
<td>8</td>
<td>491</td>
<td>7</td>
<td>368</td>
</tr>
<tr>
<td>Changes in Stocks:</td>
<td>290</td>
<td>7</td>
<td>459</td>
<td>9</td>
<td>439</td>
<td>7</td>
<td>561</td>
</tr>
<tr>
<td>- Public</td>
<td>174</td>
<td>4</td>
<td>275</td>
<td>5</td>
<td>263</td>
<td>4</td>
<td>337</td>
</tr>
<tr>
<td>- Private</td>
<td>116</td>
<td>3</td>
<td>184</td>
<td>4</td>
<td>176</td>
<td>3</td>
<td>224</td>
</tr>
<tr>
<td>Resource Gap (Exports - Imports)</td>
<td>726</td>
<td>17</td>
<td>1101</td>
<td>21</td>
<td>789</td>
<td>12</td>
<td>894</td>
</tr>
<tr>
<td>Imports of Goods &amp; NFS</td>
<td>1616</td>
<td>37</td>
<td>2154</td>
<td>41</td>
<td>2287</td>
<td>34</td>
<td>2770</td>
</tr>
<tr>
<td>Exports of Goods &amp; NFS</td>
<td>890</td>
<td>20</td>
<td>1053</td>
<td>20</td>
<td>1498</td>
<td>22</td>
<td>1876</td>
</tr>
<tr>
<td>Total Resources</td>
<td>5065</td>
<td>117</td>
<td>6319</td>
<td>121</td>
<td>7516</td>
<td>112</td>
<td>9238</td>
</tr>
<tr>
<td>------------------------</td>
<td>-------</td>
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</tr>
<tr>
<td></td>
<td>Million L.E.</td>
<td>% of GDP</td>
<td>Million L.E.</td>
<td>% of GDP</td>
<td>Million L.E.</td>
<td>% of GDP</td>
<td>Million L.E.</td>
</tr>
<tr>
<td>Domestic Savings</td>
<td>1121</td>
<td>17</td>
<td>1601</td>
<td>18</td>
<td>1729</td>
<td>16</td>
<td>2570</td>
</tr>
<tr>
<td>Net Factor Income</td>
<td>347</td>
<td>-</td>
<td>458</td>
<td>--</td>
<td>964</td>
<td>-</td>
<td>804</td>
</tr>
<tr>
<td>Current Transfers</td>
<td>39</td>
<td>-</td>
<td>30</td>
<td>-</td>
<td>29</td>
<td>-</td>
<td>62</td>
</tr>
<tr>
<td>National Savings</td>
<td>1607</td>
<td>-</td>
<td>2089</td>
<td>-</td>
<td>2722</td>
<td>-</td>
<td>3436</td>
</tr>
<tr>
<td>Gross National Product at Market Prices</td>
<td>7105</td>
<td>-</td>
<td>8802</td>
<td>-</td>
<td>10759</td>
<td>-</td>
<td>13509</td>
</tr>
<tr>
<td>National Savings as % of GNP</td>
<td>21.2</td>
<td>-</td>
<td>23.7</td>
<td>-</td>
<td>25.3</td>
<td>-</td>
<td>25.4</td>
</tr>
</tbody>
</table>


1. Total Resources = GDP + Resource gap.
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td></td>
<td>Million L.E.</td>
<td>% Change</td>
<td>Million L.E.</td>
<td>% Change</td>
<td>Million L.E.</td>
</tr>
<tr>
<td>National Savings</td>
<td>1507</td>
<td>-</td>
<td>2089 39</td>
<td>2722 30</td>
<td>3436 26</td>
</tr>
<tr>
<td>Public Sector Savings (including government)</td>
<td>244</td>
<td>-</td>
<td>898 268</td>
<td>668 -26</td>
<td>433 -35</td>
</tr>
<tr>
<td>Private Sector Savings</td>
<td>1263</td>
<td>-</td>
<td>1191 -6</td>
<td>2054 72</td>
<td>3003 46</td>
</tr>
</tbody>
</table>

Source: IBRD, op.cit, PP. 416&433, percentages added
We are on more shaky grounds of course, in trying to estimate how much of a contribution remittances have made to the rise in the rates of savings or investment. No information is available on the pattern of expenditure of financial remittances but the other main component, the own-exchange imports, could be roughly classified into consumption and investment goods. This is shown in table (19), taken from a Central Bank report but reclassified to distinguish more clearly between the two categories.

The first thing to note in this table is the heavy fluctuation in the value of the various components of imports which are reflected in the heavy fluctuation in the total value of this form of remittances. Also remarkable is the predominant share of "building materials and wood" which constitute 36-38% of the total value of this form of imports. If one excludes building materials, wood, paper, printing equipment, lorries and trucks, the share of intermediate and capital goods appears not to exceed 17-18% of the total. On the other hand, food, together with other consumer goods, durable and undurable, constitute between one fourth and one third of total own-exchange imports.

Now, if one is to assume that financial remittances are divided between consumption and investment along the same ratio as the own-exchange imports, it would appear that the contribution of total remittances to investment is very significant. For in 1980/81, for example, which
is a fairly "normal" year as far as the size of remittances is concerned, total investment expenditure from remittances would amount, on that assumption, to about L.E. 1244 million, or 24% of all gross investment in Egypt, and as much as 81% of the total gross investment of the private sector.

The difficulty of separating that part of remittances which is saved and invested is probably the reason why so little is written on the impact of migration on the rate of saving and investment in Egypt. Suzan Messiha gives the ratio of remittances to total domestic savings and total private savings as 16% and 75% respectively for 1976, but of course not all remittances are savings proper or invested. On the other hand, the literature is full of complaints about the small impact of migration on Egyptian development and its small contribution to "productive" investment. Thus, Socknat, Birks and Serageldin wrote in 1981, that:

"Remittances have been welcomed as a source of foreign exchange to offset trade balances. But the expenditure patterns of remittances have been far from a development economist's dream. Much remittance money goes for consumption, some of it conspicuous; little goes to investment. This

**Table (19)**

**Own-Exchange Imports**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Consumer Goods:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Foodstuffs</td>
<td>164.8</td>
<td>13.2</td>
<td>89.7</td>
<td>9.1</td>
<td>242.7</td>
<td>17.3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Non Durable Goods Other than Foodstuffs</td>
<td>78.3</td>
<td>6.2</td>
<td>48.0</td>
<td>4.9</td>
<td>70.2</td>
<td>5.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Consumer Durables (2)</td>
<td>133.0</td>
<td>106</td>
<td>99.8</td>
<td>10.2</td>
<td>137.3</td>
<td>9.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Consumer Goods</strong></td>
<td>376.1</td>
<td>30.0</td>
<td>237.5</td>
<td>24.2</td>
<td>450.2</td>
<td>32.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>B. Building Materials &amp; Wood</strong></td>
<td>479.5</td>
<td>38.3</td>
<td>359.3</td>
<td>36.5</td>
<td>531.3</td>
<td>37.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>C. Intermediate &amp; Capital Goods other than Building Materials &amp; Wood:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Paper &amp; Printing Equipment (4)</td>
<td>33.6</td>
<td>2.7</td>
<td>31.0</td>
<td>3.2</td>
<td>37.5</td>
<td>2.7</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Lorries &amp; Trucks</td>
<td>143.3</td>
<td>11.4</td>
<td>174.7</td>
<td>17.7</td>
<td>138.6</td>
<td>9.9</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Other (5)</td>
<td>218.6</td>
<td>17.5</td>
<td>181.1</td>
<td>18.4</td>
<td>247.1</td>
<td>17.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Intermediate &amp; Capital Goods other than Building Materials &amp; Wood:</strong></td>
<td>395.5</td>
<td>31.6</td>
<td>386.3</td>
<td>39.3</td>
<td>423.2</td>
<td>30.1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td>1251.1</td>
<td>100</td>
<td>983.1</td>
<td>100</td>
<td>1404.7</td>
<td>100</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Include pharmaceuticals, cloth, ready-made clothes, toys, glassware, stationary, plastic goods...etc.
2. Include cars & their spare parts, tyres, refrigerators, washing machines, T.V. sets & other electrical consumer goods, cameras and photographic equipments.
3. Include iron, cement, chemicals, wood of all kinds, wires, cables, tiles, marble, bathroom fitments, digging, lifting and other building equipments.
4. Include also photo-copying equipment.
5. Include fuel, fibres, plastic, tools, machinery, tractors & their spare parts.

has led to inclusion in the Egyptian National Plan (1978-82) document of the statement that growing numbers of Egyptians work abroad for very high wages, if compared with domestic salaries. Those individuals return to Egypt with large purchasing power, which they individually direct not to savings and investment but to flagrant consumption. Similar observations were made in the ECWA Conference held in Nicosia in 1982, and the World Bank study of 1981, while Egyptian writers tend to emphasize that the consumption of Egyptian migrants is "excessive", "unprecedented", "greedy", and "destructive", not only from the point of view of Egypt's development but also from the point of view of the migrants themselves who find their income after returning to Egypt too low to maintain their previous consumption levels, drawing them to seek migration again.


3. World Bank: Manpower and International Labour Migration, op.cit., p. 255.


5. Ibid.


7. Saad El-Din & Abdel Fadil, op.cit., p. 95.

These complaints seem to us to be based on little more than casual impressions and may be greatly exaggerated. The only statistical evidence presented to support the view that remittances have caused a big increase in consumption is figures of aggregate consumption or aggregate imports which have indeed increased rapidly during the 1970's, but must have been partly caused by factors that have little to do with migration. Moreover, one does not know what exactly constitutes "excessive" consumption or whether the increase in consumption that took place is not the normal result of the increase in income which may have caused the same change in consumption with or without migration. In any case, if to judge whether the increase in consumption is excessive or not depends on what happened to the proportion of income directed to private consumption, the figures of table (17) above do not suggest that this proportion has risen, since they show that private consumption as a percentage of GDP declined between 1974 and 1975 and remained more or less constant afterwards at about 62-64%. The absolute level of aggregate private consumption has certainly been rising rapidly but savings and investment have been rising just as rapidly. Nor does it seem to us that the rise in expectations of higher levels of consumption acquired through migration is necessarily elemental to development since just as it may encourage further migration, it may also be a cause for both greater effort and greater investment on returning home.

1. See for instance: Saad El Din & Abdel-Fadil, op.cit, pp. 87 & 91.
The literature is also full of lamentation for the "unproductive" nature of most of the investments made out of migrants' remittances. It is said that investment out of remittances is mainly directed towards the more secure and quick-profit channels which contribute relatively little to development, such as building or buying living accommodation, speculation in land, time deposits or trading in imported goods, rather than participating in the capital of new joint-stock companies in industry and agriculture. Although this complaint may well be justified the statistical evidence given to support it is very weak. Abdel-Fadil, for instance, in support of this thesis, relies on Amr Mohie El-Din's questionnaire addressed to three small samples of construction workers, school teachers and university academic staff who worked in some oil-rich country and were asked about their preferences with regard to different types of investment at home. The frequency of a certain preference for a particular type of asset is taken to indicate its relative importance in the distribution of investment expenditure. For example, the fact that "the building or buying of living accommodation is mentioned 55 times by university academic staff compared with only 33 times for participation

in a project or starting a private business" is taken to indicate the predominance of "unproductive" investment. Apart from the fact that such answers may reflect preferences but not actual expenditure, they tell us nothing about the relative magnitude of each channel of investment in total investment expenditure. One may even wonder whether, in a situation of severe housing shortage, investment in building new living accommodation should be regarded as "unproductive", or whether the replacement of mud-brick rural houses by red-brick structures, which seems to absorb a good proportion of the savings of rural migrants is socially undesirable or not.

Turning to the pattern of consumption expenditure out of remittances we again have no information with regard to financial remittances although one may safely assume that the bulk may be spent on the necessities of the families of migrants left behind. As for the own-exchange imports, which are significantly greater in value than financial remittances, there is little in the figures of table (19) above either to support or to refute that view that there is a heavy bias towards the importation of luxury items. Most of the items included under "foodstuffs and other nondurables", such as "fat, cheese, edible oil, cloth, glassware...etc", do not reveal the income groups by which they are consumed. Consumer durables tend to be regarded as luxury items but they constitute no more than about 10%.

1. See Abdel-Fadil: Effects of Labour Migration...etc, op.cit, pp. 25-7, and Saad El-Din & Abdel Fadil: The Movement of Arab Labour, op.cit, pp. 97-8.

of the total value of the own-exchange imports. But in spite of the lack of any serious evidence to support it, the view that most of the remittances is wasted on luxurious or conspicuous consumption continues to be one of the most frequently expressed opinions in the literature on Egyptian migration.

One of the earliest statements to this effect, which is often quoted, appeared in a paper by Ibrahim Saad El-Din submitted to the Egyptian Economists Conference in 1977. Since then, everybody seems to agree that migration to the oil-rich countries has led Egyptian migrants to adopt "completely different" patterns of consumption and to "inject the economy with the demonstration effect they create." A. Mohie El-Din supports this statement by the results of a questionnaire to migrant construction workers in which they were asked about "types of commodities they would like to obtain on their way back home", and where 82% of the respondents mention among these goods radio-recorders, and 54% mention T.V. sets...etc, which, as already observed with investment patterns, is not very informative on the relative importance of such items in total consumption

2. Mohie El-Din, External Migration...etc, op.cit, pp. 148-9.
3. Ibid.
expenditure. Saad El-Din and Abdel-Fadil, among others, add in support of this view, the rate of growth of total consumption of durable goods,¹ for Egypt as a whole, which again reveal nothing, by themselves, about the migrants' own consumption patterns as distinct from that of the whole society.²


2. Abdel-Fadil, M. also adds the commonplace statement that: "There is little doubt that the proportion between the maintenance, 'consumption' and 'investment' components out of total remitted income vary according to the occupational structure and the earnings structure of Egyptians working in Arab Oil countries. At one end, unskilled workers and other low-income occupational groups tend to allocate a higher proportion of their remitted income for 'maintenance' purposes and they tend to buy home-made goods, thus having a low 'propensity to import'. At the other extreme, professional and technical staff, who are better paid, tend to allocate a higher proportion of their remitted income for 'investment' purposes and they tend to have a higher propensity to import". (Abdel-Fadil; M. Effects of Labour Migration on Income Distribution and consumption Patterns in the Egyptian Economy (mimeo.), paper solicited by the Cairo University/MIT/Program on Labour Migration, July 1981, p. 19) This unnecessarily lengthy paragraph does not really say more than that the higher the income of the migrant the lower his propensity to consume and the higher his propensity to import, which applies to Egypt as much as it applies to any other country and to migrants as well as to any other category of the population.
4. Impact on the Labour Market:

Labour migration reduces the size of the labour force of the home country by the number of migrants. It would also reduce the number of unemployed by the same number either directly, if those who migrate were unemployed before their departure, or indirectly if they had been employed but were replaced by drawing from the unemployed. This second statement has to be qualified, however, in so far as those who migrate were already employed or underemployed and were not replaced, but in the case of the absence of replacement because of underemployment, migration would reduce underemployment instead of reducing open unemployment.

Migration affects the labour force and the level of employment in other ways as well. The flow of remittances increases effective demand by increasing the consumption and investment expenditure of the migrants and their families, which would inevitably be reflected in an increased demand for labour and a reduction in unemployment or at least in the level of unemployment that would have prevailed in the absence of migration. The greater availability of foreign exchange through remittances may also encourage an expansionary policy which would have the same result.

Migration may also increase the productivity of migrants if they acquire new work experiences and skills abroad and may, through their
savings and willingness to take risks, add to the supply of entrepreneurial abilities after their return to the home country.

All these effects are certainly favourable. But migration may also have a negative impact on specific sectors or on the economy as a whole in so far as it creates shortages of certain skills that are not easily replicable and may thus create bottlenecks which are detrimental to development.

To apply these fairly obvious statements to the Egyptian situation is not an easy exercise, however. If reliable data on the magnitude of the stock or the flow of total migration is scarce, the estimation of its impact on the total labour force or unemployment must be at least as unreliable.

If we accept the official estimate of CAPMAS of the number of Egyptians economically active abroad at 1 million in 1976, this would mean that Egyptian labour force and unemployment would have been greater by 1 million in 1976 in the absence of migration, disregarding the increase in employment due to remittances but also disregarding the number of jobs that were not filled, particularly in the public sector, either because of the existence of underemployment or because of the mere difficulty of replacement. Disregarding these two magnitudes or assuming that they just cancel each other out, unemployment could be said to have been reduced by 1 million in 1976 as a result of migration.
According to CAPMAS labour force surveys and population census figures, the rate of unemployment in 1975 was 2.3% and the size of the total labour force was 11.1 million in 1976. If the 1975 rate of unemployment prevailed also in 1976, this would mean about 255,000 unemployed in 1976 compared with 1.25 million that would have been unemployed in the absence of migration. On this assumption then, migration would have reduced open unemployment by some 80% and the labour force would have been reduced by about 10%. This of course is a significant impact and we may expect it remained so in more recent years. According to the Five-Year Plan document (1982/3-86/7) the total labour force was 11.7 million in 1981/2 but no figure is given for unemployment. If we apply the rate of unemployment for 1979 given by the CAPMAS labour force surveys (4%), the number of unemployed in 1981/2 would be 468,000. If we also take 1.5 million as the number of Egyptians working abroad in 1981/2, (which is probably closer to the real figure than the estimates of 2 million given by some authors and is consistent with a 50% crude participation rate applied to the estimates of the Ministry of State for Migration and the Ministry of Foreign Affairs), this would mean that migration has reduced the number of the would-be total labour force by about 11% in 1981/82 and the would-be unemployment by some 75%.

2. See table (6) above.
However tentative these estimates may be, one does not feel justified in belittling the favourable impact of migration on the rate of unemployment, especially since these estimates do not take into account the favourable effect of remittances on effective demand. We are therefore quite astonished at the tendency in the existing literature on Egyptian migration either to ignore or briefly to dismiss its impact in reducing the rate of unemployment. While the ILO report of the 1980 mission at least recognizes the possibility of a significant impact on unemployment, several authors, by concentrating on the "shortages" created by migration, give the impression that it has only affected those sections of the labour force where no unemployment existed. Thus, Saad El-Din and Abdel-Fadil's only reference to unemployment comes in a section titled: "Indirect Economic Effects: Bottlenecks in the Labour Markets of Labour Exporting Countries" and states that:

"The belief which prevailed at the beginning of the migration movement to the oil countries was that the temporary movement of labour brings benefits to both parties and reduces the intensity of unemployment in the labour-exporting countries which traditionally have labour surplus such as Egypt, Jordon and Yemen, without harming the levels of production, and development programs in various sectors. The record of recent years, however, shows clearly that this is not true, since migration movements are usually of a selective nature touching specific professions and skills. Hence a clear shortage of supply of skilled and trained labour has emerged in all labour exporting countries, with multiplied effects in their labour markets".

1. Saad El-Din and Abdel-Fadil, op.cit, pp. 102-3.
From this the two authors move at once to refer to the "shortages" of construction workers and agricultural labourers without any statement to the effect that many of these may have been unemployed before migration or may have been replaced by others who were already or potentially unemployed.

The same attitude is taken, even more explicitly by N. Al-Ahwany in her recent Ph.D. thesis on labour migration where she almost denies any favourable effect of migration in reducing unemployment.1 S. Ibrahim also alleges that:

"Migration has not reduced the rate of unemployment in Egypt which stood at 11.5% in 1976 compared with 11% in the late 1960's... In other words, migration did not fulfill what it was 'supposed' to fulfill for Egypt, namely to reduce the burden of unemployment and overpopulation"(2)

Apart from the fact that the rates of unemployment mentioned in this quotation are highly doubtful, one should note that even if the rate of unemployment had remained the same this would in no way show that migration had no significant impact on unemployment, since unemployment would certainly have been much greater in the absence of migration.


As one must expect, information on the composition of labour migrants is even less certain than that on their total numbers, and hence the impact of migration in creating more shortages of certain categories of labour than of others is hard to estimate. Thanks to the CAPMAS reports on "Population Movements across the Borders", we have a fairly detailed breakdown of migrants by occupation until 1973 when these reports were discontinued. These reports show the high proportion of scientific and technical occupations (physicians, pharmacists, engineers, teachers...etc.) in the total flow of temporary migrants, constituting 28.8% of 1968 and 36.6% in 1973, as compared to production workers (mainly construction workers) who constituted 20.8% and 24.4% respectively and agricultural workers constituting no more than 0.9% of the total flow in 1968 and 3.4% in 1973. This predominance of scientific and technical skills may be explained by the prevailing pattern of investment in the Arab oil countries before the oil boom, which was mainly directed towards the provision of basic services. It is also believed that this "imposed hardships on the (Egyptian) economy" because "the structure of emigration was completely different from the existing occupational structure of the Egyptian economy", since scientific and technical occupations, while constituting 36.6% of the total flow of migrants in 1973 represented only some 5.5% of the national labour force.¹

¹ ILO: Employment Opportunities...etc., op.cit, pp. 89-90.
For the years following 1973, we have no breakdown of total migrants by occupation, but only some scattered information concerning categories of migrants. For instance, we have a breakdown by occupation of the flow of migrants who applied for work permits from the Ministry of Labour Power, thus covering mainly government and public sector employees whose total number was only 116,000 in 1981. Among these, professional and technicians were still predominant in 1981 (48%) while production workers and agricultural labourers constituted very low proportions (23.9% and 3.6% respectively)\(^1\). This is obviously an unrepresentative distribution of the total flow of migrants. We also have data from the Ministry of Interior on the annual total number of those who obtained work permits between 1976 and 1981 classified by the level of education which shows a decline in the proportion of those with university degrees and a rise in the proportion of those with lower or no qualifications\(^2\), but these figures again cover only a very small portion of total migrants, not exceeding 92,000 in 1981. Another source\(^3\) provides estimates of the distribution by occupation of Egyptians working in Saudi Arabia, Kuwait, U.A.E. and Jordan based on field studies conducted in these countries and gives the proportions for those engaged in manual labour (construction, agriculture, domestic and personal services and other manual labourers) as 38% in U.A.E. 43%

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1. See table (20) below.
2. See table (21) below.
### Table (20)

Egyptian Applicants¹ for Permits for Work in Arab Countries, By Occupation (1980/81)

<table>
<thead>
<tr>
<th>Occupation</th>
<th>1980</th>
<th></th>
<th>1981</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
<td>Number</td>
<td>%</td>
</tr>
<tr>
<td>Professionals &amp; Technicians</td>
<td>63,845</td>
<td>50.4</td>
<td>55,617</td>
<td>48.0</td>
</tr>
<tr>
<td>Administrators</td>
<td>1,621</td>
<td>1.3</td>
<td>955</td>
<td>0.8</td>
</tr>
<tr>
<td>Clerical Workers</td>
<td>22,507</td>
<td>17.7</td>
<td>20,140</td>
<td>17.4</td>
</tr>
<tr>
<td>Salesmen</td>
<td>1,868</td>
<td>1.5</td>
<td>2,045</td>
<td>1.8</td>
</tr>
<tr>
<td>Agricultural Workers</td>
<td>3,645</td>
<td>2.9</td>
<td>4,168</td>
<td>3.6</td>
</tr>
<tr>
<td>Services</td>
<td>4,418</td>
<td>3.2</td>
<td>5,228</td>
<td>4.5</td>
</tr>
<tr>
<td>Production Workers</td>
<td>29,101</td>
<td>23.0</td>
<td>27,787</td>
<td>23.9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>126,805</strong></td>
<td><strong>100.0</strong></td>
<td><strong>115,940</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

¹ Includes applicants from the government and public sector plus 6330 only from the private sector.

**Source:** Ministry of Labour Power and Training, Department of Migration.
<table>
<thead>
<tr>
<th>Year</th>
<th>With University Degrees</th>
<th>With Lower than University Degrees or No Qualification</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Secondment</td>
<td>Contracts</td>
<td>Secondment</td>
</tr>
<tr>
<td>1976</td>
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<tr>
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<tr>
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Source: Ministry of Interior: Department of Work Permits.
in Kuwait, 75% in Saudi Arabia and 89% in Jordan. Everybody agrees, however, that "migration is now dominated by construction workers, unskilled workers and farmers, and represents a much broader sample of the Egyptian labour force. Disruptions may be thus less concentrated...All types of skilled and unskilled labour are now involved, from university staff, civil servants, professionals, farmers, construction workers to domestic servants."1 While in the late 1960's and early 1970's, the disruption of the Egyptian labour market occurred mainly or solely with regard to the professions, scientific and highly technical occupations, it is now said to occur mainly with regard to school teachers, university academic staff, construction workers and agricultural labourers.

With regard to school teachers, Suzanne Messiha estimated that in 1976, the number of Egyptian school teachers on secondment in the Arab World represented 16% of the total stock of school teachers in Egypt in that year, but did not consider this to have caused an acute shortage.2 She notes however, alarm expressed after that date in Egyptian educational circles where a deficit of 27,000 teachers in preparatory and secondary schools was declared by the National Council of Education in 1978.3 But noting the potential annual supply of school teachers from the Faculty of Letters, The Institute of Languages and teachers schools, estimated at

1. ILO: Employment Opportunities...etc., op.cit, pp. 89 & 82.
38,000 for 1974/5, she concluded that "the main problem is rather a problem of manpower planning than a shortage of teachers."  

In his 1980 study on "External Migration", Amr Mohie El-Din presented data on the migration of Egyptian teachers collected directly from the Ministry of Education, which show an increase in the annual flow of teachers to Arab countries from 3,200 in 1976/8 to 20,500 in 1977/8, an increase of 543%. The distribution of Egyptian migrant teachers by country of employment, by governorate of origin as well as by subjects taught is indicated and commented upon, and the ratio of migrants to the stock of Egyptian teachers of every subject is pointed out. It must be noted, however, that this data refer only to Egyptian teachers sent on mission or secondment through the Egyptian Ministry of Education. The number of teachers recruited by Arab countries from "the open market" is not known except for Kuwait, and the Kuwaiti figures indicate that as many as 74% of Egyptian teachers in Kuwait are employed on the basis of private contracts. Such omissions would make the data of the Ministry of Education much less useful, as well as any calculation of the impact on the teaching profession in Egypt which is based on this data alone.

1. Ibid, p. 68.
Amr Mohie El-Din is the writer who contributed most to the study of the emigration of university academic staff in Egypt. In a brief joint study with Ahmed Omar prepared in 1978 for the Cairo University/MIT Technology Planning Program, they surveyed the emigration of academic staff from the three major universities in Egypt: Cairo, Ain-Shams and Alexandria, up to 1975, and provided some statistical indicators of its impact on the quality of learning. Their figures indicate that the proportion of those who were sent on scholarships and study leaves but did not return, until 1976, amounted to 10% of the total number of university staff members in Egypt\(^1\), while those who left on secondment but did not return at the end of their secondment amounted to 2%-3% of the total number seconded between 1970/1 and 1974/5.\(^2\) These two group are regarded as part of permanent migrants, the number of the remainder of permanent migrants, namely those who obtained permanent migration permits, not being available since available data classified emigrants by their qualifications and not by occupation. As for temporary migration from the three universities, the figures between 1970 and 1975 indicate that its annual average flow represented about 15% of the total stock of the academic staff of the three universities, with the percentage being higher for the economics and statistics departments (31%) and legal studies (21%) and lowest for the agricultural sciences (14%) and the medical sciences (6%)\(^3\). The discussion of the impact of this type of migration is very brief, however, and hardly goes beyond noting

3. Ibid, p. 22.
the new patterns of consumption acquired abroad, their demonstration effect, the temptation to others to migrate and the falling staff/student ratios.¹

In a more recent study², Mohie El-Din takes up the subject again but with regard to the magnitude of migration adds nothing to the findings of the 1978 study, being also confined to the three major universities and stopping at 1975. It adds, however, an analysis of a survey carried out in July-August 1977 on a sample of 50 university staff members who were seconded to Arab countries. The survey investigates the types of durable goods which they owned and their income levels before and after migration, to which we have already referred in the previous section, and includes some inquiry about their possible motivation to migrate.³ But the remarks related to the impact of their migration on the efficiency of university education or to the readjustment made to their migration are again too brief. The reference to the decline in efficiency again relies on the same figures for student/staff ratio. For example, it is stated that "the student/staff ratio after migration increased from 89:1 in 1967/8 to 180:1 in 1974/5. This is concerned with human sciences. In the case of physical sciences, in 1974/5 the student/staff ratio increased from 22.1 to 26:1, an increase of 18%"⁴. It is not made clear, however, how much of this increase is

¹. Ibid., pp. 41-8.
². Mohie El-Din, A.: External Migration of Egyptian Labour, op.cit.
³. Ibid., pp. 164-74.
due to migration and how much would have occurred without it. On the impact on salaries at home and degree of replacement, the author says:

"their emigration and hence the high wages they earn abroad do not carry their full effect on the Egyptian system. There is no free market for university staff. They are part of government sector employment where their wages are fixed by rules and regulations; moreover, their movement to the outside countries is also limited by rules and regulations. This tends to constrain the movement towards factor income equalization. The emigration of university staff and hence the shortage they create cannot be replaced as the case with construction workers, in the short or medium run through the movement of labour from other sectors of the economy" (1)

It is to be noted that in spite of the outdatedness of its figures, the incompleteness of its coverage and the many gaps in the analysis, Mohie El-Din's study continues to be the main source on the migration of university staff for the more recent studies of migration. 2

A study of the migration of construction workers and its impact on the construction sector as well as on the Egyptian economy as a whole, was carried out by Nazli Choucri, R. Eckaus and A. Mohie El-Din in October 1978, again as part of Cairo University/MIT Technology Planning Program. 3 In trying to determine the number of construction workers who migrated from Egypt, the study complains that "there are no reasonably current official

1. Ibid. p. 175.
2. See for example: Ibrahim, S.: The New Arab Social Order, op.cit; Saad El-Din, I & Abdel Fadil: The Movement of Arab Labour, op.cit and ILO: Employment Opportunities...etc, op.cit.
statistics which provide this number, and even for earlier years for which
there are occupational distribution of migrants, the data do not permit
the precise identification of construction workers\(^1\). Three alternative
methods are therefore used to estimate their number in 1976, all three
being based on highly arbitrary assumptions and leading to widely different
estimates. Thus, one method gives an estimate of the total outflow
of Egyptian construction workers up to 1976 of 58,000 to 59,000, another
gives an estimate of 228,000 to 402,000 and the third of 126,000 and 583,000\(^2\)
i.e., the highest limit of one estimate is ten times the lower limit of another!
The authors then decide to "favour" the range 200-250 thousand "because
it overlaps most of the calculations"\(^3\), and conclude with the revealing
statement:

"such a number of construction migrants would amount
to 68% to 85% of the total construction employment
that year (1976) if one uses the lower figure of
construction employment: 293,000. If one uses
the higher figure: 434,000, the proportion becomes
46% to 58%. In either case, it is a substantial
segment of the construction workforce".(4)

Apart from the obvious futility of such exercises with very weakly-
based figures, one must point out that the estimate finally chosen (200-
250,000) refers to the sum of annual flows of migrant construction workers
up to 1976 and could not be meaningfully related to the stock of construction

\(^1\) Ibid, p. 71.
\(^2\) Ibid, p. 106.
\(^3\) Ibid, pp. 106-7.
employment in that year in the absence of information on how many of those who migrated had already returned home.

Under such circumstances, when the study comes to discuss the effects of the migration of construction workers, it inevitably states that:

"The limited data available forestall any quantitative estimates of the effects of labour movements. Nonetheless, some definitive qualitative statements are possible" (1)

But the reader of this section on the "Effects of the Migration of Labour on the Construction Sector" looks in vain for such effects. What he finds instead is an account of "demand constraints" and "supply constraints" on the construction sector which have nothing to do with migration, and an estimate of the increase in the average wage for construction workers between 1970 and 1977. This increase is estimated at 373% for the seven years, giving an average annual rate of 22%, but with a much sharper rate of increase after 1973 (30%) than before (15%)2. The authors state that

"it is understandable that the migration of construction workers has created strong, upward pressures on wages in the sector" (3)

1. Ibid, p. 97.
2. Ibid, p. 110.
and that this "must have been operating to exploit whatever opportunities exist for the substitution of equipment and materials for labour", but admit that the effect of migration on wages, "cannot be isolated from other influences," and that "the manner in which the increase (in the demand for labour) may have been modified by exploitation of substitution possibilities, such as they are, is not known". It is also recognized that "the increase in labour costs is undoubtedly reflected in the cost of construction", and that "the increases in the costs of construction in Egypt due to labour emigration must tend to inhibit capital formation via construction activity", but it is admitted that "again, however, the magnitude of the effect has not been determined and cannot even be known with intensive investigation". Since so little can be said on any of these effects, the authors find that "it may be helpful in understanding the changes which have occurred in wages and employment in construction to have recourse to a simple diagram employing supply and demand schedules for construction labour", and hence the familiar diagram of demand and supply curves is drawn, with a shift of the supply curve to the left, due to migration, and a shift of the demand curve to the right due to "the increase in the demand for construction outputs". Or to put it bluntly, text book diagrams are used to hide a virtually complete absence of anything of substance to say on the impact of migration of construction workers on the labour market in construction.

1. ibid. p. 114.
2. Ibid. p. 107.
3. Ibid. p. 114.
5. Ibid. p. 117.
6. ibid. 114.
In his more recent study on migration\textsuperscript{1}, Mohie-El-Din includes a section on the migration of construction workers. In this section, he attempts to make his own estimates of the flow and stock of migration of construction workers between 1968 and 1978, on the basis of a large number of assumptions which we find far too bold.

Examples of these assumptions are:

1. The rate of growth of the flow of migrants of construction workers after 1973 is the same as that between 1968 and 1973.\textsuperscript{2} This is justified by saying that the data "show a big jump in 1973 flow compared to previous years, which means that the flow started to take a different turn in 1973, which means that an assumption of the same rate of growth is not without justification"\textsuperscript{3}.

2. Construction workers other than "painters and masons" represent 80\% of all production workers migrating from Egypt.\textsuperscript{4} No justification is given why the 80\% figure was chosen.

3. "80\% of those who move to other Arab countries for other purposes move for work".\textsuperscript{5} Again no justification is given for the choice of the 80\% figure.

\begin{itemize}
  \item \textsuperscript{1} Mohie El-Din, A.: \emph{External Migration of Egyptian Labour}, op.cit.
  \item Ibid., p. 111.
  \item Ibid., p. 110.
  \item Ibid., p. 111.
  \item Ibid., p. 111.
  \item Ibid., p. 113.
\end{itemize}
4. "Each member of the labour force has one holiday per year and hence he travels twice". This implies the assumption that the migrant returns to Egypt once a year.

5. Either that "the ratio of construction labour going to Libya represents 48% of the flow of construction workers abroad, or alternatively that they represent 59% of this flow "as disclosed by Birks and Sinclair".

6. The total stock of Egyptian workers abroad is 1 million, and that "the ratio of construction workers to the flow is the same as the ratio to the stock."

7. "The distribution of migrant construction labour force in the Arab World follows the same distribution of the total migrant labour force."

On such assumptions, the author reaches what seem to us the not very interesting conclusion that the migrant construction workers "range from 40% of the construction labour force to over 150% of the construction work force. The latter means that the entire construction work force has migrated and moreover has drawn with it labour from other sectors into the migrant construction work force."

1. Ibid.
2. Ibid., p. 115.
3. Ibid.
4. Ibid., p. 117.
5. Ibid., p. 118.
6. Ibid.
The impact of migration on the agricultural labour market will be taken up in detail in the next chapter. It suffices here to note that what is perhaps the most striking feature of the development of Egyptian labour force during the 1970's is the absolute decline in employment in agriculture. Between 1971 and 1979, the ILO 1980 report indicates a decline of 14% (about half a million persons) in total agricultural employment, which is "consistent with the general impression of labour shortage in agriculture".\(^1\) The report goes on to say that this may be to a large extent due to the emigration of males in addition to the fact that "remittances might help women and children to withdraw from the labour market"\(^2\).

The figures for more recent years included in the Five-Year Plan document of 1982-3-86-7 are probably not comparable to those of the ILO figures but they show nevertheless a very low annual rate of increase in agricultural employment (.8%) for the period 1977-81/82.\(^3\)

It was only natural that the loss of more than half a million workers from agriculture between 1972 and 1979 should lead to a sharp increase in agricultural wages. After remaining more or less constant

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1. ILO: Employment Opportunities...etc., op.cit, p. 60.
2. Ibid.
between 1965/66 and 1971/72, the average money daily wages for men in agriculture started to rise very sharply, multiplying about four times between 1971/72 and 1979, and indicating a compound annual rate of increase of 21.8% which is higher than the general rate of inflation during the same period.

This rapid increase in agricultural wages must be closely related to the construction boom, though it naturally lagged behind construction wages. Between 1970 and 1977 the average daily wage in construction increased between 3.6 times and 6.2 times while the average daily wage for men in agriculture increased 2.3 times during the same period. The differential between construction and agricultural wages therefore widened and "must have enhanced the exodus of labour from agriculture since 1972." The ILO report concludes that "reference to 'traditional' or 'subsistence' wages makes little sense in a country where agricultural money wages have increased almost fivefold and real wages have about doubled during the past decade."

There are four major complaints which are usually made with regard to the impact of migration on the Egyptian labour market: that migration has been "selective" in nature, with adverse effects on development; that these adverse effects have been aggravated by the generally

2. Ibid, p. 74.
3. Ibid, p. 75.
4. Ibid, p. 149.
low mobility in the Egyptian labour market, that the rise in labour cost in certain sectors contributed to a high rate of inflation and that it may have had a negative impact on income distribution. The impact of migration on inflation and income distribution will be dealt with in the next two sections of this chapter, since they are connected not only with labour shortages but also with remittances. We will now discuss the other two complaints in turn.

It has already been pointed out that before 1973, Egyptian labour migration was virtually confined to highly-skilled elements of the labour force and consisted mainly of high level professionals and technicians (physicians, engineers, scientists, lawyers, teachers, top administrators and enterprise managers). The 'brain-drain' involved was obvious and fairly-well documented. Since 1973 however, the composition of Egyptian migrants has certainly changed radically, with craftsmen, construction and agricultural workers as well domestic servants being now heavily involved. Nevertheless, this change in composition does not seem to bring much comfort to several writers on Egyptian migration. Thus, although it is admitted that "all types of labour are now affected it is very much the selective nature of emigration that has contributed to the present maladjustment of the Egyptian labour market. This maladjustment is essentially an occupational rather an industrial problem, although certain industries have been particularly affected through the loss of almost all kinds of labour".

1. ILO: Employment Opportunities...op.cit, p. 141, emphasis added.
Since any migration movement must necessarily be "selective", what seems to be the cause for complaint is that the occupational composition of migrants does not reflect the occupational composition of the Egyptian labour force, or as the ILO report puts it, "the structure of emigration was completely different from the existing occupational structure in the Egyptian economy. This in turn explains why emigration was imposing hardships on the economy". But while the ILO report recognizes that this was mainly a feature of migration up to 1973 when "scientific and technical occupations totalled 36% of the flow of emigration... (and) the same category represented 5.5% of the national labour force in 1976", it admits that "there is little doubt however, that emigration is now dominated by construction workers, unskilled workers and farmers and represents a much broader sample of the Egyptian labour force. Disparities may be less concentrated." 

Other writers are less cautious and talk as if the same complaint can be made today. Thus, N. Al-Ahwany gives the impression that in order that "disruption" be avoided, the occupational structure of migrants should somehow correspond to that of the national labour force. Saad El-Din and Abdel-Fadil also refer to "the record of recent years" as confirming the "selective nature" of migration and complain of the "shortages" created by migration in the construction and agricultural sectors which led to

1. Ibid., p. 89.
2. Ibid.
4. Saad El-Din and Abdel-Fadil, op.cit, p. 103.
"the decline in labour productivity in both sectors as a result of replacing the trained migrant workers by untrained labour". The same complaint is made by Nader Firgany who regards as one negative aspect of migration that "migrants do not constitute a representative sample of the labour force or the population of the labour-exporting country" and by S. Ibrahim who wrote in 1981 that "although some sections of unskilled labour have attempted to migrate to the rich oil countries, the bulk of Egyptian migrants consist of the best elements of labour force that Egypt possesses."

This indeed is very unsatisfactory, unskilled labour has not merely "attempted" to migrate but actually did so, and their numbers are not marginal but constitute now the "bulk" of Egyptian migrants. Nor is there any reason for one to expect that migrants should be a "representative sample of the national labour force". Migration is naturally "selective" and there is no necessary virtue in the occupational composition of migrants corresponding exactly to that of the labour force. University graduates of social sciences and humanities, for example, constitute a very small proportion of the total Egyptian labour force but this does not mean that they are in short supply or that their proportion in total migrants should be just as small. In fact one must welcome the fact that they constitute a high proportion of total migrants. Again, the

1. Ibid, p. 106.
fact that the migration of construction or agricultural labourers may have created labour "shortages" in these two sectors should not necessarily be a cause for complaint. It would indeed have been a strange coincidence if migration from a particular sector would go on just until the labour surplus is wiped out but no further. Needless to say, development can be viewed mainly as a process of creating one "shortage" after another, and one must specially welcome those shortages that occur among some of the poorest sections of the labour force.

In one of their earlier studies of labour migration, Birks and Sinclair also complained of the low mobility among occupations in the Egyptian labour market. They expressed their belief that

"in contrast with the Jordanian labour market, that of Egypt appears to be highly segmented, with relatively little occupational mobility between segments... Beside the usual barriers to occupational mobility (a welder cannot easily become a doctor), the Egyptian labour market appears to be characterized by extraordinary immobility between even relatively similar occupations. There are, in the first place, obvious barriers to occupational mobility, for instance between... the professional and technically qualified workers and the skilled qualified craftsman.

...... Because of the very limited occupational mobility, there is little internal readjustment within the labour market to minimize the impact of the selective exports of certain types of manpower. Thus the skills which are exported from Egypt in large numbers and which represent

a considerable proportion of the total stock are not replaced by nationals moving into the vacancies created by their departure. The lack of upward occupational mobility to compensate for exports of labour appears to be true at all levels of the labour market. There are, for instance, few signs of poor quality general labourers taking on trade affiliations and developing the associated skills. Nor does there appear to be much movement at present from the rural to the urban sector. Despite the much discussed Egyptian rural-urban migration, it is suggested that, in proportional and real terms, there is relatively little transfer of labour from the traditional to the modern sector in the short to the medium term."

The reasons given by Birks and Sinclair for the low labour mobility are that "the population at present gaining a livelihood from the land is, in real terms, necessary to the rural system", that "there are no large number of farmers willing to migrate; they do not want to leave their homes in the Nile valley for urban centres at home or abroad", and "the rigid segmentation of the urban labour market". Under this segmentation Birks and Sinclair include the low motivation of government and public sector employees to look for another employment owing to the advantages of government employment in terms of security, the possibility of combining it with another job and the system of annual increments irrespective of performance. This factor is said to be important because of the predominance of government and public sector in total employment out of agriculture (75% of non-agricultural employment). But even with regard to those in the private sector, mobility tends also

1. Ibid, pp. 94-6.
2. Ibid, p. 96.
to be hampered by their "low educational attainment (they are often illiterate) and lack of employment experience".¹

In spite of the obvious outdatedness of some of these observations and that the authors have cautiously remarked that because "few data are available to substantiate (this) analysis, (it) must therefore be in the nature of a hypothesis",² they have been widely echoed in more recent literature. Thus, the prominent Egyptian sociologist, S. Ibrahim, quoted Birks and Sinclair's remarks in his book published in 1982 uncritically,³ and the same is done by Saad El-Din and Abdel-Fadil in their book published in 1983, where they regard these observations on low labour mobility the main contribution of Birks' and Sinclair's study.⁴

This reiteration in recent works of Birks and Sinclair's tentative remarks are particularly surprising in view of the big increase in the rate of migration from the rural sector, the decline or very slow increase in employment in agriculture, the big rise in average agricultural wages and the increase in the absolute number of construction workers in Egypt inspite of migration. We have already referred to the virtual stagnation or decline in agricultural employment which contradicts the view that

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1. Ibid, p. 97.
2. Ibid, p. 94.
"there are no large number of farmers willing to migrate, they do not
want to leave their homes in the Nile Valley for urban centres at home
or abroad". Nor is there much to support the allegation of low
mobility in the fact during the five years (1971-76) when an
estimated 174,000 construction workers emigrated, there was an increase
in the total construction workers within Egypt by about 80,000, which
means an increase in Egyptian construction workers at home and abroad
by about 254,000 in five years, amounting to about 72% of the
construction labour force in 1971.\(^1\) Casual impressions may also suggest
that the alleged strength of institutional barriers to labour mobility
is rapidly disappearing with an increasing number of "white collar"
employees and university graduates showing greater willingness to
perform manual work, and less interest in secure but less remunerative
government and public sector jobs. This is partly reflected in the
tendency in the public sector, and to a lesser extent in government,
to show a greater response to the rising wage levels in the private
sector, e.g., through more generous upgrading and incentive pay, and
greater flexibility in negotiating individual wage increases.\(^2\)

\(^1\) ILO, op. cit., p. 154.

\(^2\) See ibid., pp. 72-73, where it is mentioned that between 1973 and
1978 average money wages in the public sector enterprises increased
from 83% to 93%.
5. Impact on Inflation

Like so many other economic variables, the rate of inflation witnessed a turning point in the mid-1970's. While the average annual rate of increase in the cost of living was about 6-8% during the period 1966/7 - 1975, it rose to more than 10% thereafter (see table 22 below). Although this turning point coincides with the rapid increase in migration and remittances, the relationship between migration and inflation is not a simple, straightforward one.

In the first instance, migration reduces effective demand on goods and services by the amount of expenditure of the migrants before they migrate, but it also reduces output to a similar extent. Through these two effects alone migration should not affect the level of prices except in so far as more migrants were unemployed or under-employed before migration, and to this extent the effect of migration should be deflationary since it reduces demand by more than output.

But migration may create shortages and bottlenecks in particular occupations leading to a rise in labour cost, and to this extent the impact would be inflationary. This seems to have been the case in construction and agriculture where labour costs have risen substantially since 1970 as we have seen before.
There is also the impact of remittances which is more ambivalent. Financial remittances are inflationary in so far as they increase the purchasing power of the migrants on their return or of their relatives at home. A good part of the financial remittances is sent to low-income households and will be mostly spent on consumption. Another part of these remittances is saved in the form of interest-yielding deposits which will again add to total purchasing power. The banking system will also increase the pressure on prices by expanding credit associated with the increase in financial remittances. Financial remittances will therefore have a definitely inflationary impact.

On the other hand, the more substantial remittances taking the form of imports financed by the own-exchange system will have a deflationary impact in so far as they increase the supply of goods offered for sale. If imported for personal use they should have no direct effect on the rate of inflation since they neither add to the supply of goods for sale nor to the amount of money circulating in the economy.

It therefore seems to us unwarranted to state categorically that emigration must have a strong inflationary impact on the labour-exporting country. The ILO 1980 report on "Employment Opportunities ....etc." is typically and rightly cautious on this point. While recognizing the effect of migration in raising the cost of particular types of labour, it has no definite conclusion on the impact of remittances,
simply stating that "the net effect (of remittances) is probably inflationary".¹

In an elegant and analytically interesting paper on "The Effects of Construction Labour Migration on the Egyptian Economy", R. Eckaus used a general equilibrium model to estimate the impact of emigration of Egyptian construction workers on a number of macroeconomic variables including the general price level. His conclusions are not supposed to describe what has actually happened but rather "what would have happened in 1976 if portions of the construction labour force (assumed at various alternative percentages) were withdrawn under various assumed conditions".² In other words, "the tests which are made are as if experiments: What would have been the consequences of the emigration of construction labour when, otherwise, conditions were as if they had prevailed in 1976".³ The result with regard to the impact of inflation is that "the model solutions, properly interpreted, point to construction labour emigration as a major source of general inflation in the Egyptian economy",⁴ but the author is again cautious enough to warn us that "it is not easy to attribute the portion of the actual price increases due to labour migration, to inflation in the

¹. ILO: Employment Opportunities...etc., op.cit, p. 240, emphasis added.
². Eckaus, R.: Effects of Construction Labour Migration on the Egyptian Economy, Cairo University/MIT Development Research and Technological Planning Center (DRTPC), (mimeo) July 1979, p. 3
³. Ibid, p. 26, emphasis in the original.
### Table (22)
Cost of Living Index (1966/7=100)

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<td>311</td>
<td>25</td>
</tr>
<tr>
<td>1981</td>
<td>301</td>
<td>10</td>
<td>353</td>
<td>13</td>
</tr>
<tr>
<td>1982</td>
<td>346</td>
<td>15</td>
<td>403</td>
<td>14</td>
</tr>
<tr>
<td>June 1982</td>
<td>356</td>
<td>-</td>
<td>400&lt;sup&gt;b&lt;/sup&gt;</td>
<td>-</td>
</tr>
<tr>
<td>June 1983</td>
<td>426</td>
<td>20</td>
<td>520&lt;sup&gt;c&lt;/sup&gt;</td>
<td>30</td>
</tr>
</tbody>
</table>

<sup>a</sup> Average annual rate of increase: 1966-75.

<sup>b</sup> May 1982.

<sup>c</sup> May 1983.

costs of other inputs and to the general increases in demand for the output of the construction sector."¹

Many other writers, however, seem to take the inflationary impact of migration for granted without sufficient analysis. Thus, Socknat, Birks and Serageldin wrote in 1981 that:

"the rapidly rising volume of remittances in the mid to late 1970's contributed substantially to the severe inflation experienced by the labour exporting countries. The labour-exporting countries often do not have either adequate domestic production capacity or sufficient import infrastructure to meet quickly the demand generated by remittance flows"(1).

While in her chapter on the "Assessment of Costs and Benefits" of Egyptian migration, Nazli Choucri does not mention inflation at all,² N. Fircany's only reference to it is that:

"the increase in total demand, fed by labour incomes in the oil countries, when it faces underdeveloped domestic production which is unable to fulfill the needs of the population, and the rigid import and distribution systems, leads to a greedy commulative inflationary process. More


specifically, the rigidity of supply of land and housing, which is a favoured field of investment for those working abroad, leads to widespread speculation in land and real estate and a rise in their prices. Large scale imports also lead to the importation of international inflation into the domestic economy in a big way. As we mentioned before, the rise in labour wages, in response to the shortages of labour resulting from widespread emigration abroad, also feeds, in its turn, the inflationary process. Naturally the spread of inflation leads to the increasing impoverishment of those sections of the population with relatively fixed incomes, which constitute the majority of the population in the labour-exporting countries".(1)

A more detailed discussion was presented in 1980 in a paper by M. Abdel-Fadil.² Here, Abdel-Fadil refers to the "demand pull" of the increase in expenditure resulting from remittances as "not met by a parallel increase in the supply of goods and services, because remittances are generated outside the domain of the productive activities of the national economy, and do not therefore constitute returns to factors of production in the accepted meaning of the term, but are rather 'rentier incomes' generated abroad, and mainly connected with the phenomenon of 'oil rentier income' in the Arab oil-exporting countries"³.

It seems to us irrelevant, however, in determining the inflationary impact of remittances whether labour income in the oil-rich countries

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2. Abdel-Fadil, M.: The Effects of Egyptian Labour Migration to Oil States on Inflationary Processes...etc, op.cit.
3. Ibid, p. 16.
is or is not in the nature of "economic rent". What is important is whether it increases or does not increase the supply of goods at the same time as it increases purchasing power. The increase in imports which accompanies or constitutes part of the increase in remittances certainly has a deflationary impact which must be taken into account in assessing the net impact on inflation. This however, is completely ignored in the paper under discussion as well as in most works cited in this section. Abdel Fadil rightly mentions that the generally low elasticity of supply of domestic products may contribute to the rise in prices. What is not acceptable, however, is his reference to the "de facto devaluation" of the Egyptian pound as a result of the increase in demand for imports associated with migration, while ignoring that the increase in the supply of foreign exchange, more directly connected with remittances, would work in the opposite direction.

In his more recent work, Abdel Fadil, jointly with Saad El-Din, continue to ignore the increase in import capacity as a deflationary factor but add as contributing to inflation, the decline in productivity of those remaining behind as a result of

"the increasing frustration of those working in low-wage jobs and sectors. Their main desire is to achieve economic

1. Ibid p. 17.
2. Ibid.
advancement by deserting their jobs at home and joining the migrating labour force. This leads in its turn to a loss of incentive to increase productivity with negative effects on the development of labour productivity and hence contributes to the inflationary process in the national economy."(1)

But one might just as plausibly argue that the demonstration effect of the consumption levels of migrants and the desire to catch up with them tend to generate new energies and increase the productivity of some of those left behind. Just as the migration of some may frustrate some of those left behind, it may also entice others to work harder, to get more than one job, and to allow or encourage their women to enter the labour market. Symptoms of both tendencies are apparent today in the Egyptian society and if one is to guess which is the more powerful, one is more inclined to emphasize the greater dynamism created by migration, as well as by other economic and social changes that have accompanied but not necessarily resulted from it.

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1. Ibid, p. 115.
(6) **Impact on Income Distribution:**

Even before 1973, the bulk of Egyptian migrants consisted of wage and salary earners, being dominated by teachers, professionals, technicians and administrators. Although part of their income must have included a profit element as in the case of self employed physicians or lawyers, most of them were employed by the state in the host countries, receiving a purely labour income. This became even more true after 1973, and particularly after 1977 when migration of manual labour started to increase at a high rate. One must expect therefore, that the functional distribution of income in Egypt, including earnings abroad, changed in favour of labour income as a result of migration. Other things being equal, labour income must have risen faster than property income as a result of migration not only because of higher labour incomes abroad, but also because of the increase in wages of those left behind.

Table (23) below, which shows the movement of the share of wages in GDP and the total private income, tends to support this. The table excludes that part of income earned abroad but not remitted. If this was added, and it is substantial, the share of wages would have certainly been greater. Some very rough idea of the order of magnitude involved may be gauged from the estimate, referred to earlier, that the foreign earnings of Egyptian migrants may be 6 to 10 times their domestic earnings before migration. Assuming that Egyptian migrants are about 1/10
of the labour force, this would indicate an increase of some 50 to 90% of labour income\(^{(1)}\).

**Table (23) Share of Wages in GDP and in Total Private Income (1974-79)**

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP at Factor Cost</th>
<th>Total Private Income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Domestically Generated</td>
<td>Including Remittances</td>
</tr>
<tr>
<td>1974</td>
<td>42.4</td>
<td>52.9</td>
</tr>
<tr>
<td>75</td>
<td>43.2</td>
<td>55.1</td>
</tr>
<tr>
<td>76</td>
<td>44.7</td>
<td>57.4</td>
</tr>
<tr>
<td>77</td>
<td>44.1</td>
<td>57.1</td>
</tr>
<tr>
<td>78</td>
<td>43.0</td>
<td>56.5</td>
</tr>
<tr>
<td>79</td>
<td>42.9</td>
<td>58.5</td>
</tr>
</tbody>
</table>

Source: ILO; Employment Opportunities ... etc., op.cit., p. 127, based on data from the Ministry of Planning and World Bank.

Factors other than remittances are obviously behind the change in the functional distribution of income shown in table (23), but again it is likely that migration by itself was responsible for an even greater rise in the share of wages than indicated by the table, since many measures constituting what is known as the open door policy and which were applied after 1974, seem to have been working in the opposite direction.

\(^{(1)}\) See the section on "Impact on National Income" above, and ILO; Employment Opportunities ... etc., op.cit., pp.237-8.
Since more wage earners, taken as a whole, belong to the lower or middle income groups, one may expect the personal distribution of income as measured by the Gini coefficient to be affected by migration in the same way with a movement towards greater equity.

Both movements, in the functional and personal distribution of income, must be qualified however, in so far as inflation may tend to hit the wage earners more than property income, and to the extent that inflation is activated by the migration process itself. Apart from the fact that property income tends to increase faster with inflation than wage income, inflation must have also created handsome capital gains for owners of agricultural and urban land. But one should nevertheless be careful not to underestimate other sources of income created by migration. Even if we were to find that the share of property income has risen at the expense of wage income, this does not necessarily mean a move towards greater inequality, since migration must have allowed a greater proportion of wage earners to acquire new forms of income (interest, rent and profit) as a result of their increased earnings.

One is on less firm grounds with regard to the change in income distribution among the wage-earners themselves. The main beneficiaries of migration are not necessarily among the poorest sections of the labour force. Among government and public enterprise employees those who migrate are certainly not the lowest paid but the majority are probably not among the highest
paid either. Within the urban private sector, craftsmen and construction workers constitute the largest category of migrants and they were certainly not a privileged income group before migration. The same could be said about the agricultural sector where the majority of migrants are likely to have been among the lower income groups before migration.

Having said this, there is unfortunately very little data to document or to test it, let alone to estimate the magnitude of the change in income distribution. What we have is three family budget surveys for 1958/59, 1964 and 1974/5 as sources of information on the change in personal income distribution. The data of these surveys indicate that "income distribution in general remained more or less unchanged over the two decades up to the mid 1970's". But this seems to be due to the fact that the improvement that occurred over the first five years (1958/9-64) have been wiped out in the next decade (1964-74/5). More specifically, the Gini coefficient indicates that during the first half of the 1960's there seems to have occurred a slight improvement in the distribution of consumption expenditure in rural areas and no change in urban areas. Between the mid 1960's and the mid 1970's there seems to be a deterioration in distribution in rural areas and a slight improvement in urban areas. It must be noted however, that these three surveys show the distribution of consumption expenditure and omit savings. They also tend to underestimate the expenditure levels at the top of the scale as well as income in kind at the bottom. And in any case they do not carry us beyond 1974/75 when migration started to become important.

1. ILO: Employment Opportunities...etc., op.cit., p. 95.
2. Ibid, p. 96.
One more recent source of information on income distribution exists for rural Egypt, namely the ILO sample survey carried out in 1977 for 1000 households in 18 villages. This survey "also points to the absence of any significant shift in the overall distribution of rural incomes between 1975 and 1977, but indicates a certain improvement, namely the decline in the proportion of rural households in "absolute poverty" from 44% in 1974/75 to 35.3% in 1977." The ILO 1980 report warns, however, that "the results of this (1977) survey are not strictly comparable to the family budget surveys of 1958/59, 1964 and 1974/75 due to the difference in sampling." Its value in indicating the impact of migration on rural poverty is further reduced by the fact that migration from agriculture gathered momentum in the late 1970's. It will be recalled that total remittances to Egypt multiplied almost four times between 1977 and 1982/83, and there are good reasons to believe that they may have increased more rapidly for rural households than for the country as a whole.

1. Ibid.
2. Ibid., pp. 98-99.
3. Ibid., p. 136.
We have another indicator of the decline in rural poverty in the index of rural wages in agriculture which is shown in table (24) below. The decline in real wages in rural areas from the mid-1960's was arrested in the mid-1970's with almost continuous improvement until the end of the 1970's, so that real agricultural wages in 1980 were about 90% higher than in 1974.

Table (24) Movement in Real Wages in Rural Egypt (1960-80)

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Daily Money Wage PT/Man 1960-100</th>
<th>Cost of Living Index 1960-100</th>
<th>Real Wage Index 1960-100</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>12.5 100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>66</td>
<td>25.0 200</td>
<td>139</td>
<td>144</td>
</tr>
<tr>
<td>70</td>
<td>25.0 200</td>
<td>170</td>
<td>118</td>
</tr>
<tr>
<td>71</td>
<td>25.5 201</td>
<td>172</td>
<td>117</td>
</tr>
<tr>
<td>72</td>
<td>27.5 220</td>
<td>182</td>
<td>121</td>
</tr>
<tr>
<td>73</td>
<td>29.2 234</td>
<td>196</td>
<td>119</td>
</tr>
<tr>
<td>74</td>
<td>32.2 255</td>
<td>235</td>
<td>110</td>
</tr>
<tr>
<td>75</td>
<td>46.5 372</td>
<td>242</td>
<td>154</td>
</tr>
<tr>
<td>76</td>
<td>61.5 492</td>
<td>283</td>
<td>174</td>
</tr>
<tr>
<td>77</td>
<td>76.4 611</td>
<td>318</td>
<td>192</td>
</tr>
<tr>
<td>78</td>
<td>88.5 708</td>
<td>340</td>
<td>208</td>
</tr>
<tr>
<td>79</td>
<td>106.0 848</td>
<td>359</td>
<td>236</td>
</tr>
<tr>
<td>80</td>
<td>115.0 920</td>
<td>443</td>
<td>208</td>
</tr>
</tbody>
</table>

Source: ILO: Employment Opportunities...etc., op.cit., p.110.
For the urban sector we do not even have a source corresponding to the ILO 1977 survey of rural areas. We only have data on the change in wage differentials which show that the fastest rate of increase, in the urban sector, was recorded by the wages of construction workers, followed by other workers in private enterprise, then by public enterprise workers and finally by government wages, which recorded the lowest rate of increase after 1975. (1) This might indicate some tendency towards a decline in inequality among wage earners considering that "government wage rates have traditionally exceeded public enterprise wage rates which in turn have exceeded private wage rates, at the bottom of which we would find those for unskilled construction work." (2) We cannot, however, say with any degree of confidence how far this change in wage differentials has been caused by migration rather than by other developments in the 1970's including government pay policies, the construction boom (which is partly the result of increasing remittances) and the change in the expenditure pattern in urban areas. Moreover, the available time series on the movement of real wages in various occupations rarely carries us beyond 1978. And finally, such data may throw some light on the change in income distribution among wage earners but tell us nothing of course on the change in distribution of urban income between wages and other forms of income, on which we have virtually no information whatever.

(1) Ibid., p. 127.
(2) Ibid., pp. 127-8.
We are forced therefore to fall back on the strong presumption that migration has raised the share of labour income in total private income and that, by significantly raising the income of construction and agricultural workers, has reduced the proportion of the labour force living in "absolute poverty".

One cannot help noting, however, the strong tendency among many writers on Egyptian migration to underestimate the positive impact of migration on income distribution and on the income levels of the poor. We find this strange because although there is no firm evidence for the opposite view, the little knowledge that is available is certainly more suggestive of a positive impact.

Some writers ignore the issue altogether. Some make brief remarks which suggest that the impact of migration on income distribution is negative without saying why they believe so. Thus, Nazli Choucri counts as the "sixth" economic cost of migration, "the likelihood that uncaptured remittances that go to consumption can create socially visible evidence of accentuated income inequalities,"(2) and Nader Firgani merely states that:

"migration leads to social polarization within the society, since not all those wanting to migrate can find an opportunity to work in one of the oil countries. The lucky ones manage to solve their material and sometimes their human (social?) problems, while others continue to suffer. This sometimes occurs within the same family. The truth of the matter is that migration to work abroad leads to a redistribution of income in the country of origin against the poorer sections of the population. For these sections carry a heavier social burden in terms of the cost of educating and training those who migrated and who belong, to a greater extent, to the richer sections of society, while the material benefits of migration goes to a greater extent to those very sections which are richer. This intensifies income inequality against the poorer sections." (1)

These lengthy but unfounded remarks do not seem to need comment. Of much more substance but also objectionable is the assessment of the ILO 1980 mission of the impact of migration on rural poverty. Commenting in the rise in real wages in agriculture, the ILO report states that:

"the improvement in real wages (in rural areas) affect only 12% of the total income source, i.e., income from wages on other farms. It is our feeling that while hired agricultural labourers are much better off now than five years ago, the pool of workers in non-farm activities (what we may call the low-productivity, tertiary sector in agriculture) may not have gained as much, being trapped in their low-productivity occupations, and they may now be the poorest group in rural areas, disregarding the disabled, old persons, etc. who presumably continue to occupy the bottom place. Emigrants from any group have of course, experienced a large increase in income. A careful examination of the impact of remittances on rural income distribution has yet to be made, but preliminary results from a two-village survey in Upper Egypt point to the possibility that remittances may in fact aggravate intra-group and intra-village distribution. The survey shows that migrants do not come from the poorest households but from those with both previous experience and

(1) Firgany, N.: Migration to Oil, op.cit., p. 106.
savings, and remittances, therefore accrue to families which are already relatively well-off (in this case, the households of construction workers). Furthermore, of the two villages, located very near each other, one had a higher incidence of emigration, while the other had almost none. (1)

Our remark to make on this assessment is that while the category of rural income affected by migration (wages of agricultural labourers on other people's farms) may indeed represent "only 12% of the total income source", this is precisely why the impact of migration on rural poverty could be significant, since this relatively small share in rural income goes to as much as 24% of the agricultural labour force. It is also not clear why the rise in the real wage of agricultural labourers working on other people's farms should be assumed, as implied in the quoted passage, not to have a significant effect on the real wage of non-farm labour, which could also tend to rise in response to the growing shortage of labour allround. To say that those benefitting from the rise in real wages may now not constitute the poorest groups is obviously correct, but this is certainly an important development and is to be welcomed as a move towards greater equalization of income. That "the bottom place" is now occupied by the workers in "the low-productivity, tertiary sector in agriculture" as well as by "the disabled, old persons, etc." does not reduce the importance of the gain realized by hired-farm labourers, since the bottom place must always be occupied by some group or another.

Moreover, it seems to us too sweeping a generalization to state that "migrants do not come from the poorest households but from those with both previous experience and savings, and remittances therefore accrue to families which are relatively well-off." The "capital" required for migration seems to be both small and easily accessible in the form of loans to be repaid after a few months abroad. The "experience" required may also be something of a myth since there does not seem to be a particular kind of experience at home that could prepare some people more than others for the act of migration, and even if there was, there is no reason why it should occur more frequently to the "relatively well-off."(1)

(1) In another place, the ILO report states, again with regard to rural poverty that: "emigration may have changed conditions since 1975, and even since 1977. It is believed however, that no amount of caution will invalidate the fact clearly brought out in this exercise, namely that the bulk of the rural poor are inadequately employed because they have holdings far below what is sufficient to provide at least a subsistence income to support them and their families." (p.122). It is not clear what connection is there between the impact of migration and the almost self-evident statement that most of the poor are inadequately employed, a statement which hardly requires an elaborate "exercise". One must of course agree with the rather empty statement that "remittances may worsen income distribution within the lower-income group since those who receive no remittances will be relatively worse off than before." (p. 124). But this self-evident statement is hardly worth making, particularly in the absence of any emphasis on the much more interesting fact that the relative position of the lower-income groups taken as a whole must have improved as a result of migration.
The author who wrote most on the impact of migration on income distribution is M. Abdel-Fadil. His contribution is to be found in three works: a paper presented at the fifth conference of Egyptian economists in March 1980, another paper solicited by the ILO 1980 mission, and more recently the book which he wrote jointly with Saad El-Din, which was published in 1983.

In his first paper(1), Abdel-Fadil asserts that:

"Egyptian labour migration to the oil countries, with its various levels of skill, has led to the widening of the income gaps in Egyptian society ... We may even allege that the process of labour migration and the intensification of income inequality have led to the emergence of a kind of obvious 'dualism' in the 'mechanism' of Egyptian economic life. For we are no longer facing 'one economy' but 'two economies', coexisting side by side, each having its own laws and logic which govern its behaviour." (2)

He then goes on to outline the main features of these two "economies", the "indigenous" and the "liberalized" or "open" economy. This latter "economy" is said to "reflect the ability of the oil-countries to pay, since the incomes generated there are mainly transfers out of the "oil rentier income." (3) But since relative prices in this "open economy" (which he says can also be called 'touristic prices') reflect much higher purchasing power enjoyed only by those working abroad or those working for foreign companies in Egypt or "big merchants and professionals getting high incomes which evade

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(2) Ibid., p. 25.
(3) Ibid., pp. 26-7
taxation", it follows that

"Labour migration to the oil countries has increased income inequality and deepened the phenomenon of "dualism" in income and prices in the Egyptian economy. With the passage of time, this gap separating the two sectors in incomes, prices and the quality of the goods and services circulated and consumed, tends to widen, thus strengthening the schizophrenia which characterizes Egypt's economic life". (1)

Then follows a paragraph on the "demonstration effects" of the open or liberalized sector, which increases "the marginal propensity to migrate"², and a concluding paragraph in which he states that

"There is no doubt that the political and social effects of the new economic conditions is the gradual decline in the level of living and welfare of the middle-income groups in the urban sector, following their relative affluence in the 1960's". (3)

Abdel Fadil's 1981 paper ⁴ starts by bringing data on the classification of migrants according to educational status for the period 1972-78, but the data inevitably includes only those on official secondment or with personal contracts and thus covers only a small proportion of the total flow of migrants. Then, on the basis of a number of assumptions which are not specified, the author estimates the average monthly

1. Ibid., pp. 27-8.
2. Ibid., p. 28.
3. Ibid., p. 29.
income abroad of different groups and their total annual remittances. It should be clear that once one starts from a distribution of migrants heavily skewed towards those with high qualifications, assumes that the propensity to remit is higher the higher the qualifications, it must follow that the distribution of income after migration is more skewed in favour of the higher income groups than before. This is just what the author does. Starting from a distribution of migrants by educational status which does not include the bulk of unskilled labour and is thus heavily dominated by holders of university degrees and G.C.E., (1) and assuming that the propensity to remit for the most qualified is about 2.5 times that of the least qualified, (2) he was bound to reach the conclusion that:

"It seems that migrants' remittances accrue substantially to the upper and middle of the distribution deciles rather than the very bottom deciles... (and that) the post-remittances distribution of disposable income among households tends to be more skewed than the pre-remittances situation" (3).

Had he taken into account the much larger number of migrants starting from much lower levels of income the conclusion would of course have been very different.

In a concluding section, the paper deals with "the emergence of new types of duality within the national economy"

(1) Ibid., pp. 9-12.
(2) Ibid., Appendix (2).
(3) Ibid., p. 13.
in which he refers to the division of the national economy into the "indigenous sector" and the "open or extraverted sector" along the same lines of his earlier paper already referred to, and concludes that:

"In sum, we may contend that emigrants remittances was one of the major factors enhancing new types of dualities within the Egyptian economy in terms of earning structures, demand structures and price structures for goods and services. Consequently, the 'distance' separating the two sub-sectors of the national economy (indigenous vs. open) is growing overtime, with two sections of the working population locked-up in each sector".(1)

The possibility that the rising proportion in total migration of unskilled and semi-skilled agricultural and construction workers could radically change this picture of a rigid dichotomy between the two sectors and make income distribution more equitable is not considered.

In his most recent discussion of the subject, Abdel-Fadil, jointly with Saad El-Din,(2) repeats the exercise of the 1981 paper on the distribution of estimated remittances and reaches the same conclusion on the inegalitarian impact of remittances, but boldly generalized it to cover all labour exporting countries:

"What is generally observed in all labour exporting countries is that while remittances have succeeded,

(1) Ibid., p. 13.
(2) Saad El-Din and Abdel-Fadil: The Movement of Arab Labour, op. cit.
to some extent, in raising the nominal money income of low income groups, it is not necessarily true that these drops trickling down from the remittances have a clear effect on the problems of poverty in general. For the gains realized in the form of increasing money incomes are usually accompanied by serious inflationary pressures which lead to a decline in real income levels and in the level of satisfaction of basic needs." (1)

Thus, a more than fourfold increase in the average money wage in agriculture over the 1970's and an increase of three to sixfold in the average money wage in construction are referred to as mere "drops", and it is insisted upon that inflationary pressures led to a decline in real incomes in spite of more than a 75% increase in real wage in construction.

(1) Ibid., p. 122.
7. Cost-Benefit Analysis:

The discussion in the previous sections should be sufficient to indicate the complexity of the phenomenon of labour migration, the large variety of channels through which it affects the economy of a labour-exporting country and the uncertainty involved in estimating not only the magnitude of the impact but even its nature. Scarcity of data only adds to the uncertainty which would have existed even if we had all the data that we might require. Many important variables are unquantifiable and even for those that can be quantified it is often impossible to separate what is due to migration and what is caused by other factors.

In view of this, one is inclined to be very sceptical about any attempt to undertake a social cost-benefit analysis of migration. To try to reach a mathematical formula which compares the social benefits of migration with its social costs in order to derive a social rate of return has of course its temptation in the hope of being able to make sound policy recommendations. If however, major variables are left out of the formula, either because they are unquantifiable or because of the scarcity of data, while relatively unimportant variables are included simply because they can be more easily quantified, such exercises could be exceedingly simplistic and misleading. Any conclusions derived from them would either be mistaken or too self-
evident to justify the effort. If in addition, an attempt is made to give empirical content to such formulas and to make policy recommendations on the basis of the results, the exercise could do more harm than good.

A good example of this danger is provided by L. Hadley's article: "The Migration of Egyptian Human Capital to Arab Oil-Producing States: A Cost-Benefit Analysis". Hadley distinguishes between the impact of migration on "the welfare of Egyptian nationals" and its impact on "Egypt's economic development", and presents two mathematical formulas to measure the two types of impact which are very similar but not identical.

The impact on each of the two concepts consists of benefits and costs. With regard to the "welfare of Egyptian nationals", the benefits consist of only two items:

1. The difference between the income earned by migrants abroad (after tax) ($Y_A$) and what they used to earn in Egypt (before tax) ($Y_E$), and
2. Foreign exchange transfers to Egypt from the host countries which would not have been paid to Egypt but for migration ($F$).

The costs to the "welfare of Egyptian nationals" also consist of two items:

1. The direct cost of migration ($M$) after deducting any subsidy payments made by the host country to defer the expenses of migration ($S$), and

---

2. Foreign exchange externalities (E), that is, any indirect costs incurred in Egypt as a result of migration.

The formula for calculating the rate of return from the welfare perspective would therefore be:

\[
\frac{\sum_{i=1}^{n} (Y_{Ai} - Y_{Ei}) + F_{i}}{(1 + r_{w})^{i}} = (M-S) + \sum_{i=1}^{n} \frac{E_{i}}{(1 + r_{w})^{i}}
\]

where \( Y_{A}, Y_{E}, F, M, S, E \) and \( t_{w} \) are as explained above, and \( n \) the expected period of migration in years.

With regard to the impact on development, the benefits of migration are different from the previous formula in only one respect: instead of the difference between earnings abroad and earnings in Egypt before migration, we have now that part of earnings abroad which is remitted \( (M) \) plus whatever taxes that may be collected from migrants by the Egyptian government \( (t_{E}) \). As for costs, we now add to forgone externalities, the opportunity cost of migration represented by the before tax income of the migrants \( (Y_{E}) \). The formula for calculating the rate of return from the development perspective \( (r_{D}) \) would therefore be:
Let us now ask what exactly does the first formula, expressing the costs and benefits from the perspective of the welfare of Egyptians, tell us that we did not know already. The formula mainly says that the welfare of Egyptians is increased as a result of migration by the amount of the difference between earnings abroad and at home but after deducting whatever cost that migration might involve for Egyptians. This is hardly a discovery. But the formula adds two more things: one is that we must also take into account that the governments of the host countries may be giving Egypt amounts of aid that would not have been given without migration. With regard to this additional benefit one must wonder whether this is significant, since there are a host of other political motives for this aid that seem much more important. Arab aid to Egypt seems to have fluctuated much more violently than the flow of migration, and ceased altogether after 1979 without a significant reduction in migration. There are even good reasons to believe that Arab aid to Egypt may have been greater had Egypt's income from migration been smaller. But even if Egyptian labour migration was really an important
factor in Arab aid to Egypt, what hope is there for determining the portion of aid that is due to migration with any degree of exactness that could justify including it in a mathematical formula? One may also wonder why, if Arab aid is counted among the benefits, should one not also include such possible benefits as the increase in productivity resulting from greater experience abroad, the political advantages (or disadvantages?) of closer Arab relationships boosted by migration, the increase in employment and income as a result of the expenditure of the migrants' remittances in Egypt, or even the "net profits of Egypt's air and sea lines which are derived directly from the cost of transportation of Egyptians working in Arab oil countries, their families and their goods and belongings" as some writers have thought of adding! ¹

The other item which Hadley adds in his calculation of costs is the "forgone externalities" of migration. This seems to lump together all the possible negative effects of migration on welfare, but since these "externalities" are not specified, what the formula seems to say on the costs of migration amounts to no more than saying that "these costs include the money costs paid by Egyptians as well as any other cost" which is hardly enlightening.

But to express such platitudes in a mathematical formula seems to be worse than harmless, since it leads us to ignore very important

issues which are covered up by such general terms as "externalities". Where is one to locate, for instance, the impact of migration on inflation, or income distribution, or labour productivity of those who migrated or those left behind, or the propensity to save and invest or consumption and investment patterns, all of which have important bearing on the "the welfare of Egyptians"? But these externalities are counted as costs and there are surely some which should have been counted among the benefits. And if most of these important variables which are affected by migration are virtually unquantifiable, what is the use of expressing them in a way that suggests that they might be?

Hadley admits that "there certainly exist motives for transfer payments (from Arab Oil States) other than as payment for human capital exports....therefore it is possible only to guess the magnitude of transfer payments that are a result of human capital exports,"\(^1\) that data are unavailable for "forgone externalities", and that "the only accurate information that is germaine to the cost side of equation I is that Saudi Arabia, as the host country, subsidises the cost of migration to the extent of paying for transportation"\(^2\). This however does not prevent him from attempting an "empirical estimation of \((r_n)\) and \((r_D)\)". This is made possible only by ignoring altogether "externalities" in his calculation, because "data are unavailable". It is hardly surprising that he reaches an estimate

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2. Ibid., p. 294.
of $r_W$ (the rate of return from the welfare perspective) of 6700%!
For having ignored all the possible social costs of migration other than the cost of preparing for travel and of installation in the host countries, the difference between earnings abroad and at home is sufficiently large to produce such a high rate of return.

In trying to estimate $(r_D)$, or the rate of return from the development perspective, the author estimates $(m)$, or the average propensity to remit, by dividing the total value of remittances in 1972 ($104$ million) by an estimate of the stock of Egyptian workers abroad in that year (120,000) which gives an average amount of remittances of $866$ per worker per year. In the case of Egyptian teachers in Saudi Arabia, the average after-tax income is $8250$, so that the average propensity to remit would be 10.7 which is very close to the available data on the behaviour of Turkish migrants indicating an average propensity to remit of 11%. The value of $(t_E)$ is zero since the Egyptian government does not tax its nationals working abroad. But, as in the case of $(r_W)$, the data on transfer payments and externalities are not available, hence the two variables in the equation are again ignored. The estimate reached for $(r_D)$ on the assumption of an average propensity to remit of 11% and after ignoring the last two variables, is quite striking. Since the estimated value of output forgone in Egypt $(Y_E)$ is greater than the estimated value of remittances, the rate of return from

1. Ibid, pp. 296-7.
the development perspective turns out to be negative, meaning that migration has a negative impact on development. This is obviously an unacceptable conclusion which must throw doubt on the whole exercise.

The reasons are not far to seek. In the first place, one cannot simply judge whether migration is good or bad for development by comparing remittances with the estimated value of output foregone. The fact that the former and not the latter is in precious foreign exchange is ignored, as well as the fact that a good proportion of what is remitted may be saved and invested while the income foregone may have been totally spent on consumption. Secondly, the value of output foregone is calculated on the basis of the average income of Egyptian teachers in Egypt which is certainly above the income (output) foregone for less qualified migrants who may have even been unemployed before migration or would have been unemployed without it, in which case output foregone would have been zero. Thirdly, the whole exercise is based on the value of remittances in 1972 which is likely to be very much lower per migrant than in later years. This the author acknowledges by saying that "Egyptians can now legally remit income at a rate almost as favourable as the black market rate. In the future, this should increase the incentive for legal remittances and thus reduce the possibility that they will be used to import consumption goods".

1. Ibid, p. 297.
Nevertheless, it seems that even if more recent and more accurate data is used for the value of remittances and output foregone the suggested formula would still be an inadequate measure of the impact of migration on development so long as it ignores the pattern of expenditure of both remittances and the income earned before migration, as well as the impact of migration on the productivity of migrant and non-migrant labour, on income distribution and inflation.
II Impact of Social Structure

In our search for studies dealing with the non-economic (in the narrow sense) impact of labour migration we were faced with a dearth of substantially researched or documented material. Only one area, that of the impact of migration on family structure, has been to any degree substantially researched. Apart from the six studies that focus on this issue, we are aware of only one study investigating the impact of migration on occupational structure, one substantial attempt to assess changes in social values as a result of migration and a passing reference to the impact of migration on fertility rates. This section will comprise a review of these studies.

1. Social values:

The impact of labour migration on social and political values has gained the attention of a number of writers from various disciplines of the social sciences. Opinions on such important issues as, the impact of migration on Egyptian cultural values, on Pan-Arab sentiment and the role of migration in deflecting potential political opposition are not difficult to come by. However, much of such comment takes the form of personal affirmation. Rarely is it based on any form of social scientific enquiry.

A notable exception is an examination of changing social values by Ibrahim, who in *The New Arab Social Order*, 1 an

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examination of the restructuring of the Arab World consequent to the oil boom, devotes part of one chapter to the impact of migration on social attitudes and values. Ibrahim's procedure is to draw out the social implications of published empirical and mainly economic data, by exercising sociological insight supported by logical argument. In such a manner issues of major importance are discussed through a laudable exercise of what has been termed "the sociological imagination".

Various consequences of labour migration, often reinforced by state policies have, argues Ibrahim, brought about radical changes in social values and aspirations. A new breed of Egyptian has consequently emerged whose relation to Egypt and 'things Egyptian' stands in sharp contrast to the pervading ideological stance of the 1960s. The rapid increase in money earnings of those working abroad has resulted in new and conspicuous consumption patterns. These consumption patterns create a demonstration effect so that material expectations have risen far beyond the earning capacity of most Egyptians. The state has reinforced this process through such measures as exempting migrants from taxes on earnings abroad and allowing the general importation of all varieties of luxury goods. In addition, the "easily earned, easily spent money" of migrants has undermined the value of productive work. Because of the huge wage differentials between Egypt and the labour importing states, Egyptians are prepared to
accept employment far below their skill levels. This has in turn led to a downgrading of work skills of Egyptian migrants. At the same time a change in attitude to work itself is evident. Financial and professional success is no longer dependent on the quality of work. Rather success is assured merely by working abroad. What is significant now is no longer how well work is performed but where it is performed. As a result of both the "decline in work ethics" and the dramatic rise in material expectations, "we are witnessing an emerging breed of Egyptians who are quite hostile to any notion of paying taxes ..." (p. 89) ... "a new attitudinal syndrome is developing toward 'success', 'work', and 'consumption'," typified by what have now become the code words for success: 'luck', 'opportunity', 'secondment', 'contract' and 'abroad': (p. 91).

As a further consequence of migration and the oil syndrome, attitudes to Egyptian made produce, Egyptian institutions and even Egyptian currency have radically altered since the 1960s. "Thus, consuming Egyptian-made produce is no longer a source of national pride, nor does it represent a statement of conscience." (p. 91). Rather local goods are consumed because they are cheaper than imported items and mainly by those who have not worked outside. The downgrading of local currency, an additional feature noted by Ibrahim, may have begun with those earning abroad. However, the government has certainly aided this
process by, for example, stipulating that customs and taxes on imported goods must be paid in hard currency and by giving priority to those paying in hard currency for housing, real estate and certain durable goods. In turn, this process "has become a moving cause in its own right: people now compete for foreign jobs to be able to afford foreign goods and even some of the local scarce goods (e.g. housing and cars) (p. 92). The result, maintains Ibrahim, "is a steady decline of pride in authentic objects and values". (p. 91).

This section of Ibrahim's discussion is full of interesting insights that open up many areas for further investigation. In our sketchy outline of the skeleton of his argument we have not done justice to the vivid detail often presented. On one level, however, Ibrahim himself consistently over-generalizes, and this perhaps is one of the major weaknesses of his exploration. Throughout the discussion, 'Egypt' and 'Egyptians' are treated as coherent entities. As Ibrahim himself notes in his conclusion to the chapter, "of course, there is no 'One Egypt' in abstract. In reality there are several ..." (p. 94). In the light of this acknowledgement, it is a pity that in his discussion Ibrahim did not make more explicit to which 'Egypt' or groups of Egyptians the various points in his analysis pertain. Likewise, since Ibrahim continues by noting that "what may seem 'positive' for one, may very well be 'negative' for another", it is
a pity that he fails to explore the different, and quite possibly conflicting stances of various social groups towards the types of changes he has identified. The differential impact of 'the new oil syndrome' on different social groups, and the variety of perceptions of, and reactions to the various changes outlined, as well as the potential conflict of group interest that is implied, are blurred in Ibrahim's presentation of a coherent set of new attitudes and social values emerging as a result of the oil boom.

2. Family Structure and the Role of Women:
   Rural Women:
   Ibrahim's discussion proceeds with a section entitled, "The Feminization of the Egyptian Family". In this he briefly explores the impact on the family of firstly, the migration of males who leave their families behind (which pertains to an estimated 50 percent of married Egyptian migrants), and secondly, the migration of women, a topic we shall take up later.

   Ibrahim maintains that as a result of the migration of married men, many wives are now assuming the total management of the household and "a whole generation of Egyptian youngsters is now growing up in one-parent families, with the other parent no more than a periodic visitor". (p. 92). Whilst noting that for some this may be hailed as a situation allowing women greater sexual power and self-assertion, and for others it may indicate
no real qualitative change since Egyptian fathers anyhow do not play a major role in child rearing, Ibrahim does not develop his discussion any further, nor does he substantiate his generalisations. How often are men no more than periodic visitors throughout the entire period of their children's formative years? Are their children in fact being raised in 'one-parent families' with all the overtones of Western nuclear family isolation that this implies? Are there not wives who are left behind in extended families or who are otherwise surrounded by relatives who aid in child rearing? And again, should we not also distinguish between households of different social groups such as, for example, peasant households, those of the urban working class where matri-local residence patterns prevail, and the perhaps more isolated families of the urban middle classes. In short, to which wives, family structures and male migration patterns is Ibrahim referring?

Our comments on Ibrahim's brief account of changes in family structure are made from a position of relative advantage. Since the time that Ibrahim was writing, a number of studies of the impact of migration on family structure and the roles of migrants' wives have reached the light of publication. These comprise four studies of the impact of male migration on rural families, one on wives of migrants in Cairo and one study of Egyptian women working in Kuwait.

The most substantial examination of migration and rural family structure is that provided by Khattab and
Daeif, Impact of Male Labour Migration on the Structure of the Family and the Roles of Women. In a small scale and intensive anthropological study of 20 families in one Delta village, a wealth of detailed and subtly observed information is systematically and sensitively examined.

The main focus of the study is the impact of male migration on the economic and social roles of their wives left behind in the village. The researchers' initial hypothesis is "that wives of labour migrants who are forced to make independent decisions during husbands' absences concerning management of property and remittances will gain higher status relative to husband and to in-laws, whereas women who are deprived of managing husbands' remittances and property will experience little or no change in their roles and status". (p. 68)

Fieldwork was conducted in the Menoufiyya village of Babel wa Kafr Hamam over a period of eight months (August 1980 - March 1981). 15 families of migrants and five families of non-migrants were selected for comparative study. Observation of these families and informal discussions with the female members of each household was supplemented at the final stage of research by the administration of a structured interview schedule.


2. The vast majority of Egyptian rural migrants migrate singly, without their families or dependants, c.f. Ch.IV of this report.
The researchers record the following characteristics of the selected families:

1. Family type:

   - **migrants' families (prior to migration)**
     - nuclear: 8
     - extended: 4
     - joint: 3
   - **non-migrants' families**
     - nuclear: 2
     - extended: 2
     - joint: 1

2. Age range:

   (migrants and non-migrants not differentiated)

   - **wives 20 - 40 years**
     - husbands 25 - 54 years
       - husbands: 2
       - wives: 0

3. Educational status:

   - university education
     - husbands: 2
     - wives: 0
   - secondary technical school preparatory education
     - husbands: 2
     - wives: 0
   - primary education
     - husbands: 0
     - wives: 1
   - read and write
     - husbands: 4
     - wives: 1
   - illiterate
     - husbands: 6
     - wives: 14

Educational status of children:

31: 37 school age children are in school

One migrant's family and one non-migrant's family have school age children not in school

1. This type of family comprises two or more married siblings and their children.

2. The total here is 19; the researchers seem to have lost a husband.
5. Occupational status of migrants:

Occupation of husbands abroad:¹

- School teacher 1
- Agricultural extension worker 1
- Salesman 1
- Electrician 1
- Driver 2
- Agricultural labourers 3
- Construction labourers 5

Occupation of wives whilst husband abroad:

- Dressmaker 5
- Agricultural wage labourer 3
- Supervising family land and livestock 5
- Housewife 2

Occupational status of non-migrants:

Husbands:

- Industrial labourer 1
- Custodian in domestic service 1
- Peasant or agricultural labourer 3

Wives:

- Domestic servant 1
- Supporting family business (land or trade) 4

¹ The total here is 14.
The aim of the study is to investigate changes in family structure that are taking place as a result of migration. In order to grasp these changes, the researchers make use of various types of comparative data: information solicited from migrants' wives concerning the structure of the family and their own roles as wives prior to their husbands' migration; the structure of the selected families of non-migrants, and a model of the traditional Egyptian peasant family. This model is described in careful detail before the researchers proceed to an analysis of their own data. Since they present it "as a background necessary for understanding changes taking place as a result of migration" (p. 17), we will briefly and schematically outline their model below.

The traditional peasant family is based on common ownership of land and property. As a production unit relying on family labour, its resources are controlled, and labour allocated by the senior male. On his death, the breakdown of the extended family occurs in one of a number of ways. Common ownership of land and assets may be maintained and some brothers may continue to live as one household in a joint family structure; inheritance may be divided, but brothers continue to live under the same roof, as independent nuclear families; or one or more of the brothers may move out to establish his/their own independent residence.
The status and role of a peasant woman is a function of the various stages in her life cycle. On marriage, as a young wife, she is incorporated into her husband's family. At this point, she is subordinate to all others in the family and she performs the heaviest and most menial tasks. Her labour, the resources allocated to her (e.g. food) and her social behaviour (e.g. visits to her father's house) are regulated and controlled by her mother-in-law. After the birth of her first son, her status improves and as her children grow up, her daughters relieve her of some of her chores. It is usually at some point in this stage of her life cycle that the dissolution of the extended family occurs, either through the death of the household head or by the move of her immediate nuclear family to a residence of their own. Within an independent nuclear family (unless her mother-in-law is residing with her) she assumes managerial responsibility for the home, and her relationship with her husband is more egalitarian. With the marriage of her son, she moves into the final stage of her life cycle and assumes the role and status of senior female household head.

With this model as a basis for comparison, the researchers then proceed to discuss the changes in structure and female roles evidenced by their selected families of migrants.

Residence patterns of migrants' families are being affected by migration to varying degrees, but overall there is "an obvious trend towards the dissolution of patri-local patterns
and the emergence of nuclear families". (p. 24) This applies to all family types: extended, joint, and nuclear families that share common housing. Of the two nuclear families sharing houses, one has bought land on which to build a house and the wife in the other family "literally kicked her husband's family out of the house". (p. 28) The three joint families are all in the process of change. They now live as independent nuclear families with separate budgets, and two families have bought land for building a house. Of the four wives in extended families, one has moved into a new home built with her husband's savings from migration; two have moved back to their families of origin from where one of them is maintaining herself by dressmaking and supervising the building of her home from her husband's remittances. The fourth wife, however, has remained within her husband's extended family. Khattab and Daeif relate her situation of 'no change' to the fact that she is not in receipt of her husband's remittances and has taken no part in the management of these.
Daeif and Khattab then move on to examine inter-family relations. Here they find that, with the exception of the wife who is not receiving remittances, all wives report a noticeable change in their husbands' behaviour and attitudes towards them. "Husbands who delegated responsibility primarily to the wives have since then been treating them as partners", (p. 28). One husband expresses his appreciation of his wife thus; "Not only did she work to earn money to provide for her family, but she knew how to manage the irregular remittances sent home", (p. 28). The researchers contrast the migrant husband-wife relationship with that of non-migrant married couples. Only one of the wives reported that she participated with her husband in most decisions and that she bought household items herself. The researchers comment, "This may be due to the fact that she is a working woman, with an independent income and at the same time there is no other senior woman in the house (mother-in-law) to whom the husband would turn to for advice". (p. 29) The other four wives of migrants have their mothers-in-law living with them. Khattab and Daeif conclude that these observations confirm their hypothesis "that male labour migration which created the dependence of the husband on the wife's services and burdened her with new responsibilities will perpetuate a more egalitarian relationship between spouses". (p. 28).

One of the most significant changes in the family relationships of migrants' households is that occurring
between mother-in-law and daughter-in-law. Here the shift into nuclear family independence represents an attempt by labour migrants' wives to remove themselves from the control of their mothers-in-laws. Principal factors enabling wives to effect this move are their own economic independence and/or their control over their husbands' remittances. In some cases the economic independence of the wife has enabled her to reverse her previous position; the daughter-in-law is now giving a monthly allowance to her mother-in-law.

Labour migration has also brought about "major and abrupt changes" in the economic structure of the migrants' family. Here Khattab and Daeif maintain that the "traditional rural family has always been known to be self-sufficient in its production and consumption patterns". (p. 40) Following the migration of one of its members" the primary source of family income is no more from the work of the family as a production unit". The research findings indicate that most labour migrants' families no longer rely for their subsistence on agriculture since returns from farming are marginal compared to their income from remittances and from the wife's earnings. Migration also seems to increase the wives' economic value to the household particularly in the early period of migration when remittances are unsure and irregular. The economic value of migrants' wives stands in sharp contrast to the "marginal role of women" in the traditional household economy.
The new economic and social roles assumed in their management of remittances and household affairs whilst their husbands are abroad, brings migrants' wives into a far wider range of public activity. The discovery that they are capable of handling what have always been designated as male responsibilities has in turn "given women a new concept of self". Their pride in the way that they have carried out their new responsibilities, the confidence they express in their ability to manage household resources and their increased sense of "personal efficacy" is contrasted both with wives of non-migrants and with the labour migrant's wife who is not in receipt of remittances. With the exception of the non-migrant's wife who works as a domestic servant, all these women perceive themselves "as working hands who should be subservient to their husbands and their mothers-in-law. Moreover they are convinced that their husbands' allegiances are to their mothers rather than to their nuclear families". (p. 65).

The researchers conclude by maintaining that their investigation has confirmed their initial hypothesis that migrants' wives who manage their husbands' property and remittances in his absence gain higher status in his eyes and in the eyes of his family. They also note that crucial to this improved status is the shift in residence patterns which has been accelerated by the migration of the husband. By moving out of her husband's family house, the wife can
both achieve independence of her mother-in-law and assume a wider range of economic and social roles, which in turn reflect on her husband's attitude and behaviour towards her.

Khattab and Daeif have made a significant contribution to our understanding of many of the implications of migration for rural families. Theirs was the first study to explore the subject in the Egyptian context and as such it has had a clear influence on the later work of others. It is also the first substantial work, to our knowledge, that focusses on any aspect of the lives of Egyptian rural women. Its wealth of anthropological observations and its vivid use of quotations as the women themselves comment and reflect on their experiences give valuable insight into the lives and aspirations of these village women.

Khattab and Daeif are clearly very much in control of their subject matter. An important sense of authenticity is conveyed by the text, which greatly adds to the persuasiveness of their interpretation and conclusions. However, we have some reservations about their argument and procedure.

One procedure employed by Khattab and Daeif is to compare migrants' families with a model of "the tradition peasant family." When variations are perceived, these are attributed, directly or indirectly, to the impact of migration. However, they fail to demonstrate that the selected migrants'
families did indeed conform to this traditional model prior to migration. It is to be regretted in this respect that the occupations of the husbands before they migrated are not recorded. How many, in fact, were peasants? The fact that three out of 15 husbands are professionals or skilled workers, the extraordinarily high enrollment in school of their children (only two children of school age are not in school), and the occupational status of their wives (five dressmakers, all of whom had "acquired this skill before their husbands' migration" (p. 58)) indicate that many families had already made the shift away from a traditional peasant way of life, prior to migration.

A second procedure employed by Khattab and Daeif is to compare migrants' families with those of non-migrants. This however is only appropriate if the two groups of families are adequately matched with respect to the characteristics chosen for comparison. This is difficult to achieve when such small numbers are involved, and whilst the two groups may be matched in terms of 'family type', they are evidently not, in terms of the economic roles of wives. Here there is an obvious bias in the group of non-migrants wives towards 'traditional' activities (four out of the five wives are engaged in family production), and a bias in the migrant group towards employment in independent income generating activities (five wives are dressmakers and three are agricultural wage labourers). Since Khattab
and Daeif themselves note the significance of a women's economic independence (for example, in shifting her relation of subserviance to her mother-in-law, p. 33) these are quite serious biases.

How important are our objections? On the methodological level they are not of great significance. For in fact we could ask why it was felt necessary in the first place to employ either of these two bases of comparison. The case histories of migrants' wives provide themselves a basis for historical comparison and are evidence enough of changes that have occurred in the lives of these women. However, on the substantive level we should ask what changes are in fact convincingly documented and how adequately do the researchers demonstrate that these are associated with migration.

A central argument of this study is that "labour migration has enhanced and intensified the process of change within the structure of the family in many ways but is best exemplified in changing residence patterns". (p. 68) The role of migration in accelerating the move to independent nuclear families and the significance of this move for the role and status of wives is vividly documented by the case histories presented. In our opinion it is with reference to this point that the argument is on most solid ground.
When the researchers move on to discuss changes in the economic roles of wives, their argument is much less convincing. Labour migration "has brought about major and abrupt changes in economic roles and relationships that are having far reaching implications for the economic structure of the family". (p. 41) This they demonstrate firstly by a comparison of the economic roles of migrants wives with those of women in 'the traditional peasant household', where they maintain, "women were assigned a marginal role in the household economy". (p. 41) Firstly, even if such a comparison were appropriate, we would suggest that female labour is certainly not marginal to peasant economy. The heavy labour input of females in agricultural tasks, in livestock care and in the production of dairy produce possibly for the market, has been well documented and could be more accurately described as essential to the viability of most peasant production units. Secondly, and as we have previously noted, the evidence provided by this study suggests that the shift out of the traditional economic role of peasant wives was made by many prior to the migration of their husbands. However, a further point is also made by the researchers labour migration "has increased the value of women's contribution to family sustenance especially during preparations for migration and the early period when remittances sent home were unsure and irregular". (p. 70) Illustrations of this point are provided by the increased economic activities of dressmakers
following their husbands' migration. This is an interesting point and could usefully have been further elaborated. However it does not provide evidence of a "major and abrupt change in the economic roles of these women" but rather of an intensification of a previously existing role.

Arising from this point is an objection on a more general level. The term "rural women" is frequently employed by this study with the implication that rural women comprise a homogeneous group. In fact, the data provided by this study is rich enough to indicate that at least one important distinction has to be made i.e. that between women involved in family production over whose revenues they have no control and those involved in independent income generating activities. For it is clear from the study that the one wife of a non-migrant who was employed in the wage labour market (as a domestic servant) had, in Khattab and Daeif's somewhat problematic terms, "a more egalitarian relationship" with her husband and was able to participate in joint decision-making with him, as well as to make independent decisions of her own. In fact in this respect, her role and status seems very similar to that of most migrants' wives and certainly far more 'egalitarian' than that of the migrant wife living in an extended family with no economic resources of her own. It would appear then that the implications of migration for the roles and status of wives may not only be a function of whether or not these wives are in control of
remittances, but of whether or not they are engaged in independent economic activities. In terms of economic roles, the data suggests that for those wives who were not engaged solely in household production but who had some independent economic activity of their own, migration may enhance the significance of this role to the family.

The most significant contribution, in our opinion, that this study makes is in its careful documentation of the role that migration plays in accelerating the move to an independent nuclear family and in its detailed demonstration of the implications this has for the role of the wife on many levels. Our reservations about some of the methods and procedures employed in the study and about some of the conclusions consequently drawn do not undermine the importance of this conclusion. Nor do they detract from the value of the wealth of anthropological observation and detail provided by the researchers.

Many of the reservations we have expressed apply equally to Khafagi's study of the impact of migration on the roles of wives in the Giza village of El-Qebabat. The methods of


The argument presented in these articles is basically the same. The most developed account of her study is that in "Women and Labour Migration" and it is this account that we primarily drew on.
comparison employed by Khafagi are similar to those of Khattab and Daeif, as are many of the conclusions that she draws. However, this study is based on 'one-off' in-depth interviews and lacks the rich texture of anthropological detail provided by Khattab and Daeif.

Khafagi chose 12 women for interviewing. Of these, nine are migrants' wives and three are wives of non-migrants. Although again we do not know the occupational group to which these families belong, as the work of the husband prior to migration is not recorded, Khafagi maintains that since land in the village is evenly distributed and non-agricultural employment opportunities are open to the majority of the villagers, "one can speak of the women as a homogeneous group". Khafagi's procedure is to investigate changes perceived in the roles of migrants' wives as compared with both the "traditional role" ascribed to women in El-Qebabat and with the three non-migrants households who "serve as a control group".

Khafagi begins by maintaining that a crucial factor in determining the power of a migrant's wife is the family type (here discussed in terms of nuclear or extended family structures) in which she is left behind. All wives selected for interviewing are living in nuclear families, except one,

1. We find the logic of this argument somewhat unclear.
who since the migration of her husband lives in her family of origin. Those who are living in nuclear families set up their independent households prior to the migration of the husband. Migration has therefore not affected the residence pattern of the majority of wives interviewed.

With the migration of their husbands, wives in nuclear families have assumed the role of household head and taken on new responsibilities both inside and outside the household. Within the home, they are in control of financial resources and their expenditure, and this includes the remittances sent by their husbands over which they have full control. Within the family they have become fully responsible for the disciplining of their children, a task previously assumed by their husbands. Outside the home, those whose husbands owned or rented land have taken on the management of the farm, including the hiring of labour and dealing with the agricultural cooperative. The migration of men has thus changed the traditional division of labour within the peasant family.

The new tasks and responsibilities taken on by migrants wives have earned them increased influence inside
the family and an increased interaction with the wider community. For the first time they are solely in control of the financial resources of the household and this is "one key which helped to break down male dominance and to equalize power between husband and wife". The wives' new dealings with public institutions, previously the prerogative of their husbands, has increased their self-confidence and led to a greater identification with the community. Khafagi concludes, "Both husband and wife have experienced the advantages of acting together and taking joint decisions", and "Clearly, women are not only 'filling the gap' until their husbands come back from work abroad".

This concluding point of Khafagi's is taken up in a paper by Taylor which attempts to examine how far observed changes in the roles of migrants wives represent permanent shifts in family structure.

Taylor's study is based on observations and discussions with 20 families of peasant migrants during her 18 months fieldwork in the Giza village of Dahshur (1981-82). On the grounds that women in Dahshur do not represent a homogeneous group, but include for example those women who are secluded within the home (e.g. the wives of land-owners or wealthy

3. Taylor, E. "Egyptian Migration and Peasant Wives "Middle East Research and Information Project, No. 124, June 1984."
merchants); these who are engaged within and outside the home in family production (e.g. peasants), and those who work in the wage labour market (e.g. white collar workers and agricultural labourers), Taylor confines her discussion to the wives of peasant migrants.

The impact of migration on the position of peasant wives depends crucially on two factors: the stage in the woman's own life cycle during which migration occurs, and the type of family structure in which she is left to operate. If migration takes place not long after marriage into an extended family and before the birth of children, then the position of the wife is in many ways weakened. Her bargaining position in the family is less in her husband's absence and her husband's remittances are invariably sent to the household head. If migration occurs after the birth of children, and in particular sons, although the household head will still be in receipt of remittances, the migrant may be able to ensure a specific allocation for his children. The inbuilt tensions in such a situation are clear. The migrant and his wife attempt to assert a larger claim on remittances than other family members and the wider family in turn may seek to withhold what to the migrant and his wife is their fair share of the revenue from land and livestock. The resolution of this conflict often occurs by the establishment of the migrant in an independent nuclear family.
The implications of migration for a wife in a nuclear family seems to depend on at what stage in her life cycle migration takes place. If she is young, and without children, she typically returns to live either with her husband's family, or more commonly, with her own family of origin. Whilst a young woman with young children may remain in her own home, a male relative is normally appointed by her husband to assume responsibility for his family in his absence. In such cases, remittances are sent to the relative for his supervision and control. It is "older" women (in their mid twenties onwards) who have children, particularly sons who are old enough to act as 'protectors', who are typically left to manage the nuclear household whilst their husbands are away. It is these women who are most likely to be in receipt of remittances and whose duties and responsibilities are significantly expanded by migration.

The major shift in the position of such wives is that they now have direct control over both the revenue from land and livestock and over that part of remittances sent by their husbands. Migration to these women has meant a significant increase in control over their own lives and over the lives of their children. This control, however, argues Taylor, is neither total nor permanent. Although of necessity migrant husbands have transferred many responsibilities to their wives, matters over which they can control still seem to remain firmly in their hands. Normally savings remain with
the husbands for expenditure on their visits home. Only daily living expenses, or sums earmarked for specific purposes are sent their wives. Formal arrangements for the marriage of children are delayed until their return or visit home. The period after the migrant's final return home is often fraught with conflict "as he resumes the patriarchal role he never fully relinquished ... Whilst the migrant's respect for his wife and her achievements may well have increased, this does not allow her, in his eyes, to impinge on his control of the household and its resources once he has returned". (p. 10).

Taylor thus argues that the temporary migration of Dahshur's peasants does not seem to have led to any permanent shift in patriarchal family structure. The paper also argues that the roles of women are not primarily a function of their self-esteem or confidence but of the structures in which they are placed. If migration leads to a permanent structural shift in the household then the position of women within it might well be permanently changed. Such a shift could occur, for example, if migration led to the transfer of a peasant household into a capitalist enterprise employing hired wage labour. In such cases migrant wives may well retreat into the secluded leisure of their homes, as for example has been noted in some areas of the Yemen. Such a shift, however, has not been observed in the village of Dahshur.
In a paper examining the impact of labour migration on rural social structure, Abdel Muaty devotes a brief section to the implications of migration for some rural families. His findings are based on interviews with 20 wives of migrant peasants and agricultural labourers from the Delta village of Dafra (Gharbiyya governorate) conducted in 1983.

Abdel Muaty's focus is on the problems faced by migrants' wives before and during their husbands' migration. Before migration the main reported difficulties were invariably of an economic nature: insufficient income; the frequent unemployment of their husbands and the inability to keep up with the rising costs of living. After the migration of their husbands, the areas of difficulty most commonly mentioned by these wives concerned their children and in particular their children's education. With their husbands abroad, these, for the most part illiterate women, were now faced with the sole responsibility for their children's regular attendance at school, arranging private lessons and supervising their studies at home. In particular they found it difficult to control and discipline their sons, and here it was not merely problems associated with education that were mentioned, but also conflicts arising because of the increasing financial demands their sons were making of them.

The second most common area of difficulty reported by these wives was that of their relations with their husbands' family, and again it was financial disputes, for example over the division of revenues from the sale of commonly held family property, that gave the greatest cause for anxiety. Figuring also as a major worry to these women was their husbands' expenditure of savings on their visits home. Too high a share of their savings was consumed by lavish entertainment of friends and their high consumption of food and drink. When asked finally how migration has affected their relations with their husbands, 40 percent of these women replied that their relationship had deteriorated. Their husbands had become not only extremely extravagant, but also nervous and irritable. Some maintained that whilst spending money lavishly themselves, they frequently accused their wives of extravagance in managing the household. A frequent complaint was that their husband accused them of immoral behaviour whilst they were abroad, and that this irrational jealousy was a common source of conflict between them.

This brief section of Abdel Muaty's paper adds a new dimension to the story of migration as it impinges on some rural families. The new responsibilities assumed by wives may be a source of pride and added self-confidence; they may also be a source of strain and anxiety. Migration may not only bring increased revenue, but also increased conflict over its expenditure. The higher income level may increase the status of migrants' families; it may also be
a source of tension between them and their wider kin. And whilst husbands may respect their wives for their shouldering of responsibilities in their absence, they may suspect their wives of misusing their newly found freedom.

Urban women:

The only study to our knowledge to examine the impact of migration on urban wives is that undertaken by Zaalouk.¹

The aim of this study is to explore the nature of the changes experienced by migrants' wives in Cairo. Data was collected by the intensive interviewing of 15 Cairene wives from various social and occupational groups. The characteristics of the families presented are summarised as follows:

<table>
<thead>
<tr>
<th>Occupations of Husbands Abroad</th>
<th>Present Occupations of Wives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional</td>
<td>Professional</td>
</tr>
<tr>
<td>Skilled worker</td>
<td>White collar worker</td>
</tr>
<tr>
<td>White collar worker</td>
<td>Industrial worker</td>
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<tr>
<td>Construction labourer</td>
<td>Housewife</td>
</tr>
</tbody>
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<table>
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<tr>
<th>Present Residence Patterns of Wives:</th>
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</thead>
<tbody>
<tr>
<td>Independent nuclear families</td>
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<tr>
<td>Extended families (own or husbands)</td>
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<table>
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<tr>
<th>Types of Marriage:</th>
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</thead>
<tbody>
<tr>
<td>Arranged marriage</td>
</tr>
<tr>
<td>'More or less' by choice</td>
</tr>
</tbody>
</table>

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¹ Khafagi, F. and Zaalouk, M. "The Impact of Male Migration on the Structure of the Family and the Role of Women Left Behind in Rural and Urban Egypt", report solicited by UNESCO, November (1982 mimeographed). Khafagi was responsible for the section on rural women and Zaalouk for that on Cairene women.
It is somewhat difficult to review this study as it is exceedingly unclear and unfocused. Part of the problem is a function of the large range of 'female types' represented: professional and working class women, housewives and income earning women; women living with their families of origin, with their husbands' families, and in their own nuclear families; childless women and women with more than three children.

Such a variety of women and situations could lead to valuable comparison were the information systematically organized, for example in the form of coherent case studies. Unfortunately this is not undertaken. It is therefore for the most part extremely unclear to whom either the generalizations or the specific details proferred in the text relate. A further problem arises from the lack of systematic information about family structure and the roles of these women prior to the migration of their husbands. We are not told, for example, how many of these wives were living with their in-laws before the migration of their husbands, nor how much help with child rearing the women used to receive from their husbands. It is extremely difficult therefore to get a clear picture of what the changes are that have occurred as a result of migration, and to what 'kind' of women these changes relate.
The author summarises her conclusions both at the outset of her report and in the final pages. We will attempt to extract her major points.

This study contrasts sharply with those previously undertaken of rural migrants' wives, for whom migration seems to have led to a substantial improvement in their situation. In Cairo, however, "there seemed to be a general deterioration in the role of a number of women, in addition to their sense of being victimized" (p. 48). This in particular seems to apply to those women "who were essentially repressed and dependent prior to their husbands' emigration". Those women, however, who "had been more or less independent prior to their husbands' migration were now confronted with far more responsibilities than they could handle single-handedly and mostly suffered from emotional disturbances, such as insomnia, deep depressions and excessive nervousness, some of which was reflected in their relationship with their children: some were overwhelmingly possessive and protective, others were intolerant and impatient". (p. 49) As far as changes in the relation of these wives to the wider community is concerned, Zaalouk concludes that their role has "markedly suffered a number of set backs as a result of: "their increased responsibilities in the household", their "restrictive objective conditions, (such as being under the control of their parents-in-law), or of "self-inflicted restrictions as a result of a strong adherence to cultural norms and religion". (p. 74).
Women migrants:

A careful study by Abdel Gawwad explores virgin territory.¹ The focus of this study is on women who have themselves migrated for employment abroad,² leaving their families behind in Egypt. In particular the researcher explores the reasons for their migration and the consequences of their move abroad as they see them, for themselves and their families.

Abdel Gawwad's data is based on interviews with 50 Egyptian women working in Kuwait conducted by means of a structured questionnaire. Only women who migrated singly leaving their families behind in Egypt are selected for interviewing. The sample includes women from all the major occupations employing Egyptian women in Kuwait.

Abdel Gawwad records the following characteristics of her sample:

Age range; 25 - 50 + years

72 percent are between 30 - 40 years of age.


². According to Birks and Sinclair, among Egyptian teachers working in Kuwait, Qatar, and Saudi Arabia in 1975 over half were women, and of all recorded Egyptians working in Jordan (mainly professionals) again half were women. Birks, J. and Sinclair, C. "Aspects of International Migration in the Arab Near East: Implications for USAID Policy". USAID mimeographed, May 1979.

Ibrahim notes that in 1979 the number of Egyptian women working in Saudi Arabia alone was 7,817. The majority of these were employed as professionals or white collar workers; a minority worked as servants. The New Arab Social Order, p. 92.
Marital status:  
married 40  
divorced 4  
unmarried 4  

Residence in Egypt:  
Greater Cairo 45  
Alexandria 0  
Other towns 3  
rural 2  

Number of children:  
none 10  
1 12  
2 15  
3+ 13  

Educational status:  
illiterate 13  
reads and writes 6  
completed preparatory school 6  
completed university education 18  
completed post graduate studies 7  

Occupation:  
Before migration  
After migration  
university education 7  7  
social worker 11  11  
teacher 7  7  
nurse 6  6  
services 2  4  
maid 5  15  
not working 12  -  

Abdel Gawwad's results can be summarized as follows: When the respondents were asked why they took the decision to migrate, the major reasons given were financial; 38 women maintained their salaries in Egypt were insufficient to cope with the increasing cost of living, and 40 replied that they needed additional income to adequately provide for their children's futures. Five women were saving to buy a flat; 5 to buy a car, and 4 to cover their contribution to their marriage costs. Five women replied that they were the only breadwinners in their families and four were seeking a change of surroundings after divorce.

When asked about the consequences of their migrating for themselves and their families, the only positive result mentioned was their increased earnings. A number of negative consequences were, however, noted. Twenty women spoke of conflicts with their husbands; 30 expressed regret and anxiety about their being separated from their children, and five women said their children's performance at school had declined after their migration.

Their experience of life and work in Kuwait was also described in negative terms. Thirty-five women mentioned sexual discrimination experienced in their work and in the society at large; 21 women reported discrimination against Egyptians in regulations governing their employment (not specified) and in the treatment of Egyptians in the work place; 15 women had problems adapting to Kuwait; 12 mentioned
that they had too many responsibilities" and 5 faced problems of accommodation.

The author concludes her study by maintaining that the prime factors leading to the migration of these women were the various economic consequences of Egypt's 'open door' policy. She notes that although the negative consequences of migration as perceived by these women are immediate and personal, the long term social costs to Egypt will be far reaching. Here she mentions a sense of alienation from Egypt that migration often entails and the narrow pursuit of personal aims that is encouraged by migration to the detriment of social ties and aspirations.

Abdel Gawwad's study contains a wealth of interesting data that we only wish could have been elaborated and developed further. It is to be regretted that the questionnaire administered did not allow for further probing so that the answers solicited, although less quantifiably neat would have provided a richer texture and greater clarification. A more subtle analysis of the existing data could also have provided a less one-dimensional account. Do not, for example, the experiences, anxieties and perceptions of illiterate, working class women differ in significant ways from their professional counterparts? By differentiating between different categories of women on such bases, as for example age, occupation and educational status, different patterns of responses might well have been discernable, which would have made for a more interesting and significant deployment of the data gathered.
3. Occupational Mobility:

The existence within the Egyptian labour market of exceptional rigidities inhibiting upward occupational mobility was first hypothesized by Birks and Sinclair in an attempt to explain the co-existence of labour shortages, particularly at the skilled level, and unemployment at the level of the unskilled. One of the suggested implications of this hypothesis was that external migration has not led to significant occupational mobility within the domestic labour force.

A paper by Sabagh provides the only systematic attempt to date to examine this hypothesis. Sabagh's is an ambitious and highly valuable attempt to utilize far from ideal data to shift the hypothesis on to a more solidly based footing. This he attempts to undertake by firstly assessing the degree of mobility within the Egyptian labour market and secondly by assessing the impact of external migration on upward occupational mobility.

The sources of data utilized by Sabagh are published tabulations from censuses and labour force surveys; published


results of a survey of 232 heads of households in Cairo undertaken by Ibrahim in 1979,\(^1\) and data files from a 1978 survey of 4,530 household heads carried out by the Egyptian Population and Family Planning Board, Cairo, December 1980.\(^2\)

Sabagh's analysis begins with an examination of census and labour force data to assess the extent of occupational mobility within the Egyptian male labour force. Here his focus is on the degree of occupational upgrading evidenced between 1960 and 1976. The share of white collar occupations increased only moderately from 16.1 percent of the male labour force in 1960 to 20.1 percent in 1976. Within this category there was however a significant increase in the relative importance of professional and technical occupations (3.2 percent labour force in 1960; 6 percent in 1976) which Sabagh attributes to the rapid expansion in the numbers of university graduates over this period. The major barrier to upward mobility occurs between manual and sales workers, and the white collar group in the form of an "educational gulf".


"Only a small minority of the former have the formal education that is a prerequisite for upward mobility."

(p. 83) Sabagh expresses surprise that the share of the labour market of craftsmen or industrial workers remained relatively constant between 1966-76 inspite of the notable decline in the percentage employed in agriculture (from 52 percent in 1966 to 44 percent in 1976), and suggests that this indicates both the rigidities of the manual labour market and migration of rural labour abroad. In general, Sabagh judges the degree of upgrading of the Egyptian occupational structure between 1960-1976 to be "not spectacular" and to suggest "only a moderate amount of job mobility". (p. 81)

Sabagh then proceeds to assess inter-generational occupational mobility on the basis of data provided by the 1978 and 1979 surveys. A comparison of the occupations of household heads and their fathers, within the 8 occupational categories identified by the 1978 survey reveals a high index of gross mobility. 67.1 percent of the total sample of household heads evidenced upward or downward occupational mobility. This in part however reflects structural shifts in the labour market. Circulation mobility, i.e. mobility not effected by these shifts, was equal to 32 percent, which Sabagh judges as "evidence of fairly open avenues of mobility between fathers and sons"

1. However, perhaps Sabagh's interpretation should be treated with caution as the category "craftsmen and industrial workers" covers a wide range of occupations and thus obscures shifts that seem to have occurred within some of these during the 1970s e.g. a decline in crafts and an expansion in construction. There is much evidence to suggest a significant shift out of agriculture into construction. (c.f. Hansen, B. and Radwan, S. Employment Opportunities and Equity in Egypt, ILO, Geneva, 1982.)
and of a less rigid occupational structure than that portrayed by Birks and Sinclair, (p. 83)

However, Birks and Sinclair's suggestion that there are obstacles to mobility between manual and non-manual occupations is supported by data from both the 1978 and 1979 surveys. The index for circulation mobility between these two groups is 0.19 for Cairo and 0.25 for smaller towns and villages. The other major barrier to mobility identified by Birks and Sinclair occurs between agricultural and non-agricultural occupations. Here Sabagh makes an important distinction between landless agricultural workers, and landowners and tenant farmers. Whereas the 1978 survey shows that only 6 percent sons of agricultural workers held white collar occupations, the percentage for sons of farmers was 21 percent. Sabagh concludes that data on occupational mobility between generations only partially support the characterisation of the Egyptian occupational structure as being extraordinarily rigid. "There are undoubtedly some barriers to occupational mobility in Egypt, particularly between manual and non-manual jobs. But these barriers are not insurmountable" (p. 86).

A further test of the openness of the Egyptian occupational structure is then applied by Sabagh to the 1978 survey data. Indices, such as education, occupation of father and migration status are selected to test their relative importance for occupational achievement. In
particular Sabagh is interested to determine the impact of social origin (as indicated by father's occupation or educational status). A relatively closed occupational structure would be indicated by a situation in which social origin was more important than 'personal achievement'.

The results of a multiple regression analysis carried out for the 1978 sample indicate that, whilst social origin is an important factor in occupational achievement, education has a greater impact than any of the other independent variables, i.e. age, migration status, education and occupation of father. However the results of a further multiple regression carried out to measure the net effects of social origin on education indicated that social origin has an appreciable impact on educational achievement. Occupational career is then selected to determine its impact on occupational achievement. Here, only data on migrant household heads (22 percent of the sample) is examined as information on previous occupants of non-migrants was not available. The variables found to have a statistically significant net effect on the occupational achievement of migrants are, in order of importance: first occupation after migration; education; occupation prior to migration; and years of residence. Neither father's education nor father's occupation have any significant impact. "Migrants appear to be self
made men" (p. 87). Sabagh concludes that this stage of his analysis suggests "a fairly open and dynamic occupational structure where achievement is more a function of one's action than of social origin". (p. 89)

Whilst this conclusion indeed seems to be true for the sub-sample of migrant heads of households, it would appear to us only questionably applicable to the total sample. It is perhaps a rather surprising characterization of a structure in which the greatest obstacle to occupational mobility appears to be lack of formal education, the achievement of which is more closely associated with social origin than with any other selected variable.

The final step in Sabagh's analysis is undertaken by an assessment of the impact of external migration on the occupational mobility of the 1978 internal migrant sample. Sabagh's method is to compare the mobility of internal migrants before and after external migration got underway. Ideally, Sabagh maintains that the periods of comparison should be before and after the late 1960's. However, because of the small size of the sample, the only distinction that could be made was between migration before 1960 and in 1960 and after.

Since studies of internal migration to a number of Middle Eastern cities show that migrants from urban communities achieve higher socioeconomic status than either rural
migrants or metropolitan natives, Sabagh also makes a distinction in his analysis between rural and urban migrants. Thus four categories of migrants are distinguished according to period during which migration occurred and whether migration is from rural or urban areas.

A comparison of migrants who moved in the two migration periods shows that, in general, migrants (both urban and rural) who moved after 1960 tended to evidence greater upward mobility than those who migrated before 1960. Sabagh tentatively suggests that this indicates that migration may have contributed to some upward mobility within the domestic labour market. A multiple regression analysis, undertaken to assess the effects of the origin and period of migration on occupational status, reveals that social origin has no impact on current occupational achievement except for those urban migrants who moved before 1960.

Sabagh tentatively concludes from this that the urban occupational structure of smaller Egyptian towns is becoming increasingly open, a suggestion which is further supported by the trends in the $R^2$. For both urban and rural migrants the $R^2$ increase between the earlier and later period, which suggests it is possible that internal migrants who moved after 1960 could better translate their education and skills into higher occupational status, than those of the previous period. The general conclusion drawn from this analysis is that "since the years after 1960
witnessed the rapid growth of external migration, it would not seem farfetched to infer that this migration has had a beneficial effect on those who remained in Egypt". (p. 93)

However since as Sabagh's own tabulation of labour force data itself indicates (c.f. Table IV p. 82), a considerable restructuring of the Egyptian labour force is evidenced before and after 1960, which could in itself account in a large part for the greater occupational mobility of internal migrants between these two periods. The extent to which, or whether, external migration contributed to increased occupational mobility cannot be assessed from the data unmassed, nor inferred from indications of changes in structural rigidity after 1960. Sabagh thus perhaps rather hastily attributes the increased occupational mobility of internal migrants after 1960 to the impact of external migration.

In general however, Sabagh's analysis is particularly valuable, not only for the interpretations offered but for the data that is critically drawn together and presented in a manner that allows for alternative assessments. This is the first attempt to empirically examine Birks' and Sinclair's hypothesis which has become almost orthodox in the recent body of literature on Egyptian labour migration. The small size of the samples from which data is extracted and the biases built into them means that the conclusions drawn can only be tentative. There is clear room for further
research to be undertaken on the basis of surveys designed specifically to answer the question attempted by Sabagh on existing but less than satisfactory data.

4. Demographic Impact

An attempt was made to search for studies focusing on, or including reference to the impact of labour migration on aspects of demographic structure. In spite of some promising sounding titles of articles and conferences papers, the only substantive examination of any aspect of this broad issue was discovered in a paper analysing the determinants of fertility in Egypt which was presented to the International Conference on Fertility in Egypt in Cairo, December 1983. This paper is a summary review of the major determinants of fertility included in the Egyptian Fertility Survey conducted by the Egyptian Central Agency for Public Mobilisation and Statistics jointly with the International Statistical Institute in 1980. The data utilized include the reported absence of husbands due to their working abroad. The analysis undertaken estimates that having a husband working abroad will reduce the potential fertility levels by about 4.7 children. The authors note that husband’s migration has a more powerful effect on potential fertility than on ever-married fertility. For the latter, migration reduces fertility levels by 1.9 children (pp. 10, 13).

1 This includes those papers presented to the ECWA conference on International Migration and Population Growth in ECWA Countries, held in Nicosia (Cyprus), May 1981; papers of the ECWA Seminar on Population and Development in the Middle East held in Amman, November 1978, and articles in those issues of the Population Bulletin of ECWA that we were able to find in Cairo.

Chapter IV

Migration Out Of The Agricultural Sector

A. Characteristics of Rural Migration

Introduction

It has frequently been asserted that the migration of Egyptian labour to Arab states has had only an indirect impact on the rural sector. Villagers move to towns to fill jobs vacated by migrant urban workers and only then at a later stage possibly migrate abroad themselves. The high travel costs and the elaborate bureaucratic procedures involved in migration have often been assumed to preclude direct migration as a possibility for more than a few villagers.

Village level studies however clearly demonstrate that external migration has been taking place throughout Egypt's rural sector since at least 1973. In some areas, particularly those caught up in an early migration flow to Libya, migration

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began even earlier, i.e., at the end of the 1960s. That direct migration abroad out of the Egyptian countryside was not apparent to those relying on national level data provided by official records is not difficult to understand. For much migration out of villages was, and indeed still seems to be, largely informal\(^1\) or illegal\(^2\) and thus 'invisible' to official documentation.

In examining the characteristics of rural migration we have therefore had to rely primarily on data collected by village studies.\(^3\) These studies of six villages have been undertaken by researchers from a number of disciplines: economists, sociologists and anthropologists and focus on a variety of issues associated with migration such as the impact of remittances, the impact of migration

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1. By 'informal' migration we are referring to migration to Iraq, and Jordan, neither of which require visas or work permits of fellow Arabs.

2. Here are included those who travel to Saudi Arabia on a pilgrim visa and who remain to work illegally, and those who prior to the closing of the Libyan - Egyptian border in 1977, moved illegally across the border to work in Libya.

3. No survey of the rural sector as a whole with respect to the issue of migration has yet been undertaken, although a representative survey of 12,000 households, both rural and urban, will be undertaken by the Centre for Arab Unity Studies, Cairo, beginning November 1984.
on rural women and the impact of migration on agricultural labour markets. They cover a range of geographical and cropping areas: four Delta villages of which two are in the province of Gharbiyya, one in Sharqiyya and one in Menoufiyya; two villages in the Governorate of Giza in Middle Egypt; and one village in the Upper Egyptian governorate of El-Minia.

The range of topics and geographical areas covered by these studies provide a wealth of information about the patterns and impact of migration at the village level. It also however gives rise to certain difficulties when attempting to draw them together. The data presented is often not immediately comparable, as different sampling bases are used and different topics are focussed upon. Furthermore, since migration at the village level only became a topic of research in the late 1970s, the results of field studies are only now beginning to be published. This, together with the fact that researchers were working largely in ignorance of each others work means that they rarely engage in any dialogue with each other. Each study stands as an independent and isolated 'case'. In addition, since rural Egypt is certainly not a
homogeneous entity, the results of these disparate studies of a variety of types of village cannot be simply 'added together' to form a larger vision of the whole. Finally, since migration is itself only one aspect of wider economic and political trends and the impact of these on agrarian structure since the 1970s has been little researched, problems arise both at the level of identifying the impact of migration 'as a thing in itself', and at the level of locating the various village studies within the wider context of Egyptian rural structure.

Within the limitations outlined, we shall attempt in this chapter of the report to draw together the results of the various village studies of migration in an attempt not only to indicate what they add up to, but also where the most serious gaps in our knowledge lie and what, in our opinion, are the most fruitful approaches for future research. Where possible and relevant we shall also refer to macro-level data. In addition we shall make use of village studies, such as those of Hopkins and Missiri which, whilst not primarily concerned with the question of migration, nonetheless shed important light on the issue. In an attempt to provide some context for the discussion, we shall begin with a brief and schematic outline of the major features of Egyptian rural structure.
Before proceeding, however, a note of definition is needed. The term 'rural migrant' typically refers in the Egyptian context to males, who migrate singly without families or dependants, and who leave for other Arab states to work for a temporary period. Recorded instances of migration beyond the Arab World are very rare and the only villagers noted to have been joined abroad by their families are two professionals. There are no recorded instances of rural women migrating. When we refer then in this report to 'rural migrants' we are speaking of individual males who have left their villages to work for a temporary period in other Arab states.

1. The Rural Context

The Egyptian rural sector out of which migration is taking place comprises a diverse economy in which agriculture is absorbing a declining share of the rural labour force.\(^1\) Only about 60 percent of the total rural labour force is at present engaged in agriculture;\(^2\) however, opportunities for non-farm work are unevenly dispersed throughout the rural sector. The economies of different villages are thus to varying degrees diversified and this is reflected in the village studies to be reviewed, in which the percentage of the village male labour force engaged in non-agricultural activities varies from 21 percent (in the Sharqiyya village of al-Suiwini) to 63 percent (in the village of Dafra in the governorate of Charbiyya). In this respect, and in others, such as population size and skewedness of land distribution, villages within the rural sector evidence wide variations in structure.

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2. The inevitable underenumeration of females employed in agriculture is of course to be born in mind in any assessment of the total agricultural labour force.
Within the agricultural sector itself, crucial factors in agrarian differentiation include:

1. A fixed agricultural land surface of about 6 million feddans (one feddan equals approximately acre);

2. a rate of natural increase on rural areas of about 2.7 percent per annum;

3. a skewed land distribution pattern whereby 6.5 percent of Egypt's farmers work almost one quarter the total agricultural land;

4. the coexistence of two sectors of agricultural production: capitalist farming employing wage labour, and peasant production whereby land is worked primarily by household labour;

5. a large degree of state control over agriculture, beginning with the organisation of the basin irrigation system and extending to control over such areas as cropping patterns, marketing and farm prices.

From around the beginning of this century peasant numbers began to expand at a higher rate than their increased access to land. This population pressure on scarce and unequally distributed land, compounded by the partitioning of land according to Moslem inheritance laws, set in motion processes of land fragmentation and land consolidation. As small, unviable plots of land were sold off, the numbers

1. According to unpublished Ministry of Irrigation data, since the 1960s, land reclaimed from the desert (c:0.9 million feddans) has been offset by land lost through: urban and rural sprawl; salinity and water logging, and the erosion of the banks of the Nile and of canals.
of landless increased, as did the consolidation of land in the hands of the larger farmers. These twin processes were temporarily halted by the land reform measures of the Nasser years, but since the 1970s have reasserted themselves and today remain crucial factors in rural differentiation.

Since the land reforms of the Nasser period, it is not merely ownership of land, but access to land (which includes land rented in) which has formed a basis for agrarian differentiation. Land reform measures gave tenant farmers legal rights of security of tenure and of inheritance of tenancies, as well as fixing relatively low land rents. Although some erosion of these rights has been noted in the 1970s, these legal rights still act as constraints on the appropriation of tenants' lands by landlords. In recent years, although the amount of land owned by peasant farmers has decreased, the amount of land rented out to peasants has increased. The dynamics of agrarian structure in the 1970s thus include the consolidation of owned land in the hands of larger, primarily capitalist farmers, but at the

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1. According to Ministry of Agriculture data, since the last effective land reform measures in 1965, the percentage of land owned by farmers owning more than five feddans has increased from 43 percent in 1965 to 48 percent in 1977/78 (the most recent year for which there is data).
same time, an increase in the amount of land under peasant cultivation. 1

A critical role in rural differentiation is played by the state. Designated cropping areas are fixed by the state, and the major crops such as cotton, rice and sugar cane are bought from the farmer at prices well below the international market price. Although state pricing policies include subsidies for agricultural inputs, such as insecticides and fertilizers, overall terms of trade are unfavourable to agriculture. 2 Larger farmers, who can afford the capital investment involved, tend to grow fruit, which along with some other crops, such as vegetables, are not subject to direct government price controls. In addition, certain areas, notably those surrounding Cairo, are designated fruit and vegetable zones and peasants in these areas benefit therefore from the higher prices of the open market. In general, however, the majority of peasants are subject to controlled prices for their produce

1. The percentage of land worked by peasants (conventionally identified as those holding less than 5 feddans of land) was 52 percent in 1965 and 67 percent in 1977/78. (Ministry of Agriculture).

and most larger farmers grow crops not regulated by government price controls. In addition, government subsidies and credit facilities favour the larger farmer.  

According to an ILO survey conducted in 1977, 35 percent of Egypt's rural households live below "an acceptable standard of living". The vast majority of these villagers were found to be landless agricultural labourers or peasants holding less than one feddan of land. It is these two categories of villager who form the majority of internal rural migrants, i.e. of those who migrate either to towns or to other villages with better work opportunities. Whether it is these who also comprise the majority of external migrants is a question to be examined at a later point in this chapter.

2. Internal Migration

Although only two studies place the external migration of village labour within the wider context of internal migration to other villages or to urban centres, these are worth noting here, for these different migration paths are clearly taking place simultaneously within Egypt's rural sector and represent different options open to the

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deployment of labour outside the village.

An article by Messiri\(^1\) on tarahil or contract labourers in the Delta village of Al-Suiwini enumerates the different patterns of labour migration existing in the village today. In a paper examining the impact of mechanization in the village of Musha in the Upper Egyptian Governorate of Asyut, Hopkins\(^2\) outlines briefly the various migration paths taken by Musha's villagers both past and present.

From an examination of population census data for Musha (present population about 18,000) from 1917-1976, Hopkins concludes that substantial migration has been taking place throughout this period. Fieldwork conducted in the village in 1980/81 points to various types of migration patterns. In the past, tarahil labour was contracted to work on land outside the village for the period of the cotton season. This form of seasonal rural migration, which incorporated primarily the landless and poor peasants, no longer seems to be evident in the village today. The permanent migration of single males and of entire households to urban centres, in particular Alexandria and Suez, has a long tradition in Musha. About 5 percent of Hopkins' random sample of 120 households were found to have left the village and migrated to towns. These households were drawn from "the poorer strata" of the village. A larger

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percentage of households today have male members working in other Arab states in the region. Hopkins estimates these to represent about 11 percent of village households and these he suggests are from the more educated and wealthier village strata.

Whereas migration as tarahil labour no longer seems to be taking place out of Musha, in the small satellite village of Al-Suiwini (population of 3,307) in the Delta governorate of Sharqiyya, an extraordinarily high percentage of the male labour force is incorporated into the tarahil system. El-Messiri's survey of the entire village in 1979 reveals that 313, or 27 percent, of a total male labour force of 1,158 work at least some of the year as contract labour, mainly in the neighbouring Delta governorate of Tahrir. For 30 percent of these, contract labour is their main, or even sole, means of employment. With few employment opportunities available outside agriculture within the village and with 50 percent of households without access to land, half the entire male labour force works outside the village. The unusually high rate of internal labour migration, is accompanied by a high rate of migration abroad (i.e. relative to that recorded in other village studies). In the one year in which the village was surveyed, 75 villagers left to work in Arab states, or about 7.5 percent of the male labour force.
Indications at the national level are that rural migration to urban centres, particularly Cairo, is declining. Is some of this stream being diverted abroad, or is it a different category of villager who is taking this more costly and elaborate path for employment? Hopkins tentatively suggests that the latter is the case and maintains, but does not demonstrate, that it is the wealthier and more educated of Musha's villagers who are incorporated into the international labour market, while the poorer, largely excluded by the high costs of travel from migrating abroad, are continuing to migrate to towns. El-Messiry's data demonstrates that the poorest stratum of al-Suiwini are not excluded from the external migration flow. 15 percent of villagers who migrated in 1979 were tarahil labourers. Clearly here some diversion of internal migrants to the labour markets abroad is taking place in this Delta village.

The simultaneous examination of internal and external migration with a view to assessing the relationship between these different options for off-village labour deployment has yet to be undertaken by any village study. Village level data thus shed little light on the important issue of the impact of external migration on internal migration patterns.

This issue is, however, specifically addressed in a paper by Sabagh,¹ whose analysis is based on national level data. Sabagh maintains that it would be surprising if the rapid expansion of external migration during the 1970s "did not have a noticeable impact on rural-urban and inter-regional migration within Egypt". (p. 76). Since one set of data for the measurement of this impact in an "unambiguous way" is not available, (i.e. the regional origins of external migrants) the method deployed by Sabagh is to infer the effects of external migration on internal migration from regional population growth patterns and from estimates of net internal migration.

Two sets of data are utilized by Sabagh: the four population censuses of 1957, 1960, 1966 and 1976 to determine regional population growth patterns, and estimates provided by Morcos² of annual rates of rural out migration and urban in migration. Population census data demonstrate a marked decrease in the rate of urban population growth from 3.8 percent per annum in the period 1960-66, to 2.7 percent per annum for the years 1966-76, after a rise in the previous period (from 3.2 percent per annum in 1947-60).


2. c.f. Morcos, W. "Trends and Patterns of Urbanization".
The estimated annual rate of urban in-migration provided by Morcos for the period 1966-76 was 0.49 percent, which was about half the rate for 1960-66. This decline, maintains Sabagh, represents an unknown combination of a "reduction in net rural-urban migration and an increase in net external migration".¹ (p. 76). For the same period, the estimated annual rate of rural out-migration showed only a slight decline, from 0.9 percent - 0.7 percent. Sabagh maintains that the difference in the rates of decrease is a function of the increased rate of external migration in the 1970's. He offers three possible explanations of the way in which external migration could have affected internal migration rates. The first possibility is that "villagers were increasingly opting for migration to the oil rich Arab states rather than to Egyptian cities," (p.76) in which case the rate of rural migration to towns suffered a real decline. Alternatively rural migrants may be involved in a 'two step' migration, from rural to urban areas and then to the oil rich states, in which case "Egyptian cities were receiving the same or nearly the same volume of rural immigrants" but these

¹ More accurately it represents an unknown combination of net rural-urban migration and net external migration. It cannot be assumed that there is necessarily a reduction in the former, as Sabagh himself acknowledges at a later stage in his argument, i.e. in his presentation of the possibility of a two step migration pattern, outlined below.
were "mostly on their way abroad." (p. 76). The third possibility proferred is that the rate of return for rural external migrants may have been higher than that for external migrants from urban areas. Sabagh concludes, "whichever hypothesis is correct, there is no doubt that external migration had a marked impact on internal migration in the 1970's." (p. 76, emphasis added).

In fact there is clear room for doubt. For whilst the increase in external migration provides a plausible explanation for the difference in the rates of rural exodus and urban in-migration, that there is any relation between these trends cannot be conclusively demonstrated by the method employed by Sabagh. Indeed, Hansen and Radwan suggest a further explanation for the declining importance of rural migration to Cairo, and one that is not necessarily related to rural external migration, i.e. "the increasingly difficult conditions of life in Cairo". And if indeed as Hopkins suggests it is in fact different categories of villagers who on the whole take the different external or internal migration paths, then external migration may have little impact on the rate of internal migration. Clearly, the impact of external migration on internal migration still requires the attention of future research.

More specifically, questions still to be answered empirically concern the patterns of rural internal and external migration and the categories of villagers involved. One such possible pattern requiring empirical investigation is the 'two step' path to external migration presumed to be pursued by rural migrants. For although it has frequently been asserted that this is a dominant migration pattern of rural labour, this has yet to be demonstrated empirically. An examination of this issue could be undertaken by the reconstruction of the 'migrant history' of rural external migrants, either sampled whilst they were abroad or on their return to Egypt.

At the level of village studies, research could usefully be pursued which examines external and internal migration as processes that are simultaneously occurring and which represent different options for 'off-village' labour deployment. This has yet to be undertaken in any systematic or comprehensive manner.¹ A careful breakdown of the various types of migration patterns at the village level, rates of return, and categories of villager involved should

1. The excellent paper by Messiri most closely approaches this ideal. Its focus, however, is on seasonal contract labour and it does not break down other types of internal migration out of the village.
give us a more solid base for the interpretation of national level trends and of the possible impact of external migration on internal migration patterns.

3. Volume of Rural Migration

Of all categories of migrating labour, rural labour is one of the most difficult to assess in terms of volume or rate of flow. As we shall see, many, if not most, rural migrants migrate informally or illegally and thus escape official Egyptian records. Incorporated for the most part into those sectors of the international labour market that are casual and highly fluid in nature, they also go largely unrecorded by receiving countries. So 'invisible' is most rural migration that an ILO study conducted at the end of the 1970s reported that "there is little migration out of Egypt's agricultural sector," and that "international migration has had little impact on the agricultural sector."¹ A World Bank report similarly notes "the low rates that are migrating out of agriculture,"² estimating these to have been only 2 percent of the agricultural labour force in 1975 and predicting a rise to only 2.3 percent over the


following decade. These estimates, which are based on official records, have to be placed in the context of the largely invisible and unrecorded nature of much rural migration.

The same holds for Egyptian estimates and official records. Data provided by the Central Agency for Public Mobilisation and Statistics are based on numbers of Egyptians applying for exit visas. In 1968, agricultural workers comprised 0.9 percent of the total flow and in 1973, the last year for which these records are kept, their share had increased to 3.4 percent. Ministry of Labour Power and Training data are based on applications for permits to work in Arab states and include only those who obtain work contracts. In 1980, 3,645 applicants were agricultural workers (2.9 percent of the total) and in 1981, applications from agricultural workers comprised 4,168 or 3.6 percent of the total.

Village level data shows such a wide range in the volume of migration between villages as to make extrapolation to the rural sector as a whole quite meaningless. At one
end of the scale, both Khafaga and Taylor note that some villages in the Giza governorate evidence no external migration at all. At the other end, as we have seen, 7.5 percent of Al-Suiwini's male labour force migrated in one year. Other village studies report volumes of migration that fall within this range. A census of Dafra village (population 10,000) in the Delta Governorate of Gharbiyya conducted in 1983 showed only 3 percent male labour force to have ever migrated. Hopkins' random sample of Musha village households indicates that about 11 percent of households have present or past migrant members and Taylor's survey of the Giza village of Dahshur in 1981 shows a similar rate.


2. In Beit Allam and Haraga in Upper Egypt, 50 to 75 percent of the economically active populations are reported to have migrated: c.f. Mona Hammam, Middle East Research and Information Project, March/April 1981. However, the basis of this report is not clear as no source is cited.


Whilst village studies tell us little about the overall volume of migration out of the Egyptian countryside, what they do clearly indicate is that there has been a very uneven penetration of the international labour market into the rural sector. Labour from different villages has to varying degrees been incorporated into the labour markets abroad and no uniform pattern in terms of volume or rate of flow is evident across the rural sector as a whole. Hopkins and others have pointed to the diversity of village structures that comprise the Egyptian countryside today. The uneven volume of external migration would seem both to be a further indication of, and serve to accentuate, this diversity.

The obvious question arises as to the reasons for the differential rates of migration between villages. In a brief examination of two neighbouring villages, Zowiyyat Dahshur (pop. c. 11,000) and Dahshur (pop. c. 10,000) in the Giza governorate, Taylor has attempted to relate their different rates of migration to differences in the economic structure of the two villages. She suggests that the relatively skewed pattern of land distribution, the higher percentage of landlessness and the relatively low degree of diversification of the village economy of Zowiyyat Dahshur which has resulted in fewer employment opportunities within the
village have encouraged the higher rate of external migration. Taylor's very brief account is however more in the nature of a tentative attempt to point to possible structural features of significance, rather than a definitive comparative study. Some weight though is given to her general approach by evidence from other studies. The highest substantively recorded rate of migration is, as we have seen, that out of the small village of Al-Suiwini. El-Messiri's census of the village revealed a highly skewed land distribution pattern (8: 254 landowners own 3/8ths of the village land), a high percentage of households with no access to land (over 60 percent) and very few opportunities for non-agricultural employment. The village with the lowest recorded volume of external migration is that of Dafra (3 percent ever migrated), where a labour force survey conducted in 1981 shows a high degree of diversification of the village economy, with 63 percent of the male labour force engaged in non-agricultural employment. Such comparisons provide tentative 'clues' as to the possible structural features affecting migration rates. However, the data provided by existing studies is too patchy to enable us to go beyond this speculative level. No systematic comparative research at the village level has yet been undertaken. This is an obvious area for fruitful future research.
4. Characteristics of Rural Migrants

A number of village studies concern themselves with the social characteristics of village migrants. Implied in such an examination is the question of the selectivity of the migration process and the basis of this selectivity. Are younger, better educated and higher skilled villagers more easily incorporated into the labour markets abroad and is the rural sector thereby being drained of its skills and brains? Alternatively, or simultaneously, does under-employment or poverty encourage the more ready absorption abroad of those affected, thus relieving the pressure on depressed sectors of the economy?

No conclusive answers to these questions can be reached from the available studies of six villages that include data of relevance. Indeed several apparently contradictory conclusions concerning these issues have been drawn by researchers at the fieldwork level. However, a comparison of the data presented should enable us to proceed a few steps further than the independent conclusions of single village cases.

In her study of the impact of migration on the Giza village of El-Qebabat (population of 14,427), Khafagi explicitly raises the question of the selectivity of the

migration process. This she proceeds to examine by comparing a sample of 100 migrant household heads with a sample of 200 non-migrant heads of households in terms of such characteristics as age, education, skills and levels of income.

Khafagi's results can be summarised thus: The migrant group is found to be significantly younger than the non-migrant group, with a mean age of 38 years compared with 45 years of the non-migrants. As far as skill and occupational level is concerned, the migrant sample includes fewer peasants than the non-migrant group, from which Khafagi infers that "farmers are still attached to the land and are less mobile than non-farmers." (p. 141); more public sector employees migrate than their numbers represented in the non-migrant sample, and "peddlers and construction workers also tend to migrate". (p. 141). Her comparison reveals no significant difference between the two groups in terms of size of land owned or ownership of livestock.\(^1\) In terms of monthly income level, however, a significant difference is found. The mean income of migrants before migration is LE 64, and of non-migrants LE 52.

In terms of educational level no statistically significant difference between the two groups is evidenced, although as fewer migrants are illiterate (50 percent compared with 65 percent in the non-migrant

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1. However, as Khafagi does not distinguish between number nor type of animal owned, significant differences may well be obscured by the analysis. Similarly, Khafagi refers throughout to land "ownership", while landholding, which is generally agreed to be more significant an indicator of peasant differentiation in Egypt today, is ignored.
sample) a certain trend can be discerned.

Khafagi thus concludes that "migrants tend to be younger, without a significantly higher level of education than non-migrants. They own more land and come from higher income households than do the non-migrants. Non-farmers tend to migrate more than farmers". (pp. 141-142).

Some qualifications of these conclusions however should be made. Khafagi's samples are of household heads and therefore exclude those who are at a different stage of their life cycles, and household responsibilities. The characteristics of migrants revealed by the comparison of the two samples therefore relate specifically to migrant household heads and cannot be generalised to the total population of El-Qebabat migrants. Furthermore the significance of the results of this study and of the choice of particular characteristics for comparison, would have been more readily apparent were the samples located within a fuller picture of the village economy. An estimate of

1. This statement is somewhat puzzling as previously Khafagi has shown that the mean difference in land ownership between the two groups is not significantly different.
the total volume of migration out of El-Qebabat and data on the total village labour force would, for example, have given an indication both of how important is the phenomenon of labour migration to the village, and of the general options open to households for labour deployment. In the absence of such a context, the significance of the wealth of interesting empirical data provided by Khafagi's careful use of statistical techniques is less readily grasped.

Further considerations on the characteristics of rural village migrants is provided by a paper focusing primarily on the impact of mechanization on the Upper Egyptian village of Musha, in which Hopkins devotes a section to migration from the village. Of a random sample of 120 households, twelve were found to have members who have ever migrated. From a consideration of these migrant households, Hopkins concludes that "migration to Arab countries is a migration of the relatively prosperous" (p. 193) and that "education contributes to the migration process by preparing people to work abroad in a variety of jobs." (p. 194) Unfortunately, the status of this last remark is not evident, as no

documentation on the educational levels or occupations of migrants is presented. Hopkins' conclusion about the relative prosperity of migrant households seems to be based on his breakdown of the size of landholdings held by this group which does show a small upward bias compared with the distribution of land held by his total sample. However, when commenting on the fact that one of the four migrant household heads was landless, one held less than one feddan and two held between one and three faddans, Hopkins' argument is somewhat circular, "that they must come from a middle or lower middle stratum in general is also indicated by the relative expensiveness of the trip to Saudi Arabia." (p. 194)

Messiri's article on tarahil or contract labourers in the small Delta village of Al-Suiwimi also includes data on external migrants. This study combines an awareness of the critical features of Egyptian rural structure with a careful empirical analysis of the deployment of village labour. On the basis of her survey of the entire village (618 households) in 1979, Messiri presents both a systematic breakdown of the male labour force and the occupations of those 75 migrants who left to work abroad in 1979. If we compare these two sets of data, two occupational groups are found to have migrated in larger numbers than their
representation in the village male labour force: peasants and government employees. Peasants form 36 percent of the village male labour force and 63 percent of the group of migrants who left the village in 1979; government employees account for 12 percent of the migrant group and only 5 percent of the village labour force. Since the majority of government employees are presumably white collar workers with above average education (the illiteracy rate in the village is nearly 70 percent), and two of the poorest categories of villager, landless agricultural workers and tarahil labourers migrate in lower proportion than their representation in the labour force, these data could be taken to corroborate Hopkins' conclusion that the wealthier and more educated villagers are more readily absorbed into the labour markets abroad.

Quite different conclusions are drawn in a study of migration out of two neighbouring Delta villages, Dafra and Nifia.\textsuperscript{1} Here poverty is identified as a "push factor" in the migration process. On the basis of data gained by conducting complete censuses of the two villages in 1983, El-Dib et al. found that the annual income of 61 percent of households with members ever migrated falls into their lowest income bracket of less than LE.500 (before the addition of remittances) and that there is an

\textsuperscript{1} El Dib, et. al. "Some Motives and Economic Consequences".
inverse relationship between size of landholding and migration. In terms of the occupational categories employed, the largest single group to migrate comprises landless agricultural labourers. These form 32 percent of all migrants out of both villages. Since landless agricultural workers comprise one of the poorest and least educated groups (88 percent of all agricultural labourers are illiterate), the authors of this study stress the constraints on this group for improving their life chances within the village or national economy and at the same time the stated desire of the majority of agricultural workers to shift to some other, less insecure and better paid occupation. Contrary then to the emphasis of previous studies reviewed, lack of education and poverty are here identified as prime factors responsible for the migration of this major occupational group of village migrants.

Unfortunately, labour force data is only provided for one of these two villages and then only broken down by sex and by agricultural and non-agricultural activities. Unfortunate also is the lack of information on the educational and income status of migrants who are not agricultural workers. It is therefore not clear whether
in fact landless agricultural labourers are migrating in disproportionately high numbers relative either to their representation in the labour force of the two villages, or to better educated or wealthier villagers. This somewhat weakens the argument presented, although the data provided certainly does suggest that lack of education and low income may not act as such strong constraints on migration as some have assumed.

Additional information provided by this study reinforces this point. An investigation into the sources of finance used by agricultural labourers to meet the costs of migration found that 40 percent of them borrowed without collateral and that 34 percent sold household possessions. Only 28 percent met travel costs from their own savings. El-Messiri's case study of a tarahil labourer and would-be migrant reveals a further means employed for raising migration costs. In this case the labourer borrowed a lump sum from the labour contractor against the future labour of his children. Such data shed sobering insight on the kinds of strategies that can be employed by at least some of the rural poor to meet migration costs.
In her study of the Giza village of Dahshur, Taylor takes a rather different approach to the question of the selectivity of the migration process. Taylor's study is based on a randomly selected sample of 100 village households in 1981 as well as discussions with members of 50 households of migrants during her 18 months fieldwork in the village.¹ On the bases of both sets of data she attempts to reconstruct the history of external labour migration out of the village and to demonstrate that over time different categories of villagers have been incorporated into different migration streams.

During the 1950s and '60s a few professionals from Dahshur were seconded by the Nasser government to Yemen. The main stream of migration, however, began at the end of the sixties with the mainly illegal migration of villagers across the Libyan border. These migrants travelled over land, the majority without travel documents or work contracts. Travel costs were therefore minimal and no bureaucratic procedures were necessarily involved. This migration path was thus accessible even to the poor. The wealthier and better educated groups in the village and those with secure employment, such as government employees and public sector industrial workers, were largely excluded from this flow. Taylor suggests that this was possibly due not only to their relatively

¹ Taylor, E. "Egyptian Labour Migration and Peasant Wives", Middle East Research and Information Project No.124, June 1984.
privileged social and economic position in the village but also to their reluctance to forego their highly valued secure employment for the 'risks' of migration, which included the possibility of deportation by the Libyan authorities or detention by the Egyptian border police.

Migration to Libya, which accounted for 95 percent of migration out of the village prior to the mid-1970s, comprised mainly a movement of the poorest groups of villagers, i.e., landless agricultural and unskilled labourers and peasants with small plots of land.

From the mid-1970s onwards, other categories of villager began in significant numbers to join the migration flow. At the same time, other Arab markets began increasingly to attract village labour: Saudi Arabia and by the end of the 1970s, Jordan and Iraq. After the closure of the Libyan border in 1977, illegal migration to Libya ceased entirely. Migration to Libya became dependent on the prior acquisition of a work contract and involved the increased costs of air travel. The single path of illegal migration to Libya which formed the dominant flow of migration out of the village in the early seventies had thus by the end of the decade diversified and comprised a number of migration paths to various Arab states.
This diversification of the migration flow coincided not only with the expansion (and in the case of Libya, of decreased accessibility) of labour markets abroad, but also with certain shifts in the village economy, of which the impact of migration itself played one part. By the mid-1970's the impact of early migration to Libya was being felt in the village. The investment of remittances in land both for agriculture, and more commonly, for real estate development, had led to a steep increase in land prices. Bride prices and the costs of marriage had also risen sharply. In addition, as a result both of migration and of general trends in Egypt's economic 'open door' policy, villagers were by this point increasingly being drawn into the consumer market and items such as radio cassettes and television sets were no longer a luxury for the very few. Groups such as government employees and public sector industrial workers who in the 1960's and early seventies had formed a privileged 'middle class' in the village, were now hard pressed to keep apace of increased living costs and raised expectations of comfortable living. In addition, in relation to other groups in the village, including successful early migrants, their position in the village was relatively declining. From the mid-1970's, government employees and public sector workers began in increasing numbers to migrate abroad. They were joined by other groups of villagers
whose sectors of employment within the village were by the mid-seventies suffering a dramatic decline. Due primarily to the flood of imported synthetic goods and materials flowing through Egypt's 'open doors', various types of artisanal activities, notably the domestic production of textiles, were declining rapidly. Weavers, dyers, merchants of yarn, of cloth and of copper utensils began in significant numbers to join the migration flow. These different groups of the village 'middle classes' however rarely migrated illegally. Moving to Libya, Saudi Arabia, Jordan or Iraq, they were more commonly incorporated into the legal and formal sectors of these various importing states.

Thus, rather than identifying 'wealth', 'poverty', or 'education' as factors that in themselves encourage or impede migration, Taylor attempts to demonstrate that over time, different categories of villagers have in Dahshur been incorporated into various migration streams. Whilst the accessibility of the various labour markets abroad is a significant factor in the 'selectivity' of the migration process, so too are the dynamics of the village economy which includes the impact of migration itself.
These points will be developed further and with reference to other village studies in the following section, which turns to look at the various labour markets that are absorbing labour out of Egypt's villages and the different patterns of migration that are in evidence.

5. The Migration Process

a. Major receiving states:

Studies indicate that different villages and areas seem to be more closely associated with different labour importing states. This variation in the directions that migration takes is further expression of the uneven manner in which international labour markets have penetrated the rural sector. Over time, however, certain trends in the direction of rural migration seem to be discernable.

A recent study shows that the majority of Egyptian construction workers in Kuwait are from Upper Egypt and of these, most come from villages in Sohag governorate. The Giza village of El-Qebabat also exports labour to work in construction, but here it is Saudi Arabia that is the major importing country. Saudi Arabia also absorbs most of the migrant labour of the Upper Egyptian village of Musha. In the Delta villages of Dafra and Nifia, however,

villagers have been migrating to a variety of states. These include Algeria, \(^1\) the Gulf States, Iraq, Jordan, Libya and Saudi Arabia. Throughout the seventies, Saudi Arabia was the single most important labour market for Dafra and Nifia. In recent years, however, Jordan has become of increasing importance and by the eighties had overtaken Saudi Arabia as the main importer of labour from these two villages. In the Giza villages of Dahshur, as already noted, some change in the direction of migration over time is also apparent. Prior to 1977, the vast majority of migrants were incorporated into the Libyan market. Since the mid-seventies the migration stream has diversified to include Saudi Arabia and in recent years, Jordan and Iraq.

The early incorporation of rural labour into the Libyan market at the end of the sixties included labour from villages bordering the desert fringe throughout Giza and at least as far south as the governorate of El-Minya. \(^2\) Instrumental in this migration flow were the

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1. This is the only example of migration to Algeria noted in any village study. Although the numbers and categories of migrants involved are not indicated, we should expect these to comprise only a small number of professionals and possibly skilled workers.

2. Personal communication with Mohamed Mohie-Eldin who is currently engaged in fieldwork in El-Minya governorate.
bedouin who for generations have been settled, or partially settled, on the border of agricultural land along the Western Desert fringe. Still maintaining their trading and kinship links with Libyan bedouin, they were ideally placed as intermediaries between the expanding agricultural and construction sectors of the Libyan market and neighbouring villagers. Villages set back from the Western Desert and those in the valley to the east of the Nile seem to have been excluded from this migration flow. In Giza villages to the east of the Nile, such as El-Qebabat, migration began later, after the oil price rises in 1973, and took the direction of Saudi Arabia. Some Giza villages, both to the east and west of the Nile, were untouched by either migration stream and still today evidence little, if any, migration. For those villages exporting labour, the neat division of migration paths out of Giza became blurred over time. By the mid-seventies Saudi Arabia was attracting labour out of villages throughout the governorate as were Jordan and Iraq by the end of the decade.¹

The increasing importance in recent years of the Jordanian and Iraqi markets noted by Taylor for Giza is also reported by researchers in other areas of rural Egypt.

¹. "Taylor, E. Peasants or Proletarians", po.cit.
In Sharqiyya governorate in the Delta and in the Upper Egyptian governorate of El-Minya, researchers currently engaged in fieldwork report a similar trend, and as we have seen, in the Gharbiyya villages of Dafra and Nifia, Jordan has now overtaken Saudi Arabia as the major importer of village labour.

Taylor accounts for this trend in terms of the greater accessibility of the Jordanian and Iraqi markets, neither of which require entry visas or work contracts of Arab migrants, and the relatively low costs of travel to these states. This also seems to be indicated by El-Dib's (et.al.) study of Dafra and Nifia which includes a table giving the stated reasons for preferences of 104 migrants for particular receiving countries. Of the 82 villagers who migrated without work contracts, 46 gave the reason for their choice of destination as "no need for a visa" and 17 as "low travel costs". Although the countries of

1. Personal communications with Kirsten Bach and Mohamed Mohie-Eldin.

2. It is perhaps worth noting also that only 16 migrants gave their main reason as "the presence of relatives or friends" since this is often assumed to be of major importance in establishing and maintaining "the migrant chain". Although the other stated reasons do not preclude also the presence of friends in the country of destination, still it is interesting that the accessibility of markets seems to be foremost in these villagers' minds.
destination are not included in this table; these reasons only apply to Jordan and Iraq. They are the only states in the region not requiring entry visas and the cost of travel to Jordan, which is also used as a step to Iraq, is lower than to any other state in the area.

The increasing incorporation of rural labour into the Jordanian and Iraqi markets noted by village studies accords with recent assessments of Arab labour market trends at the international level. In an article discussing trends in the demand for Egyptian labour in Arab states, Birks, Socknat\(^1\) and Sinclair note the expansion at the end of the 1970s of two Arab markets for Egyptian unskilled labour\(^2\) — those of Jordan and Iraq. On the basis of records of both labour importing and exporting states they estimate that by 1980 Egyptian migrant stock in both countries combined had reached over one quarter million, and that Iraq, with an estimated 223,000 Egyptian workers, had overtaken Saudi Arabia as the second most important importer of Egyptian labour. On the basis of these assessments, which are still deflated compared with


\[\text{2. As we shall see most Egyptian rural labour is incorporated into the 'unskilled' labour markets abroad.}\]
most Egyptian estimates, it is these 'new' markets that account for Egypt's increased share in the regional labour market in the 1975-1980 period, and which have compensated from the diversification away from Egyptian unskilled labour in some other states in the region. In this wider context, the trends noted by researchers at the village level appear not as chance fluctuations, but as significant reflections of shifts in the regional labour market.

Three village studies record the occupation of migrants abroad and these show considerable variation in employment patterns. 90 percent of the El-Qebabat migrant sample work in the construction sector in Saudi Arabia. Migrants from Dafra and Nifia, who work primarily in Saudi Arabia, Jordan and Iraq, are employed in a variety of occupations. 34 percent of these villages' migrants were initially incorporated into the construction sector in the various receiving states. Of the remaining, the majority worked in services and agriculture. Here the researchers note the mobility of many

1. c.f. Chapter I of this report.
migrants once abroad and this often involves a movement between sectors of employment. Of those who changed their initial employment, preference was shown for the service sector, and interestingly the reason given for this preference was "that the work is less exhausting".

In the early period of illegal migration out of Dahshur, the majority of migrants were peasants or agricultural or unskilled wage labourers. 80 percent of the peasant and agricultural labourers and 50 percent of non-agricultural workers worked as share-croppers or wage labour in Libya's agricultural sector. The remaining migrants worked primarily in construction. After the borders with Libya were closed this migration stream was diverted mainly to Jordan and Iraq where most migrants again worked in construction and in agriculture. Other occupational groups migrating out of Dahshur tend to be employed in the service sector or in white collar occupations abroad. Many of those associated with the village textile sector work in drapers shops in Saudi Arabia or Libya. Public sector industrial workers are employed in a variety of sectors: in industry, services, construction and occasionally, in agriculture. The majority of government employees work in white collar jobs and show a preference for Saudi Arabia, where salaries tend to be higher than in other importing states.
c. Patterns of rural migration:

From the data provided by these studies, at least three types of migration path out of villages can be identified and these give pointers to the types of segmentation existing within the labour markets abroad: illegal migration to Saudi Arabia, and in the past to Libya; official migration with the prior acquisition of a work contract to the range of labour importing states; and informal migration to Jordan and Iraq, neither of which require entry visas or labour permits.

Only about 20 percent of Dahshur migrants acquired work contracts before leaving the village. The remainder left illegally or informally. 74 percent of the El-Qebabat migrant sample migrated illegally and 79 percent of migrants from Dafra and Nifia migrated without work contracts. The majority of migrants from these villages then are informal or illegal migrants.

Both informal and illegal migrants bear the cost of travel themselves. They are incorporated into those segments of the international labour market that offer casual and irregular employment, primarily in the agricultural, construction and service sectors. Whereas illegal migrants to Libya from Dahshur reported a high degree of flexibility in wage rates and terms of employment, this seems to be less true of the Saudi Arabian market, where Khafagi found
a considerable consistency in the wage rates of illegal migrants employed in the construction sector. A common feature of markets employing both informal and illegal migrants is the high labour turnover. El-Dib et al and Taylor note the high degree of mobility of village migrants abroad as they move within and between sectors of employment, hired and fired at the will of their employers or 'voluntarily' in an attempt to secure higher wages or better terms of employment.

The highly fluid and irregular pattern of much rural migration is easy to understand in this context. El-Dib et al., Khafagi and Taylor report the irregular periods of time spent by migrants abroad, which are interspersed by frequent visits home also of indeterminate length. In Dahshur, migrants have made from between one to six trips abroad and rarely do they remain abroad for more than 18 months at a stretch. Once back in the village, they may remain for periods varying between one month and two years before a further period abroad. Frequent visits home are also noted by El-Dib et al. and Khafagi. For El-Qebabat migrants, not all such visits were through choice. Half of El Qebabat's illegal migrants in Saudi Arabia were deported at some point or other by the Saudi authorities, and sometimes after only some months abroad. A few of
Dahshur's illegal migrants to Libya were likewise deported and a few returned voluntarily in the mid-1970s for fear of deportation and confiscation of savings. The illegal status of many migrants, the relative accessibility of the Jordanian and Iraqi markets for informal migrants and the casual nature of employment abroad would seem to account for the highly irregular flow of labour between villages and the labour market abroad that comprises the pattern of most migration out of these villages.

A minority of villagers, however, acquire work contracts before leaving the village. (These account for 20 percent of Dahshur's migrants; 26 percent of Qebabat's migrant sample and 21 percent of migrants from Dafra and Nifia). Contracts are acquired not only by skilled and white collar workers but also by agricultural and unskilled wage labourers. Here a segmentation within the labour markets abroad is indicated with, for example, illegal or informal agricultural and unskilled wage labour working alongside similar categories of formally contracted migrant labour but under different conditions of employment.

For those with labour contracts, the costs of travel are normally born by the employer, as are specified visits home. In most labour importing states migrants with work contracts are prohibited from changing employment and can
only leave the country with the prior agreement of their employer. Visits home are usually annual and the duration of the visit normally one month. Migrants with work contracts are thus much less mobile than illegal or informal migrants and their pattern of migration more regular and predictable.

Rural migrants view migration as a temporary period in their working life. Since in most rural areas migration did not get underway until the mid-seventies it is still early to tell how far migration for some may in fact become 'a way of life', at least for their working lives, and how many village households may become 'dependent' on migration. In Dahshur a minority of migrants (8: 84) have been involved in an irregular pattern of migration for over ten years. A more common pattern amongst Dahshur peasant migrants is for migration to be assumed in stages by different household members, so that although a more or less regular flow of remittances may be flowing into the household over the years, these have been contributed by different household members. There are no reported instances of village migrants settling abroad and although the present 'open door' policies of Jordan and Iraq, and the liberal policy towards Egyptian migrants adopted by Libya prior to the mid-seventies, suggests settlement in these
countries as a possible option, this course, if taken, is clearly rare. The vast majority of rural migrants return not only to Egypt, but to their villages. For although it has been suggested that returning rural migrants will tend to settle in urban areas, this is not born out by village studies. Such instances, particularly if they involved the migration to towns of entire households, may well have escaped village surveys. However, such a pattern is clearly not common and the reincorporation of rural migrants into their villages is well documented.

B. The Impact of Migration on Agriculture

1. The Agricultural Labour Shortage

In the 1960s and early seventies, a major issue of debate amongst academics and policy-makers alike was that of underemployment and labour surpluses in agriculture. Since the latter part of the 1970s, the focus of concern has been radically redirected. Labour shortages in agriculture, widely reported throughout the Egyptian countryside, are considered to be so acute as to comprise one of the major crises facing Egyptian agriculture today. A main factor contributing to this shortage is generally taken to be the external migration of Egyptian labour.

This section will begin with an examination of the basis of this assertion in order to assess how far it is in fact substantiated. A thorough discussion of the structure of the Egyptian agricultural labour market is


2. This has been frequently asserted by those within the Ministry of Agriculture and in recent years the most commonly stated rationale for the government sponsored mechanization drive, greatly accelerated in the 1970s, has been in terms of a response to the critical shortage of agricultural labour.
essential for an adequate assessment of what and why shortages have arisen. This is beyond the scope of this report. However some indication of the sectors within agriculture which evidence shortages and how far this represents a situation peculiar to the 1970s is required in order to establish what structural changes in the market external migration is thought to have produced, or at least to have contributed to in a significant way.

The most commonly cited evidence of a labour shortage in agriculture is the trend in agricultural real wages over the seventies. This, it is generally agreed, shows a dramatic rise from the mid-seventies after relative stability or even a decline in the sixties. The share of labour in total agricultural production costs also rose steeply over the same period.


That the rise in wages is primarily a function of restrictions in labour supply is also generally agreed. Richards and Martin\(^1\) demonstrate that the trend in wages cannot be explained by the increase in demand alone as wages show a discontinuous and steep rise from the mid-seventies whereas the increase in labour input over the years 1950-78, has been a gradual and fairly steady, long term trend. de Janvry and Sabbarao\(^2\) argue that although prior to 1976 increases in money wages followed increases in food prices, after 1976 rising food prices no longer constitute the dominant relationship. Evidence of a decline in the supply of agricultural labour is provided by Hansen and Radwan,\(^3\) who on the basis of labour force surveys, demonstrate that employment in agriculture reached a peak in 1972 and declined by 14 percent over the following seven years. Amounting to a loss of more than 0.5 million workers in agriculture, they maintain that "this very large decline is consistent with the general impression of a labour shortage in agriculture," (p. 60). On the grounds that female labour agriculture is inevitably grossly underenumerated, Hansen and Radwan conclude that "this measured decline consists almost exclusively of males. (p. 60).

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1. Richards, A. and Martin, P. "Rural Wages", \textit{op. cit.}
2. de Janvry and Subbarao, "Wages, Prices", \textit{op. cit.}
3. Hansen and Radwan, \textit{Employment Opportunities, op. cit.}
That the steep and discontinuous rise in agricultural real wages reflects a reduction in the supply of agricultural labour seems to be reasonably well grounded, as does Hansen and Radwan's assertion that it is a restriction of the supply of adult male labour that seems to be indicated. For this is supported by all other independent evidence at both national and village levels. However, at the same time, as Hansen and Radwan point out, evidence such as that provided by population census data, also suggests that underemployment in agriculture, of both female and male labour, may be increasing. What has been termed "the apparent paradox" of the co-existence within agriculture of both shortages and surpluses of labour necessitates further examination of where precisely shortages lie.

Such an examination is undertaken by Mohie-Eldin.¹ On the basis of analyses of Ministry of Agriculture data, population census tabulations and labour force surveys, Mohie-Eldin substantiates what has elsewhere been argued but

¹ Mohie-Eldin, "The Development of the Shara", op.cit.
not demonstrated at the national level, i.e. that the labour shortage in the middle and late 1970s in fact amounts to a shortage of a specific category or labour which differently effects different categories of farm. At the level of the agricultural sector as a whole, an over-all surplus of adult male labour and seasonal shortages of female and child labour prevail. However, by distinguishing between the capitalist and peasant sectors of agriculture, Mohie-Eldin demonstrates that surplus labour is confined to the peasant sector i.e. is found on family farms, (identified as holdings of less than 5 feddans,) and that the labour shortage prevails on medium and large farms within the capitalist sector. Since, as Mohie-Eldin notes, capitalist farmers depend on hired wages labour and peasants rely primarily on household labour, it is clear that labour shortages occur within the hired wage labour market.

The agricultural labour force is comprised of both landless rural households and small peasants. In the Delta and in areas immediately south of Cairo both male and females enter the agricultural wage labour force. In Upper Egypt women very rarely work as wage labour. The co-existence of both shortages and surpluses within agriculture occur both because of the low degree of substitutability between different.
categories of labour, (male, female, child, specialist and non specialist labour) and because of the imperfect flow of labour out of the peasant sector into the wage labour market. The division of labour that prevails in the agricultural labour market constrains females and children from performing 'male' tasks, even when female and child labour is not in short supply. Likewise surplus labour is trapped on peasant farms "as a result of the existence of technical as well as institutional factors that constrain the supply of labour from family farms to outside work" (p. 256).

The question now remains as to what has occurred in the seventies to give rise to the tightening of agricultural wage labour markets. For the structure outlined for the mid and late seventies of peasant surpluses, and shortages of labour on capitalist farms, and a rigid division of labour in the wage labour market, is in fact the same as that indicated by Mohie-Eldin's labour force survey of

1961. Whereas some have suggested that a structural change has occurred in the 1970s as a result of the 'withdrawal' of small peasants from the wage labour market, it would seem from the existence of shortages in the 1960s that constraints inhibiting peasant employment in the labour market are not new to the seventies. Furthermore, according to the 1961 agricultural census only 3 percent of small peasants (those holding less than 2 feddans) worked also as agricultural wage labour. It was the landless who comprised the major component of the wage labour market in the 1960s, and as Mohie-Eldin notes, the dependency of larger farms on peasant family labour was very limited. It would therefore seem that it is a reduction in the supply of landless wage labour that has given rise to the tightening of agricultural labour in the seventies. Although the number of landless employed in agricultural is not known, it is clear that the total number of rural landless has risen. The labour shortage,


2. Due for example to the increased opportunities for more profitable activities such as livestock production, on peasant small holdings. C.f. Richards, A. and Martin, P. Ch.I and Fitch, J. and Soliman, I. Ch.3 of Richards and Martin, Migration, Mechanization.

accentuated since the mid 1970s, therefore seems to have been primarily brought about by the transfer out of agriculture of landless rural male labour. Furthermore, this shortage primarily affects the capitalist sector of Egyptian agriculture which accounts for approximately 24 percent of the total agricultural land and about 7 percent of Egypt's farmers.

2. The Contribution of Migration to the Labour Shortage

Few commentators on Egyptian agriculture doubt the major role of migration in contributing to the agricultural labour shortage. Having now identified, so far as we are able, what the agricultural labour shortage seems to comprise, we now turn to examine the kinds of argument and evidence that are used to support this contention.

Participants in a workshop organised by the Agricultural Development Systems Project in December 1981 proposed and discussed four main factors contributing to the labour shortage:

1. External and internal migration;
2. Spreading rural education;
3. Increased alternative employment opportunities in non-farm activities;
4. The growth in the size of the army.

Only the first two propositions are debated in any substantive manner, and these are taken up and further developed in a collection of papers (some of which were originally presented to the workshop), edited by Richards

and Martin, Migration Mechanization and Agricultural Labour Markets in Egypt, which has already been referred to in this Chapter. The volume itself considers a further contributing factor which we have already noted, i.e., the "withdrawal" of small farmers from the agricultural wage labour market.

In their summary of the papers presented in this volume, Richards and Martin note that their own survey of agricultural labour markets in five Sharqiyya villages suggests that education may be reducing the pool of male agricultural labourers, and that small farmers appear to have shifted their resources out of wage labour market into more profitable activities on their own farms. These factors, though, in themselves cannot explain the steep and discontinuous rise in rural wages in the mid-1970s. It was at this time, however, that migration gained momentum and thus they argue, "migration is the only variable which could plausibly explain the discontinuous rise in adult male agricultural wages" (p. 48). Richards and Martin do not attempt to discuss the nature of the relationships, apart from noting that "it has often been assumed that this force worked indirectly, as Cairo construction workers left for the Gulf, leaving a vacuum which rural workers sought to fill", and that "Khafagi shows that some rural

residents have also participated extensively in emigration". (p. 8).

A paper by de Janvry and Subbarao also included in this volume,\(^1\) represents a unique attempt to undertake a quantitative analysis of the relative importance of migration vis-à-vis other factors in determining agricultural male wages. This they undertake by analysing the functional relationship of variations in migration, food prices, demand for crop labour and percentage of labour force permanently employed on small farms between different governorates, to the variations in inter-governorate agricultural wage rates, averaged over the years 1974-78. Having established previously that for the period 1938-76 the rise in the agricultural money wage was primarily determined by rising prices, they demonstrate that after 1976, food prices remain the dominant variable in determining the wages of women and children but become a secondary factor in the determination of male agricultural wages. Beyond 1976 emigration constitutes the dominant variable.

The data on rural food prices used by this study is somewhat approximate, as the authors themselves point out. So too are the estimates of the volume of migration out

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1. Ch. 12 "Wages, Prices and Farm Mechanization in Egypt: The Need for an Integrated Policy".
of the different governorates after 1976. These are based on the percentage of the labour force born but no longer residing in the governorate as indicated by the 1969/70 labour force survey since more recent data is not available. Since these years belong to the period in which external migration out of most rural areas gained ground, and since it has yet to be established that the volume of internal and external migration out of rural areas is proportional, the use of 1969/70 data as a basis of trends in external migration in the mid 1970s would indeed seem extremely approximate. In general, the quality of the data used by this study certainly precludes our treating it as conclusive. At the same time, this paper does represent a welcome attempt to establish a relationship between migration and rising agricultural wages, rather than merely to note a correlation in trends.

As we have seen, it is a reduction in the supply of landless male wage labourers that seems to be the major factor giving rise to the agricultural labour shortage. We have also previously seen that the direct migration abroad of landless labourers is indicated in a number of village studies. The significance of this movement is, however, variously interpreted by different researchers. Hopkins has suggested, but without demonstration, that education has played a greater part in the drain of labour out of agriculture than has migration in the village of Musha. In the villages
of Dafra and Nifia, the single largest category of migrant is landless agricultural labour. However, El-Dib et al. doubt that this movement can have had a significant impact on the tightening of agricultural labour markets in these villages, as this category of migrant accounts for only 4 percent of the agricultural labour force.

However, it is perhaps somewhat mechanistic to examine the impact of migration on agricultural labour markets simply in terms of the direct migration of agricultural labour abroad. What also needs to be examined is the impact of migration on the village economy as a whole, or more precisely, on the deployment of village labour. Here the standard questionnaires favoured by the majority of village level researchers need to be supplemented by the collection of both historical and contemporary data in the tradition of economic anthropology. The issue under investigation also needs to be defined not purely in terms of individual migrants, nor indeed migrant households, but in terms also of the village context out of which migration is occurring. Of relevance to our immediate discussion would be an analysis of those sectors of employment, if any, that have been stimulated or depressed by the investment of migrant remittances and the alternatives to agricultural employment that have accordingly expanded or declined.

It is clear from village studies that investment in new or improved housing features as a high priority for rural
migrants. It is not merely an urban housing boom that is evident in Egypt, but also a vast expansion in rural construction to which migration has directly contributed. Khafagi notes the huge wage differentials that exist between the agricultural and construction sectors, and relates the labour shortage evident in El-Qebabat to both a general shift of labour out of agriculture into construction and to the migration of agricultural workers abroad. She also notes that the vast majority of migrant agricultural workers move into the construction sector on their return to the village.

Taylor tells a similar story in the case of Dahshur but here she distinguishes between landless labourers and peasant producers. The landless, she maintains, are more mobile. Landless male wage labour has virtually disappeared from the wage labour market, having moved, as in El-Qebabat, either into construction or migrated abroad. The free movement of peasants however is to a significant extent impeded by the labour requirements of the farm. Thus the migration of one family member may well be delayed until the return from abroad of another. Furthermore, whereas landless agricultural labourers almost invariably move into the construction sector on their return to the village, 80 percent of peasant migrants have been reabsorbed on to their land. Migration has thus had a much stronger impact on the landless wage labour market than it has on the peasant sector of agriculture.

The evidence and arguments presented seem to us to indicate clearly that migration has had both a direct and indirect impact
on the withdrawal of landless male labour out of agriculture. Since it is the reduced supply of this category of agricultural worker that seems to be the dominant factor involved in the agricultural labour shortage, claims that migration has played a significant part in accentuating this shortage since the mid seventies seem to be well founded.

3. The Impact of the Agricultural Labour Shortage on Agriculture

Mohie-Eldin's analysis of labour shortages and surpluses within Egyptian agriculture in 1976, suggests that it is within the capitalist sector of agriculture that acute labour shortages occur, whereas surplus labour is 'locked into' peasant family farms. However, Hopkins study of agricultural labour deployment in the Asyut village of Musha indicates that, depending on such factors as household size in relation to size of land holding, the stage in the family life cycle and the seasonal demand for labour on the farm, so both shortages and surpluses of household labour occur on different farms within the peasant sector. In general, household labour is rarely adequate to meet labour requirements throughout the agricultural year and the hiring-in of non-household labour is a common necessity for most peasant farm units. Richards' et. al study of agricultural labour deployment in five Sharqiyya villages and Taylor's study of agricultural labour markets in Dahshur give further indication of the fact in these very different areas and cropping patterns the hiring-in of non-household labour is an integral part of peasant production.
In Dahshur the agricultural labour shortage is experienced by both sectors of agriculture. In the 1960s and through to the mid seventies both capitalist and peasant production units drew on landless agricultural labour which was then in cheap and abundant supply. In 1981, when Taylor's survey was conducted, landless agricultural labour had virtually disappeared from the village agricultural labour market. Although the implications of this shortage is clearly different for capitalist farmers who rely solely on wage labour, peasants in this highly labour intensive vegetable producing village also rely to a large extent on non-household labour. However, peasants have been able to meet the labour shortage in ways that are inaccessible to capitalist farmers. Firstly, they have been able to tap the surplus labour "locked into" other peasant family farms by entering into various forms of exchange labour. The labour of peasant male relatives or neighbours is exchanged for that of their own at a different point in time, for which compensation in the form of a cash "wage" may also be paid. Secondly, female family labour is deployed in 'male' tasks on the household's own land, although in the wage labour market a rigid division of labour still prevails. Thirdly, the labour of all family members may be intensified. Having no household labour of his own to deploy, the capitalist farmer is unable to enter into forms of labour exchange, or to intensify labour input.
The general reluctance of peasants to enter the capitalist wage labour market sets limits on the ability of the capitalist sector to tap surplus peasant labour. The implications of the labour shortage for the two sectors of agriculture have thus been quite different, as have the ways to which they have responded to the 'crisis'. Whereas peasants may have to delay the performance of agricultural tasks and some are transferring to less labour intensive crops, the viability of peasant farming does not seem to have been threatened by the labour shortage. In this village where capitalist farming is on a small scale, (the largest enterprise being only just over six feddans) the labour shortage has threatened capitalist production. Increasingly, capitalist farmers are renting out their land to peasant households to cultivate in various forms of share cropping arrangements. Thus the agricultural labour shortage had led in this village to an increased "peasantisation" of agriculture, with an increased amount of land being bought under peasant production.

The village studied by Taylor is engaged in high value vegetable production, is situated close to the Cairo market and is marked by an absence of large scale capitalist farming. These characteristics aid the viability of peasant production. In other villages, where these features are not evident, different patterns of adaptation to the labour shortage may well be taking place. This may be particularly true of villages with highly skewed land distribution, in which large scale
capitalist farming is in operation. The transformations identified in this study therefore may well be only one set of processes within the Egyptian agricultural sector set in motion, or accentuated, by the labour shortage. Further research could usefully be undertaken in other villages in which options for responding to the labour shortage, such as mechanization, may be more viable than they are to farmers in Dahshur.

We should perhaps note at this point that our discussion has focused on the impact of the labour shortage on agrarian structure. The argument has been that migration most certainly seems to have contributed to the tightening of male labour markets, but that the shortages arising are not general and for a number of reasons primarily affect the minority of Egypt's farmers--those in the smaller capitalist sector of agriculture. What has not been examined is the crucial question of the impact of the labour shortage on crop yields and cropping patterns. We know of no study investigating these issues.
4. Impact of Remittances on Agriculture

Of the four village studies that include information on the expenditure of migrant remittances, two studies include tables itemizing expenditure. These are given below.

Table I: Spending Patterns of Migrant Agricultural Labourers From The Villages of Dafra and Nifia, 1983

<table>
<thead>
<tr>
<th>Item</th>
<th>No. of Migrants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer durables</td>
<td>35</td>
</tr>
<tr>
<td>Repaying debts</td>
<td>28</td>
</tr>
<tr>
<td>Land for construction and building a house</td>
<td>20</td>
</tr>
<tr>
<td>Cattle</td>
<td>14</td>
</tr>
<tr>
<td>Savings</td>
<td>13</td>
</tr>
<tr>
<td>Jewelry</td>
<td>8</td>
</tr>
<tr>
<td>Machinery</td>
<td>2</td>
</tr>
<tr>
<td>Land for agricultural use</td>
<td>2</td>
</tr>
<tr>
<td>Total number of migrants interviewed = 55</td>
<td></td>
</tr>
</tbody>
</table>

Source: El-Dib et. al. p. 23.

Table II: Use of Savings: Qebabat Migrant Household Heads

<table>
<thead>
<tr>
<th>Item</th>
<th>No. of Migrants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pilgrimage</td>
<td>90</td>
</tr>
<tr>
<td>Gifts</td>
<td>69</td>
</tr>
<tr>
<td>Repair of accommodation</td>
<td>48</td>
</tr>
<tr>
<td>Savings</td>
<td>29</td>
</tr>
<tr>
<td>Dowry</td>
<td>16</td>
</tr>
<tr>
<td>Investment in brick factory*</td>
<td>10</td>
</tr>
<tr>
<td>Relatives dowry*</td>
<td>9</td>
</tr>
<tr>
<td>Plum trees*</td>
<td>4</td>
</tr>
<tr>
<td>Private car</td>
<td>5</td>
</tr>
<tr>
<td>Truck</td>
<td>4</td>
</tr>
<tr>
<td>Taxi</td>
<td>3</td>
</tr>
<tr>
<td>Tractor</td>
<td>2</td>
</tr>
<tr>
<td>Consumer Items:</td>
<td></td>
</tr>
<tr>
<td>Radio/cassette</td>
<td>93</td>
</tr>
<tr>
<td>Black and white television</td>
<td>80</td>
</tr>
<tr>
<td>Electric fan</td>
<td>56</td>
</tr>
<tr>
<td>Washing machine</td>
<td>31</td>
</tr>
<tr>
<td>Refrigerator</td>
<td>26</td>
</tr>
<tr>
<td>Coloured television</td>
<td>12</td>
</tr>
</tbody>
</table>

Total number of migrants interviewed = 100

Source: Khafagi, "Socio-Economic Impact" tables 12 and 14, *These items, mentioned in Khafagi's text, have been added to the tables.
Table I relates to the expenditure of 55 migrant agricultural labourers. These comprise the total number of agricultural labourers ever migrated from the Delta villages of Dafra and Nifia. Table II is based on the expenditure of a sample of 100 migrant household heads from the Giza village of El-Qebabat, who prior to migration were employed in a variety of occupations. Only six were agricultural labourers and a further 34 were peasants. The high percentage of the El-Qebabat migrant sample who devoted some of their savings to making the pilgrimage is explained by the fact that 90 percent of migrants sampled work in Saudi Arabia. Migrants from Dafra and Nifia work in a variety of Arab states.

Variations in spending patterns between these two groups of migrants are to be expected. Whereas the El-Qebabat migrant sample come on average from wealthier households than their non-migrant counterparts, agricultural labourers form one of the poorest groups in their two villages. It is also reasonable to assume a higher level of savings accruing to El-Qebabat migrants since wages in Saudi Arabia are generally higher than in other labour importing states. Thus a lower percentage of Dafra and Nifia migrants buy consumer goods; costly items such as tractors, private cars and trucks do not appear on their expenditure list,

1. A sample of 100 non-migrant household heads is also surveyed in this study.
and at least part of the savings of about half this group is devoted to repaying debts. The higher percentage of Dafra and Nifia migrants who invest in agricultural items is understandable since, only 40 percent of El-Qebabat migrants are drawn from the agricultural sector. It is interesting to note that when investment in agriculture, or in agriculturally related items is made by El-Qebabat migrants, these take the form of capital intensive items related to the commercialisation of agriculture: high value cash crops such as plums; tractors and trucks for marketing. The traditional form of Egyptian peasant savings and accumulation, investment in cows and buffalo, is absent from their expenditure list. Cattle, however, comprise a major form of productive investment for Dafra and Nifia migrants. The implication here would seem to be that different sectors of agriculture are being stimulated by migration by the two migrant groups.

Some variation in general expenditure patterns may also be related to the fact that El-Qebabat sample is of household heads whose priorities for expenditure may differ from those of non-heads of households, who are also included in the Dafra and Nifia group. It is quite possible, however, that some variations are less a function of differences in migrant behaviour than of the way memories were prompted at the time of the interview, by for example
questionnaire design. Thus we would expect that in fact
migrants from Dafra and Nifia also bought gifts, and that
El-Qebabat migrants invested some of their savings in
items of gold jewelry.

Both tables show a very low investment in land for
agricultural production. In the case of El-Qebabat this
is nil. Both studies relate this to the rise in land
prices that has occurred as a result of the construction
boom. What is surprising perhaps is that none of the
El-Qebabat migrant sample have invested in real estate
whereas high land prices have not completely deterred
Dafra and Nifia migrants from buying land to construct
new homes. Over one third of these migrant agricultural
labourers have invested in land for new housing.

The dramatic rise in land prices as a result of the
construction boom, which has been fueled by migrant re-
mittances, is reported by other village studies,¹ as is
the slowing down of transactions in land for agricultural
production. At the national level, the loss of perhaps
half a million feddans since the beginning of the 1970s
to urban and rural 'sprawl' has also been much publicised
and lamented. Far less well documented is the resulting
impact on agrarian structure and agricultural production.

¹. c.f. Abdel Muaty, "Some Aspects of the Migration of
Rural Labour," and Taylor, "Egyptian Migration".
How far has the consolidation of small unviable plots into larger farm holdings (a process once more set in motion after the last effective land reform measures) been impeded since the rise in land prices? Do we now have a pattern of increased land sales by small farmers, tempted by the rise in real estate land prices, but without the accompanying process of land consolidation? If so, what kinds of impact has this had on cropping patterns (smaller farmers produce a higher percentage of subsistence crops); on crop yields; on agrarian social structure (the increased landlessness or near landlessness of small farmers? a slowing down of polarisation through constraints on consolidation?) and on the government sponsored mechanisation drive?

A paper by Abdel Muaty touches on some of these issues. Abdel Muaty's study primarily focusses on the impact of migration on social values and attitudes of migrant agricultural workers and peasants. One section of the paper concerns the impact of migration on village social structure. 93 migrant agricultural workers and peasants, or their families, are interviewed by means of a structured questionnaire. These comprise the total number of migrants out of the agricultural sector of the villages of Dafra and Nifia.

In response to questions concerning who in these villages are buying or selling agricultural land, 23 percent of respondents maintain that those who are selling land

are small peasants attracted by the rise in land prices and who are feeling the burden of the increased costs of agricultural production. One third of the respondents maintain that those who sell land do so to raise capital for investment in such projects as taxis, tractors and real estate. A large proportion of those who are buying land, it is maintained, are migrants, who engage in land speculation as a form of investment. From such responses Abdel Muaty concludes that migration has led to an increase in land speculation and that whilst migration has led to upward social mobility, this is a "false mobility" in the sense that it involves the mobility of individuals rather than a real structural change involving the mobility of a social class.

This study raises crucial questions and the answers solicited provide interesting pointers for further systematic investigation into such issues as the actual spending patterns of migrants and the circumstances of land transactions in the villages. Unfortunately, this next step is not undertaken by the investigator and therefore the status of the opinions solicited and of the conclusions drawn by the researcher cannot be determined.

Two other studies attempt to examine the impact of migrant remittances, including the impact of rising land prices, on agriculture at the village level. The two villages examined El-Qebbat, 80 kms. south of Cairo population
17,000, and Dahshur, 45 kms. south of Cairo, population about 9,000) both in Giza governorate, seem to be undergoing different types of transformations, to which migration in both cases has clearly played a contributory role. Since both villages are within the same cropping zone, and primarily produce high value vegetables mainly for the Cairo market, and since farmers in both villages have direct access to this market, these villages make for interesting comparison.

The major features of agricultural transformation noted by Khafagi in the village of El-Qebabat are rapidly increasing commercialisation and mechanisation of agriculture, as well as a shift out of family production to the employment of hired labour.\(^1\) Increased commercialisation of agriculture is evidenced by the introduction of plums, a new cash crop, into the village during the 1970s, and the greatly increased opportunities for village farmers for marketing their own produce through the introduction of trucks. Migrant remittances have contributed to both these innovations. The increased mechanisation of agricultural tasks\(^2\) has been stimulated by the shortage of agricultural labour which Khafagi relates primarily to

2. About 45 percent of peasant migrants and 53 percent of non-migrant peasants "used tractors or other mechanized agricultural tools".


a shift of village labour out of agriculture into the expanding construction sector. This expansion has not only taken place within the village in the form of new and improved housing, but outside the village with the establishment of brick factories, which are now major employers of village male unskilled labour. Migrant remittances have been invested both in brick factories and in improved housing. In addition, returning migrants show a reluctance to work in agriculture and a strong tendency to move into the construction sector.

Khafagi also notes, but does not elaborate, a shift in the village from family to hired labour (p. 149), and the virtual halt of land transactions. The implications of this latter point for peasant differentiation and land consolidation are not explored.

The processes outlined by Khafagi point to a general shift towards capitalist production: a shift away from subsistence crops to more capital intensive cash crops whose commercial value has been increased by improved marketing facilities, increased mechanization of agricultural tasks, and a shift from peasant household production to production by means of hired wage labour. Khafagi concludes that "emigration has thus changed El-Qebabat from a typical Egyptian village to a mixed type of economy". Whilst it is perhaps more accurate to state that migration has contributed to, rather than is,
responsible for the trends outlined (viz Khafagi's evidence that her non-migrant sample in fact show a higher degree of investment in commercial agriculture than do the migrant sample), still it is clear that migration has accelerated the transformations occurring within El-Qebatat's agricultural sector.

The dominant trends in agrarian transition in the village of Dahshur stand in sharp contrast to those of El-Qebatat.

In the early period of migration to Liya, migrants comprised mainly poor peasants and agricultural labourers. The remittances of some small peasants helped to sustain families on small holdings that were scarcely viable. For other peasant families, there is evidence of intensification and expansion of farm holdings through investment in buffaloes, traditional agricultural equipment, as well as in agricultural land. In the mid-1970s, land prices soared as a direct result of migrant investment in real estate and after this point, little expansion in agricultural landholdings is evident.

Investment in the family farm is still a high priority for Dahshur's peasants, but is now having the more obvious impact of increased accumulation. Peasant migrants are no longer predominantly drawn from the poorer households as in the early years of migration and savings accrued from work in Jordan, Iraq and Saudi Arabia seem in real terms to be higher than from work in Libya. Investment in cows,
buffaloes, irrigation pumps, improved varieties of seeds, etc., help in the intensification of peasant production.

As in El-Qebabat, there is evidence of increased commercialization of agriculture in Dahshur. Whilst migration has accelerated this process, Taylor maintains that this trend has long been in motion, and in recent years was stimulated by the transfer in the region from cotton (a government controlled crop) to vegetable production for the "free market" at the end of the 1960s, as well as the general shift in Egypt's economy in the 1970s as a result of the "Open Door" policy. Unlike El-Qebabat, however, the level of mechanization in Dahshur is minimal. The only agricultural tasks to any degree mechanized are land preparation (and this, only partly), irrigation (though the traditional tambour and saqqia are still in evidence), and threshing. No villager owns a tractor.

The majority of peasant migrants, unlike those in El-Qebabat, are reabsorbed onto their land on their return from abroad. This accounts for about 80 percent of all returning peasant migrants. It is within the category of landless or near-landless agricultural labourers that a dramatic shift out of agriculture, primarily into construction, has occurred. Migration has not therefore typically resulted in the transformation of peasant into wage labourer. Rather, the dominant trend within Dahshur's agrarian structure appears to be the expansion and intensification of
small scale peasant household production. Migration has both directly and indirectly contributed to these processes. An increased amount of land is being brought under peasant cultivation as capitalist farmers, responding to the labour shortage, resort to sharecropping arrangements. Accumulation is taking place within the peasant sector both in the form of increased cattle raising and the intensification of agricultural production. Accumulation however has not led to the transformation out of peasant production to capitalist farming, either through the consolidation of land (which is impeded by land prices), or by a reliance on non-household wage labour. Increased labour needs are met by peasants by both exchange labour arrangements and by the intensification of household labour. The latter is certainly evident in the case of female labour input. Women are increasingly undertaking "male" agricultural tasks (for example, operating the tambour) but on their own household's land and not in the wage labour market. The withdrawal of male wage labour out of agriculture and the pattern of migrant investment have contributed both directly and indirectly to these trends.

Within this very schematic outline of the different types of agrarian transformation that migration appears to have accelerated in El-Qebabat and in Dahshur, many crucial questions remain unanswered. Indeed, one vital issue--the implications of these different trends for agricultural productivity--is not examined in either study. Our exercise in comparison has itself raised further questions concerning
the reasons for the difference in the investment patterns of El-Qebabat and Dahshur migrants and for the greater contribution migration seems to have played in shifting El-Qebabat peasants out of agricultural production.
CHAPTER V
Prospects and Policy

I. Prospects:

Everyone realizes that the present favourable conditions facing Egyptian labour migration may not continue. Its continuation depends on conditions of demand in the oil countries as well as on supply conditions at home. The demand for Egyptian labour in the oil countries is subject to general economic conditions, largely influenced by oil prices and development plans, but also to the competition of non-Egyptian and non-Arab labour, particularly from South-East Asia. The composition of demand is also likely to change with the ending of the great construction period in the Gulf countries and Libya, shifting the demand away from construction workers and towards technicians and production workers. The same could be said about Iraq's demand for Egyptian agricultural labour.

On the supply side, Egyptian agriculture may also cease to be a "convenient reservoir of labour, releasing or absorbing labour according to the needs of the non-agricultural part of the economy."(1) With the inevitable narrowing of the gap between wage levels in Egypt and the Arab oil countries,

(1) ILO, op. cit., p. 139.
the very incentive to migrate may weaken especially if the implementation of current development plans in Egypt increases demand for labour more rapidly than the less ambitious development efforts of the 1970's. A good account of the variety of factors that may affect the demand for Egyptian labour abroad favourably or unfavourably is to be found in a recent article by Birks, Sinclair and Socknat. Among the favourable factors that work for a greater demand for Egyptian labour, in contrast to labour of other nationalities, is the Arabic language facility of Egyptian migrants, although this advantage is also shared by other Arab migrants. Other factors include Egypt's influence on the educational systems throughout the Arab world, the longer and more established government apparatus, the geographical proximity of Egyptian labour to the oil rich states as compared with such countries as Morocco, and the tendency of Egyptians to accept relatively low levels of wages and salaries. One other favourable factor mentioned is political, namely "the increasing concern in most labour-importing states about the developing communities of Jordanians and Palestinians within their borders. Egyptians are perceived in countries of employment as being divorced from 'the Palestinian Question', and so, paradoxically, may be more politically acceptable than migrants from some other Arab sources in the Levant."  


2. Ibid., pp. 122-4.
The authors have a longer list for the unfavourable factors. One such factor working against the importation of all Arab labourers is that "labour-importing states' policy makers are increasingly fearful of the high propensity of Arab migrant workers to bring their families to their country of employment and settle there." There is also a tendency towards the application of more capital-intensive methods of production in the labour importing countries which "militates strongly against Egyptian workers who are associated with or ... perceived ... to be associated with dated technologies and methods of production". (1) The authors also believe that "Egyptians in the capital-rich states are associated with too vociferous a demand for rights and privileges or with unionization or collective bargaining" (2) which, unfortunately, we do not feel is true. The Egyptian would-be migrants are also having to compete increasingly with redirected migrants from the Maghreb countries who previously worked in Europe. (3) Moreover, if the number of unskilled Jordanians in oil-rich countries were to decline, there could be a net return of Egyptians from Jordan. (4)

Shortages of skills among potential Egyptian migrants caused by "the segmentation of the Egyptian labour market" are also mentioned as a factor constraining the export of labour, as

(1) Ibid., p. 125.
(2) Ibid., p. 126.
(3) Ibid.
(4) Ibid., p. 128.
well as the fact that "the economies of the capital-rich states have become more diversified, and as migrant streams have become less dominated by the demand for construction workers employed in the relatively traditional way...so the Egyptian position in the international labour market has weakened relatively."(1)

The authors conclude that "a sudden reduction in number of Egyptians abroad cannot be ruled out ... the fact that over 750,000 Egyptians work temporarily abroad should give no grounds for complacency in the minds of Egyptian planners. Migration could represent a delaying of labour market problems before they reappear in an aggravated form."(2)

A similarly pessimistic tone is in the report of the ILO 1980 mission:

"With Arab labour demand satisfied at current earnings, as may be possibly be the case, the situation may quite well be one of low, even inelastic demand for Egyptian labour. In that case, the government should not be misled by the large gap between foreign and domestic earnings and the fact that more Egyptian workers may be anxious to emigrate at present domestic and foreign earnings. The mission believes that this possibility should be seriously considered, in particular in view of the downward effects on Arab demand for foreign labour that may follow the present fall in oil prices." (3)

(1) Ibid., p. 127.
(2) Ibid., p. 131.
(3) ILO: Employment Opportunities ... etc., op.cit., p. 243.
Even if the stock of migrants continued to grow, "the flow of remittances may stagnate or begin to dwindle if emigrants settle and take their families abroad". (1) 

The ILO report is inclined, however, with regard to future demand, to distinguish among various groups of Egyptian labour. Egyptian construction workers probably meet greater competition than Egyptian teachers: the former compete with Pakistani, Korean and other non-Arabic speaking workers, in addition to Arabic speaking workers, while the latter compete only with Arabic speaking teachers. 

"Moreover, the former are to large extent employed by private contractors while the latter are largely employed by governments. For both reasons, we could expect the elasticity of the demand for Egyptians for construction work to be higher than the elasticity of demand for teachers. In the former category we may include not only craftsmen and experienced construction workers, but also unskilled labour seeking employment in construction abroad. In the latter category we may include all Egyptian migrants in occupations with the Arabic language a comparative advantage (university staff, administrative and office workers, domestic servants and professionals ... etc.)" (2) 

The fear that labour migrants from south-east Asia could come to replace Egyptian labour in the Gulf is particularly emphasized by Egyptian writers on migration. Thus, I. Saad El-Din and M. Abdel-Fadil feel that Asian migrant labour, with

(1) Ibid., p. 168. 
(2) Ibid., pp. 243-4.
its tendency to accept to live in labour camps, isolated from the nationals of the host countries and then to depart as soon as their contracts expire "represent ideal conditions from the point of view of the host countries in the Gulf". (1) They present figures on the number of work permits issued in Kuwait and Saudi Arabia and even Libya which show a significant increase in the proportion of Asian non-Arab labour in Kuwait between 1977 and 1980, in Saudi Arabia between 1973 and 1977 and its significant proportion in Libya in 1980. (2) 

The adverse effects which could result from a big decline in the flow or stock of Egyptian labour migrants and in their remittances, should be obvious from our discussion so far of the impact of migration on the Egyptian economy. Such a decline is bound to reduce the growth rate of GNP, the rate of saving and investment and increase the rate of unemployment and the balance of payments deficit. We are also inclined to believe that its direct effect on income distribution would

be unfavourable. (1) The necessary adjustments are far from being easy particularly in view of the fact that consumption patterns, import structure as well as the techniques of production had changed as a result of migration in such a way that it would not be easy to go back to pre-migration patterns. Returning migrants would not find it easy, for example, to get their old jobs back if production had become more mechanized in their absence. Similarly, import restrictions would now be more difficult to impose after new consumption habits had been acquired. Naturally, readjustment would be the more difficult the larger and/or the more sudden the decline. A sudden return of large numbers of Egyptian migrants could, in our opinion, necessitate a complete reorientation of economic policies and could be regarded as the most important single factor threatening the continuation of the open-door policy.

Any attempt to predict what is likely to happen to the magnitude of Egyptian labour migrant is however, just as difficult as it is important. If the state of our knowledge on the present magnitude of migration is so deficient, all predictions of future magnitudes must be even more so.

(1) We can not help being amused by the tendency among several writers who present a very negative assessment of the impact of migration on the Egyptian economy, to express strong fears of the possibility of the process of migration coming suddenly to an end. If their assessment of the impact of migration was correct, a return of almost all migrants should be welcomed and one should be indifferent to their replacement by Asian or other workers. This observation applies to the writings of Abdel Fadil, Saad El-Din, Firgany and El-Ahawany in the works cited above, and also to many others.
Several attempts at forecasting the number of Egyptians abroad, or of certain categories of them, at some future data, have been made. Nazli Choucri, for instance, developed a simulation model of the migration of Egyptian teachers to the Middle East and used it to project the number of migrant Egyptian teachers up to the year 2000.\(^1\) To appreciate the difficulties facing such exercises and the degree of uncertainty of their results it may be sufficient to point out some of the variables for which forecasts or guesses have to be made:

1) The policies of the teacher-importing countries towards training their own teachers rather than importing them; 2) the degree of response of their own nationals to such policies; 3) the attitude of the teacher-importing countries towards the importation of Egyptian teachers as compared with teachers from other countries, and the changes that might occur in this attitude as a result of political factors affecting the host countries, Egypt, and/or the Palestinian question; 4) the requirement of development plans in both the importing countries and Egypt; 5) teachers' salaries in Egypt, their income from private lessons, their relative income position in the Egyptian society and the impact of inflation on all this and 6), the likelihood of a change in the attitude of the Egyptian government towards the migration of Egyptian teachers.

\(^1\) Choucri, N.: Migration in the Middle East, op.cit., Vol. II, Chapter 14.
These of course are only some of the factors involved and with regard to many of them the past is likely to be a poor guide to the future, and abrupt unpredictable change may make the exercise almost worthless. One may seriously wonder whether such exercises are motivated merely by the desire to apply a sophisticated technique irrespective of relevance and usefulness. Unjustifiable assumptions are therefore boldly made and defended in spite of their obvious arbitrariness such as the assumption of "a constraint in TEAMING" (that is, teachers migration model) limiting the number of teachers exporter's government will allow to migrate per year, to 5% of the teacher workforce. 1 The only justification given for this assumption is that "both the Egyptian and the Jordanian governments restricted teacher migration to prevent excessive losses from their education system", 2 But no reason is given why the limit should be 5% rather than 30% for instance.

A less ambitious but a more solid attempt at forecasting the number of Egyptians working in the Arab world is made by Birks and others for 1985. 3 Starting from an estimate of about 800,000 Egyptians working abroad in 1980, the authors estimate that over the period 1980-85, the growth of employment

1. Ibid., p. 14-16
2. Ibid.
in the capital-rich states is likely to be of the order of 7% to 8% per annum, representing a slight fall from the rate approaching 10% in the years between 1975 and 1980. This still high rate of growth is explained mainly by the failure of nationals of these states to displace non-nationals and the slow growth in labour productivity. Of the 7.5% rate of growth of employment, the authors take the simple mean (3.5%) to represent the growth rate in the indigenous work forces of the capital-rich states. The non-national work force in the region would therefore grow at about 4% per annum to amount to 3.6 million by 1985. Of this number, the authors believe that "it would be surprising if the number of Egyptians abroad in the region in 1985 greatly exceeded one million, a rate of growth of 4.6% per annum between 1980 and 1985 ... Of this total of one million Egyptian migrants in 1985 less than 46% are likely to be unskilled. The rate of exports of unskilled workers will be slower than the overall growth of numbers of Egyptian migrants abroad." (1)

(1) Ibid., p. 130.
If this estimate for 1985 may appear too low, it is mainly because of the current belief in the large number of Egyptians working in Iraq. But the authors are inclined to believe that this is exaggerated and that Egyptians in Iraq in 1980 were probably not much more than 100,000.

The most elaborate exercise at projecting the number of Egyptian migrants is that of the World Bank in 1981. This study brings together a massive array of employment, educational and demographic data to project international migration trends among the countries of the Middle East and North Africa. The projection was made for nine major labour-importing countries (Algeria, Bahrain, Iraq, Kuwait, Libya, Oman, Qatar, Saudi Arabia and U.A.E) and ten major labour exporters (Egypt, Iran, Jordan, Lebanon, Morocco, North Yemen, South Yemen, Sudan, Syria and Tunisia).

The methodology applied is based on the projection of manpower requirements, both quantitatively and qualitatively, and of the total manpower supplies of the importing and exporting countries at a range of occupational levels, highlighting labour shortages. The individual country's requirements and supplies are then linked through the regional

1. Ibid, p. 127
simulation of migration flows, subject to various constraints representing established trends. This was done for every major country in the region under high and low economic growth scenarios to establish a likely range of manpower requirements.

The study warns that the figures for 1985 should only be taken as orders of magnitude "illustrative rather than a detailed basis for specific decision-making" and that "since the data base is wanting to a varied extent, the projection should be taken as sketches, not empirically accurate." 1

The total figures for Egypt are shown in table (25) below, and indicate much lower estimates than the more recent estimate of Birks et al already referred to, of one million Egyptian workers in the region in 1985. The discrepancy is worth noting considering that several authors have contributed to both studies and the very short time separating the two estimates. The revision seems to have been mainly due to the exclusion of Jordan in the World Bank study as an importer of Egyptian labour, and the underestimation of the number of Egyptians migrating to Iraq. The World Bank study has obviously not envisaged the great increase in the number of Egyptians going to Iraq in the early 1980's but was inclined to the view that:

1. Ibid, p.1.
### Table (25)
World Bank Estimate and Projection of
Egyptian Migrant Workers in Major
Labour-Importing Arab Countries
(1975 and 1985)

<table>
<thead>
<tr>
<th></th>
<th>1975</th>
<th>1985</th>
</tr>
</thead>
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<tr>
<td>In 7 Arab Major Labour-Importing Countries¹</td>
<td>353.3</td>
<td>711.5</td>
</tr>
<tr>
<td>In 9 Arab Major Labour-Importing Countries</td>
<td>353.7</td>
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<td></td>
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</tr>
<tr>
<td>assuming low economic growth rates</td>
<td></td>
<td>616.9</td>
</tr>
<tr>
<td>assuming high economic growth rate</td>
<td></td>
<td>761.7</td>
</tr>
</tbody>
</table>

1. Bahrain, Kuwait, Libya, Oman, Qatar, S. Arabia and U.A.E.
2. The same seven countries plus Iraq and Algeria

Source: World Bank: Manpower and International Labour Migration in the M.E. and North Africa, op.cit, p. 100 & 118
"the recent Iran-Iraq confrontation appears to have had little impact upon the migration patterns discussed in the report."

The study does not only project the total number of migration but also their distribution by sector and occupation. The fact that it has not envisaged the big increase in the number of unskilled labourers who migrated from Egypt since the late 1970's, led it to project a decline in the proportion of unskilled to total Egyptian migrants between 1975 and 1985, from 54% to 47.9% 1. The opposite seems to have been happening since 1975 as a result of the big increase in the emigration of agricultural workers.

The study seems also to overestimate the tendency of dependents to join their breadwinners abroad. The authors of the World Bank study believe that:

"in 1975, the crude participation rate was, in actuality, unusually low. This was an early phase in the period of very rapid expansion of migrant employment in the seven labour-importing countries, when many single males were migrating to work there---After 1976-77 the crude participation rate began to fall again, probably at a rapid rate, as families joined their breadwinners in the countries of employment."(2)

This again is unlikely to have been true of Egypt, where the rapid increase in the emigration of agricultural workers who could not afford to

take their families with them must have led to the persistence or even to a rise of an already high participation rate. Hence the projected fall of the crude participation rate for Egyptian workers in the region from 60% in 1975 to 30.7% or to 29.9% in 1980 (according to the two alternative assumptions of high and low growth rates)\textsuperscript{1} seems unrealistic.

A more general comment on the World Bank projection is that the methodology used, starting as it does from calculations of the manpower requirements and the growth of labour force, seems to be more indicative of the possible future of migration for the region as a whole than for specific countries. Actual movements of labour from any one country in the region is likely to be more influenced by factors that are specific to the country concerned than by surpluses or shortages of labour in the importing country. Nazli Choucri rightly remarks that in the World Bank projection, "the demand for labour alone drives the model; supply is assumed to be completely and easily satisfied. This assumption is surely incorrect given ample evidence of supply-related constraints in labour-exporting states."\textsuperscript{2}

Another related remark concerns the two assumptions of high and low growth rates used in the World Bank projection. These assumptions

\begin{itemize}
  \item \textsuperscript{1} \textit{Ibid}, p. 135.
  \item \textit{Choucri, N.: Migration in the Middle East, op.cit} vol. II, p. 13-8.
\end{itemize}
refer to growth rates in all Arab exporting and importing countries being high or low at the same time. Obviously a great variety of different combinations of growth rates in the different countries is possible and there is no reason to prefer the two assumptions chosen to many others which could produce very different results. Again, these two assumptions may produce more plausible results for the region as a whole than for any particular labour-importing or labour-exporting country.
2. Policies:

Since no one, however critical of migration, goes as far as to deny any favourable impact whatsoever, everyone would be willing to accept that migration policy should aim at "maximizing its benefits and minimizing its costs." There is also wide agreement on the broad goals of migration policy. Migration of unemployed or underemployed labour should be encouraged, including most categories of manual labour and university graduates, but not that of highly skilled professionals and technicians. Egypt also has an obvious interest in maximizing the earnings of her workers abroad as well their propensity to remit these earnings back to Egypt, in stabilizing the magnitude of remittances and in maximizing that portion of remittances which passes through the Egyptian banking system. Of this portion the more is saved and invested the better, and investment out of remittances should be directed into the most productive channels. Remittances in the form of imports of capital and intermediate goods should be encouraged but not the importation of consumer and particularly luxury goods. Labour shortages that may arise as a result of migration should be met by effective training, retraining and education policies, while the education system should also be reoriented towards the production of more "labour for export." Institutional obstacles to labour mobility among various occupations should be eliminated or reduced and institutional reforms which reduce the impact of labour shortages, should be undertaken.
Apart from the impact of migration on economic development, the increase in the welfare of Egyptian migrants should also be a goal for Egyptian policy, so as to ensure their better treatment abroad and the elimination of discrimination against them, as well as their protection from labour brokers at home. Any increase in the accessibility of information for potential migrants on work opportunities in various host countries should be welcomed as well as any assistance that could be offered to them which would reduce the economic or psychological costs of migration.

The existing literature on Egyptian migration is full of statements of these goals for emigration policy, but there is little discussion of the alternative measures that could be taken to achieve these goals. Suggested measures are often stated in general terms and in an eclectic, brief or unsystematic manner, while controversial suggestions are sometimes categorically made without sufficient analysis of their pros and cons. The shortage of data is to some extent responsible for this as for instance, when it is generally stated that migration policy should aim at encouraging the migration of the unemployed and underemployed but discourage the migration of those in short supply without specifying which categories of labour come under this or that policy. ¹

¹. See for instance, ILO: Employment Opportunities...etc, op.cit p. 244.
The same could be said about suggestions for directing the educational system towards "expanding its capacity for producing graduates in demand abroad"\(^1\), again without specifying which categories of graduates are especially in demand abroad. But policy measures which do not require more precise data than is available are also sometimes too briefly dealt with. For example, taxation of the earnings of Egyptians abroad, or the obligation to transfer certain proportions of these earnings to Egypt are suggested by some as a way of increasing Egypt's benefits from migration,\(^2\) and dismissed by others as likely to reduce rather than increase Egypt's foreign exchange proceeds,\(^3\) without the various implications of such measures being sufficiently examined. Similarly, the use of foreign exchange rates as an incentive to remit a greater proportion of income through official channels is often suggested without discussion of the likely response of migrants to this measure in the light of steps already taken in the past by the Egyptian government.\(^4\) On the whole, there is a shortage of detailed, well-documented discussions of the various measures that could be taken to maximize remittances and to ensure their best possible use.

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The most comprehensive account of these possible measures is perhaps that of the ILO 1980 mission report. It also goes beyond the general recommendation that the Egyptian government should be prepared for the possibility of a large number of migrants suddenly returning to Egypt, by suggesting "a contingency investment programme", ready to be implemented if serious unemployment begins to develop.

This program

"should emphasize construction work.
A large scale housing programme is a natural solution, but infrastructure in transportation (rural as well as urban) and land improvement are other areas in which contingency investment planning is feasible"(2)

It also suggests "redirecting investments towards foreign exchange and import substituting capital goods industries. It is a well-known argument, albeit disputed from many quarters, that import substitution should be replaced by export promotion for the sake of efficient growth. Our argument is an entirely different one, namely that, import substituting capital goods industries are needed as a hedge against a serious foreign exchange setback, that may never happen, yet is a distinct possibility". 3

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1. ILO, op.cit, pp. 233-47.
2. Ibid, p. 200
3. Ibid, p. 172
CHAPTER VI

CONCLUSIONS AND GUIDELINES FOR FUTURE RESEARCH

On reviewing the literature on Egyptian labour migration it is difficult to dismiss the feeling that in spite of the great volume of this literature, it has done little either to disprove, qualify or to confirm the already held impressions which are based mainly on casual observations, simple logic or the knowledge of basic economic principles. A mass of statistics have indeed been presented but this was largely used to give a rather slight support to already held beliefs, and only rarely was the data used decisive in supporting one impression or in refuting another. We are still largely in the dark as to whether the number of Egyptians abroad is nearer to one million or to double this figure, to whether agricultural and construction workers constitute about half or three quarters of the total stock of migrants, to the average period of stay abroad or of course, to the migrants' average propensity to remit, save and invest. We have reasonably good knowledge of the change in the rate of inflation over the 1970's, but only very general statements can be made about the contribution of migration to this change. We have strong impressions about what happened to income distribution and consumption patterns since 1974, but we have no solid basis for the common belief that remittances are mainly used for "luxury consumption" and "unproductive investment," nor can we even confidently assert whether migration had led to greater or less income inequality.
A great deal of the blame must of course fall on the scarcity and deficiency of data. Available data are scarce, out of date and often contradictory, not only with regard to the phenomenon of migration itself but with regard to many major economic variables on which we want to assess the impact of migration. Precious little can be said when neither the flow nor the stock of migrants is known to any degree of certainty, and when its composition can only be guessed at we can not assert with any confidence whether or not migration has created a shortage in a particular category of labour. Wage rates of one category may be rising rapidly but so many factors, other than migration, could have contributed to this, and with the shortage of data on these other factors, only tentative statements can be made on the impact of migration on the labour market.

The first need is therefore for more complete, reliable and up-to-date information. Egyptian and international institutions are very much aware of this but two suggestions can be made here for speeding up the process. One relates to the role of aid-giving institutions in filling the information gap and the other to the possible advantage of cooperation between the labour importing and labour exporting countries. We believe that a small proportion of the funds already being spent on financing research on migration may be better spent on improving the statistical or information base than on speculative research work or on undertaking forecasts which must be at least as weak as the data on which they are based. Cooperation between labour exporting and labour importing countries in the collection of
information may not necessarily be between governments but may be effectively undertaken between research centers in the two groups of countries. A joint project for instance, between the National Planning Institute of Egypt and the Arab Planning Institute of Kuwait on Egyptian migrants in Kuwait could probably have greater access to useful data or can more easily conduct field studies on labour migrants which could take into account the type of information needed by both countries, than a similar project undertaken separately by any of them.

But it would be wrong to think that the meagre results achieved by the existing literature are only due to lack of information. Going through the great quantity of books and articles on Egyptian migration one is struck by the great amount of repetition and overlapping, the degree to which authors tend to repeat themselves in works submitted to different institutions, and the apparently great hurry in which the work is written. Several published studies on migration give the impression that they have been written in a hurry to meet deadlines fixed by the financing agencies, or even to reach a minimum number of pages. Previously published studies are sometimes padded with new chapters to make the appearance of a new volume possible while empty paragraphs and self evident statements which could apply to any other country just as much as they apply to Egypt, are abundant, as well as pure rhetoric or expressions of personal biases presented as objective statements.
An exaggerated concern for reaching a general assessment of the phenomenon of migration as either "favourable" or "unfavourable," has led several studies to classify its various effects into "positive" and "negative" effects, ignoring or belittling the complexity of the impact and the fact that the same economic variable could be both "positively" and "negatively" affected by migration.

Let us also frankly state that several Egyptian writers on migration are of a political orientation which is generally hostile to the open-door policy. Since the rapid growth of migration has coincided with the inauguration of this policy and to some extent has been encouraged by it, many of these writers have been reluctant to attribute any positive impact to migration, apparently fearing that they would thereby be lending support to economic liberalization. The result has often been very objectionable. Meagre evidence is used to support a judgement which has already been made on ideological grounds, and sweeping conclusions are reached which may be utterly unjustified by the available data. The complexity of the phenomenon tends of course to make it easier to disguise ideologically biased statements as statements of fact, but it has also led more objective writings to be contented with the expression of mere truisms, to be highly eclectic or to shy away from relating economic analysis to the existing data.
We do not believe, however, that these three alternatives are the only ones which are open to the researcher on labour migration: either to despair from reaching any useful conclusion from such deficient statistics, or to rush to conclusions not sufficiently supported by data or to confine oneself to virtually self evident statements which are hardly in need of empirical evidence.

In the first place, we feel that researchers often exaggerate the degree of precision needed in economic and social data for the formulation of sound policies. Indeed, if a high degree of precision is always needed one could have lost almost all hope in the capacity of the governments of most developing countries to take any rational decisions at all.

To give a few examples, policy makers need not wait for precise information on income distribution, how it changed over time and the nature of the impact of migration on it to decide whether migration should or should not be encouraged, or whether unskilled labour should be given greater facilities to migrate than skilled labour. Similarly, the reform of the educational system in the direction of greater emphasis on technical subjects does not need to await the establishment of the impact of migration in creating shortages in technicians and highly skilled labour. Research work directly related to formulation of policy measures could
therefore be undertaken even with the existing deficient state of knowledge about migration. There is however, much less research work of this kind than seems desirable. For example, relatively little is written on the various policy measures that could be taken to encourage or facilitate migration generally or of specific groups, to encourage a greater flow of remittances or to direct remittances into the most desirable patterns of investment. In contrast, much more effort has been spent on establishing why people migrate, what goods they seem to have already possessed before migration or what goods they would like to acquire on returning home. The use of more favourable foreign exchange rate, or of interest rates on deposits in Egyptian pounds as incentives to transfer a greater portion of earnings abroad is also in need of more elaborate research even though we cannot hope to establish with a high degree of certainty the degree to which remittances may be sensitive to either measure.

In the second place, it is our belief that quantitative analysis is not always the best way for understanding such a complex phenomenon as labour migration or for predicting its likely development in the future. Indeed, we feel that fascination with quantitative techniques, or rather the belief that no argument is worth making unless some quantitative evidence is advanced to support it, has led some writers on Egyptian migration to absurd results as it has done in other areas of social research.
To attach importance to the results of questionnaires presented to very small and unrepresentative samples is one example of this attitude. Another is to refrain from making the obvious deduction on the impact of migration on income distribution from the fact that a large number of migrants consist of unskilled labour, in preference to some self evident statements such as that the higher the income the greater the consumption of imported goods. A third example, already referred to is the attempt to calculate the rate of return on migration by the use of an equation where all "externalities" are excluded because of the lack of data and where the aid given to Egypt by oil states is assumed to be dependent on migration simply because it can be quantified. We believe, on the contrary, that a descriptive, "qualitative" study of the various factors that are likely to affect the decision to migrate could be more illuminating than a dozen carelessly prepared questions and a perceptive study of political factors influencing the propensity to remit or the likely reaction of migrants to a change in foreign exchange rate, could be of greater help to policy formulation than quantitative analysis based on limited data. The same could be said about projections of the likely magnitude of migration flows and stocks which are based on forecasts of labour supply and labour requirements under assumptions of "high growth rates" and "low growth rates". The problem is that a quantitative analyst in order to make his exercise at all possible, is bound to make what everybody should know to be either unrealistic or arbitrary assumptions, as well as to ignore so many important variables that cannot be quantified. For example, one important factor affecting
the magnitude of future migration from Egypt is the changing political relations between Egypt and the oil states. A study of the likely development of these relationships, even if speculative, could be more enlightening to the policy maker than mechanical forecasts based on figures of national plans that are rarely implemented. The same kind of study is needed on the likelihood of Egyptian workers returning suddenly and in large numbers back to Egypt. The importance of this event, if it ever takes place, is sufficient to justify such a study, however speculative it might be, so long as it is based on a good amount of knowledge of the political and social factors involved.

Finally we wonder whether, even with the existing state of information, available data has been sufficiently made use of. Data on the remittances of Egyptians abroad is among the best we have, and there is a continuous time series of their magnitude broken down into their two main categories. Data exists also on the distribution of financial remittances by country of origin as well as a fairly detailed classification of own-exchange imports according to the nature of imported goods. We know, however, of no study of the fluctuations of remittances from year to year, or of the impact of the changes in foreign exchange rates or in import restrictions. The structure of imports financed by the own exchange system is also worthy of more elaborate study as well as the growth of bank deposits created by migrants in foreign banks in Egypt,
of the role of these banks in mobilizing Egyptian remittances and the optimum policy which could be taken to guarantee their better utilisation. No coherent policy yet exists in Egypt for the maximization of remittances transferred through the banking system or for directing them towards the most desirable channels of investment. Several suggestions have been made ranging from subjecting Egyptian earnings abroad to Egyptian taxes, to the establishment of investment projects catering specifically for migrants' savings. A study of the comparative advantages of such measures and of administrative and other difficulties involved could be valuable for policy making.

What in our opinion is an unfortunate over reliance on quantitative method and analysis has not only affected the quality of the work undertaken. It has also determined to some extent the choice of issues to be investigated. Those areas which require the use of historical data, both written documentation and oral accounts (e.g., case histories) have generally received little attention as have issues which cannot be readily grasped by the administration of "one-off" questionnaires or the utilization of readily available quantitative data. The whole area of political science or political economy has gained scant attention. Little--or nothing--has been written on such questions as the role of the state (both within Egypt and within the labour importing states) in encouraging or constraining migration; the historical effectiveness of migration
policies, and the political interests involved in their formulation. Likewise, the impact to trends in the world market as these impinge on the movement of labour in the Arab region has also been largely ignored.

Even in the area of village studies, where one would have expected a less heavy reliance on "the questionnaire" (as the sole method of inquiry), our comments equally pertain, with the result that such questions as the individual characteristics of migrants and their investment patterns are much more fully researched than issues such as the impact of migration (including remittances) on the village economy or agrarian structure. Even when the aims of particular studies promise to investigate such impact at the village level, the basic unit of investigation is normally the households of migrants (interviewed by questionnaire), and rarely is any substantial attention given to the wider structure of the village economy. One particularly regrettable result is that the results of village studies can only be compared at a superficial level, and the reasons for variations in patterns between villages remain largely a matter of speculation.

We have devoted a large section of this report to an attempt to draw together the various published studies of migration at the village level. We felt that this was a worthy project, since although a large body of literature exists on the macro-economic aspects of migration, within this subject the characteristics and impact of migration
at the rural level were generally treated as "unknowns", or subjected to unsubstantiated assumptions and speculation. Our assumption was that although until recently the lack of substantive data on rural migration justified the application of working hypotheses, with the publication of a number of village studies more solid data was now available. Our task as we saw it was to draw these studies together and to shift our understanding of rural migration and its implications onto a firmer empirical basis.

Although to some extent we feel we have made progress in this direction, in many ways we are disappointed with our attempt. The main reason for this as we see it, in addition to our own limitations, is that the basis for a comparison of village studies was extremely inadequate. Few studies provide an adequate account of village economic structure so as to enable us to make a comparison between them, except at a somewhat superficial level. Whilst being able to point to the differences, in for example, characteristics of village migrants, volume of migration, and investment patterns, the reasons for these differences still are still largely matters of speculation. For this reason we felt it might be useful to suggest ways in which future studies could proceed in order to shift our present state of knowledge onto an analytically more useful level. This we have outlined in some detail in Appendix I.
APPENDIX I

MIGRATION AT THE VILLAGE LEVEL:
A SUGGESTED FRAMEWORK FOR FUTURE RESEARCH

Our attempt in Chapter IV to draw together data presented by individual village studies has heightened our awareness of the variety of village structures that comprise the Egyptian rural sector and of the uneven penetration of the international labour market into the countryside. It has also convinced us of the need for future research to be conducted within a framework of analysis that takes account of the different village structures out of which migration is unevenly occurring. This would require firstly studies that firmly locate migration within the context of the village economy, i.e., within a context which identifies such structures as patterns of land distribution and labour force deployment as well as the general direction of "development" evidenced by the village economy. Too frequently, such data has been lacking or only sketchily presented with the result that "migrants" or "migrant households" tend to be presented as objects of study in themselves, abstracted from or only precariously located within the wider village context. It secondly requires an attempt to identify the significant features of village structures that impede or encourage migration with a view to distinguishing different village types that exhibit different migration patterns. We should then be
in a position to relate the uneven pattern of rural migration to the variety of transformations that are at present evident in the different areas and villages of rural Egypt. In this way both a more comprehensive, and an analytically more useful, picture of rural out migration should emerge.

A paper by Seifelnasr\(^\text{1}\) provides a framework of analysis that systematically "contextualizes" the issue of rural migration. We present it as an illustration of the type of conceptual approach that we feel could fruitfully be employed by future research. Seifelnasr's paper is the only attempt known to us to provide a general framework for the analysis of Egyptian rural migration, and whilst not advocating its uncritical or wholesale adoption, we present it as an example of the type of conceptual approach that we feel could shift the present stage of village level research onto a significantly more useful level.

Seif El-Nasr's paper was designed to provide a framework for the analysis of internal migration from rural areas, i.e. rural to rural, and rural to urban migration. However, the general conceptual approach employed and the analytical model suggested provide a framework within which all forms of migration, including external migration, could be simultaneously examined as part of related processes. The model which the author develops is designed for the application of econometric research techniques. It is however, firmly grounded in an awareness of the issues of rural sociology and economic anthropology and the conceptual approach advocated is highly relevant to researchers utilizing the traditional methods of other social sciences.

Seif El-Nasr's basic propositions are two: firstly that rural labour migration, as a form of "off-village employment" is crucially related to the processes and patterns of labour utilization at the village level; and secondly, that migration in the rural context is "a family or household, and not an individual decision". Labour utilization and allocation is thus a function of both village "socioeconomic" structure and household structure. Any adequate model analysing migration therefore requires the provision for simultaneous measurements at both levels.
Seif El-Nasr proceeds by attempting to identify those factors at the village level which are crucially related to labour utilization. Here he draws heavily on Dasgupta et al's work on Indian agrarian structure and in particular on their analysis of labour deployment in 135 Indian villages. Dasgupta's analysis suggests that the most important factor affecting patterns of village labour deployment is the degree to which land distribution is skewed. Highly skewed distribution creates both a supply of landless or near landless labour as well as a demand for hired labour on the part of large farmers whose family members have withdrawn from household production. At the same time highly skewed land distribution within the village suggests a low degree of labour utilization overall since labour intensity varies inversely with farm size. Two other variables are identified as critical for village labour allocation: the level of agricultural technology as this affects types and volume of labour utilization, and the degree of agricultural commercialisation. A high degree of commercialisation of village agriculture would imply a greater integration of the village into the domestic market and hence a higher

degree of diversification of the village economy.

Characterising villages with highly skewed land distribution, advanced agricultural technology and a high degree of commercialization and diversification as "more developed", and villages with a lower predominance of these characteristics as "less developed", Dusgupta draws up models of two types of villages at opposite ends of the "socioeconomic scale", which he suggests evidence different rates and patterns of rural out-migration. Into this framework, Seif El-Nasr places the household, and identifies three crucial factors at this level: firstly the class or socioeconomic position of the household in determining whether migration is for 'survival' or 'mobility'; secondly birth order and stage in family cycle with the suggestion that older and married sons are more likely to be retained on the farm; and finally the type of family structure, be it extended or nuclear, on the basis, not elaborated, that extended families are better placed to promote migration.

On the basis of the conceptual framework developed, Seif El-Nasr suggests a research strategy for the analysis of rural migration which attempts to select villages for

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1. This latter point is perhaps rather surprising as the logic of the argument so far seems to be that the degree of proletarianization of the village is a crucial factor in determining out-migration and the conventional wisdom of rural sociology would associate nuclear family structure with landless "proletarianized" labour.
study at 'different levels of development', in order to identify different patterns of migration. He further advocates the study of villages over time in order to assess the changing pattern of relationships between the variables identified. In terms of econometric research Seif El-Nasr proposes that an aggregate migration function should be estimated for different villages at different levels of development, and that a behavioural function should be specified for each economic class of household with migration as an endogenous variable.

Although we have some reservations about Seif El-Nasr's perhaps somewhat unreflective application of a model based on Indian agrarian structure to the Egyptian rural sector, and these will be detailed later, in general Seif El-Nasr's conceptual approach is to be welcomed on many counts. Firstly, it overcomes problems associated with the study of rural migrants or migrant households as autonomous objects of enquiry by firmly locating migration as one option for labour deployment at the household level within the context of the overall pattern of 'socioeconomic development' exhibited by the village. It thereby also moves beyond an analysis of migration as a function of discrete "push" and "pull" factors, such as wealth, education or poverty, by contextualizing such factors as integral parts of particular patterns of rural development.
Secondly, it takes account of the heterogeneity of the rural sector and of the uneven development of different villages within it, by attempting to identify different types of village structures associated with different patterns of development. Thirdly, in its concern to identify villages evidencing different development patterns as these variously affect migration, a framework is provided for the analysis of rural migration as an integral part of the general process of rural transformation and socioeconomic change. A question often plaguing researchers at the village level of how far their particular village case study can be considered 'representative' (in terms of its conformity to a hypothetical and somewhat meaningless concept of an average national type) is therefore transformed into firstly, what are the structures of a significance to the migration process that distinguish different villages? and secondly, how are these different village structures related to the process of rural transformation, or in Seif El-Nasr's terms, to the various "socioeconomic changes" that are taking place within the Egyptian rural sector? In our opinion it is within a conceptual approach such as this that village level studies could make a significantly greater contribution to our understanding of rural migration than that provided thus far.
Some qualifications concerning Seif El-Nasr's approach, however, need to be made, and these involve suggested modifications to be proposed framework. Most of our reservations relate to Seif El-Nasr's wholesale adoption of a model based on Indian agrarian structure without, in our opinion, adequate reflection on its applicability to the Egyptian rural sector. Firstly, Dasgupta's framework suggests a rural structure that is far more heavily agrarian than the diverse economy of the Egyptian rural sector, in which only about 60 percent of the labour force is engaged in agriculture. The three factors at the village level identified as of crucial significance in labour allocation are all related to the ability of agriculture to absorb village labour: land distribution, level of agricultural technology and degree of agricultural commercialization. In the case of Egypt, in addition to these factors we should need to take account of the degree to which the economy of a particular village is diversified as well as the degree to which opportunities for non-agricultural employment exist outside, but within commuting distance of, the village.

Our second reservation concerns the assumption that rural migration is a function of household rather than individual behaviour. This is a position adopted within
much of the literature on rural migration but is one that seems to be derived from rural economies which are based on household production, i.e. in which the household is the basic unit of production. These are most typically peasant households but can include also households of artisans and of those engaged in various kinds of domestic industry. Again given the degree of diversification of the Egyptian rural sector, as well as the fact that roughly one third of Egypt's agricultural land is under capitalist production, many, if not most rural households are no longer production units based on family labour; their members have to varying degrees, been incorporated into the wage labour market as 'individualized' labour. It is clearly not possible to treat the migration of such household members as a function of the labour requirements of a family production unit. A distinction therefore needs to be made between households which are production units and whose labour requirements act as one set of constraints or inducements in the migration of their members, and households based on wage labour, whose incorporation into the international labour market is not subject to these constraints. Such a distinction needs to

be incorporated into Seif El-Nasr's identification of critical factors at the household level affecting migration.

Our third qualification concerns the adoption of Dasgupta's model of village types at "different stages of development". This model presupposes a unilinear development path and one that in our opinion can only questionably be applied to the Egyptian rural sector. Dasgupta's models of villages at extreme ends of the development path, at "low" and "high" levels of development, seem to apply to villages characterized by different types of production relations: peasant production and capitalist farming. Here is implied development along classic Lenninist lines; the transformation of peasant into capitalist agriculture. This raises the question of how applicable is the Lenninist model of agrarian transformation to the context of contemporary rural Egypt, a question which is still under debate in Egypt as indeed it is in India. A further question to be asked is whether it is valid to assume as given, any unilinear development path, whereby differences in village structures are explained in terms of their different points along the road. It could equally well be suggested, as has been done with respect to the Turkish rural sector,¹

that within Egypt the uneven development of the rural sector is in fact giving rise to a variety of transformation paths simultaneously, and not necessarily all evolving towards a capitalist agrarian structure and implied 'development'. Indeed, the dynamics of some village economies may suggest in Seif El-Nasr's somewhat problematic terms, a movement in the reverse direction i.e. towards 'underdevelopment' or the increased 'peasantisation' of village agriculture.\(^1\) In short, rather than the uncritical adoption of a framework that places villages at different points along a single development path, we should allow for the possibility of different paths of agrarian transformation differentially affecting rural migration patterns.

Our final comment concerns the fact that the framework proposed confines itself to structures internal to the national economy. The relation of the domestic economy to the 'outside world' and the structures that have evolved as a result of the incorporation of the national economy into the world market, are thus ignored. In the light of the shift in Egypt's economic policy over the last decade or so, this is a glaring omission. Possible critical factors at this level of analysis would include the degree

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to which villages have been incorporated into the international consumer market and indeed the degree of penetration into villages of the international labour market as a process which itself "begets further migration". Such factors need to be taken into account in any framework attempting to provide the basis for analysis of Egyptian rural migration as an integral part of socioeconomic change.

Within the general body of literature on rural migration an approach which locates migration within the context of patterns of rural development or transformation is one which is gaining increasing prominence.¹ A framework along the lines suggested by Seifelnasr provides in our opinion the possibility for future research to contribute not only to a more significant analysis of Egyptian rural migration, but to enter more fully into debates the the international level concerning the patterns and processes of rural migration.

¹ c.f., for example: Portes, A., and Walton, J., Labour, Class and the International System, Academic Press, 1981. Also, Simmons, A., "Migration and Rural Development", op. cit., who maintains that prominent economists such as Todaro have recently attempted to incorporate elements of such an approach into their analyses (p. 18).
APPENDIX II

RESEARCH IN PROGRESS

We attempted to contact major institutions in Cairo within which projects on labour migration might appropriately be underway in order to assess how far present gaps in research are already being taken care of.

The following three projects represent to the best of our knowledge the extent of institutional involvement in original research.¹

¹ This excludes the funding by private institutions of research projects by individuals.
1. National Centre for Sociological and Criminological Research
   
i. The Impact of External Migration on Village and Family Structure

   Project director: Dr. Azza Korayem

Aim

To examine the impact of migration on village and family structure in the Delta and the Said, with a special interest in comparing the differences between these two geographical areas.

The orientation of the research is multidisciplinary, with principal investigators being drawn from the following disciplines: social anthropology, agro-economics, economics, psychology, and sociology.

Method

Exploratory stage (at present in progress)

Four villages, two in the Delta and two in the Said, have been selected for participant observation. On the basis of observations gathered, a questionnaire will be designed for administration at the second stage.

Second stage

Eight to ten villages will be selected for study in different regions of Upper and Lower Egypt. A questionnaire will be administered to households of migrants by research assistants from universities in the regions selected.
At this stage of the research, issues such as method of selecting villages and household sampling techniques have not yet been decided.

ii. 1981 - 1983 Survey of Egypt

To be published in 14 volumes (in Arabic)

Vol. 1: Population (to be published at the end of 1984)

This volume will include a section on internal and external migration, urban and rural.

The data concerning external migration is drawn from official records of temporary and permanent migration, 1952-1982, and classified according to age, sex, marital status and occupation.
2. Centre for Arab Unity Studies, Cairo

Research project designed to build up a data base on labour migration in the Arab World for the period following 1973.

Project director: Dr. Nader Fergany

Countries for which cooperation and finance are so far assured are: Egypt, Kuwait, North Yemen and Tunisia.

In addition Jordan (sponsored by FAO) and the Sudan (sponsored by ILO) will be conducting their own surveys but with technical design being provided by the Centre.

The first country survey to be carried out is that of Egypt. The Egyptian survey design will be used as a basis for other country surveys (with appropriate modifications) to ensure comparability of data.

Scope of Research

Issues to be examined are:

1. Magnitude of migration
2. Characteristics of migrants and of the migration process
3. Socioeconomic determinants and impact of migration.

Eight questionnaires will be administered in order to elicit information at following levels:

1. 1 questionnaire for the community level
2. 3 for the level of the household, both migrant and non-migrant
3. 4 for individuals, both migrants and non-migrants.
The Egypt Survey

The Egypt survey is being undertaken through the auspices of the Population and Family Planning Board, Cairo.

A nation-wide survey is to be conducted of 12,000 households selected as representative at the national level, and will cover 100 villages and 100 districts within urban areas.

The first phase is planned for November 1984, when the first of three questionnaires designed for households will be administered to the entire sample. Sub-samples of migrant and non-migrant households will then be drawn on the basis of this survey.
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