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Migration of Skills, the Egyptian Case

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CARIM
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Migration of Skills, the Egyptian Case

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This publication is part of a series of papers on Highly-Skilled Migration written in the framework of the CARIM project and presented at a meeting organised in Florence: 'Highly-Skilled Migration into, through and from Southern and Eastern Mediterranean and Sub-Saharan Africa' (30 November – 1 December 2009).

These papers will be discussed in two other meetings between Policy Makers and Experts on the same topic in early spring 2010. The results of these discussions will also be published.

The entire set of papers on Highly-Skilled Migration are available at http://www.carim.org/HighlySkilledMigration.

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CARIM

The Consortium for Applied Research on International Migration (CARIM) was created at the European University Institute (EUI, Florence), in February 2004 and co-financed by the European Commission, DG AidCo, currently under the Thematic programme for the cooperation with third countries in the areas of migration and asylum.

Within this framework, CARIM aims, in an academic perspective, to observe, analyse, and forecast migration in Southern & Eastern Mediterranean and Sub- Saharan Countries (hereafter Region).

CARIM is composed of a coordinating unit established at the Robert Schuman Centre for Advanced Studies (RSCAS) of the European University Institute (EUI, Florence), and a network of scientific correspondents based in the 17 countries observed by CARIM: Algeria, Chad, Egypt, Israel, Jordan, Lebanon, Libya, Mali, Mauritania, Morocco, Niger, Palestine, Senegal, Sudan, Syria, Tunisia, and Turkey.
All are studied as origin, transit and immigration countries. External experts from the European Union and countries of the Region also contribute to CARIM activities.

CARIM carries out the following activities:

- Mediterranean and Sub-Saharan migration database;
- Research and publications;
- Meetings of academics and between experts and policy makers;
- Migration Summer School;
- Outreach.

The activities of CARIM cover three aspects of international migration in the Region: economic and demographic, legal, and socio-political.

Results of the above activities are made available for public consultation through the website of the project: www.carim.org

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Abstract

Migration includes a wide range of human capital transfers from less developed states (countries of origin) to more developed ones (destination countries). The education received by these migrants prior to migration come at the expense of their country of origin (at a cost depending on the level of education) and would only have been beneficial to their host country if they had been employed there. Meanwhile, transfers operating in the opposite direction must also be taken into account. Financial transfers to countries of origin might possibly offset the initial investment in education and any subsequent loss. This happens, in particular, if savings from income earned abroad, remitted to families of origin, are greater than the income that would have been earned in the country of origin (weighted by the probability of being employed). In addition, the initial investment on human capital at home might be offset when additional skills are gained in countries of destination that benefit origin countries, either directly in the case of return migration during the migrants' productive life, or indirectly through economic activities undertaken by migrants in their home countries. The objective of this analytical note is to study the different aspects of skilled Egyptian migration and its implications for the labor market.

Résumé

La migration donne lieu à une large gamme de transferts de capitaux humains depuis les pays d'origine vers les pays de destination. L'éducation dont les migrants ont bénéficié avant leur départ (dont le coût varie selon le niveau et la nature des études) est à la charge du pays d'origine et cet investissement profite davantage aux pays de destination a partir du moment ou les migrants y sont employés. Mais les transferts effectués dans l'autre sens, depuis les pays d'accueil vers celui d'origine, doivent également être pris en compte. En effet, il est probable que les transferts de devises compensent au moins partiellement l'investissement initial dans l'éducation, à condition que les remises effectuées depuis l'étranger soient d'un montant supérieur à ce que le migrant aurait gagné s'il était resté dans son pays d'origine, après pondération par la probabilité d'emploi. En outre, l'investissement initial peut être valorisé si des compétences supplémentaires acquises dans les pays de destination profitent en retour aux pays d'origine, soit directement par le biais du retour pendant la vie active, soit indirectement par le biais d'investissements économiques réalisés dans les pays d'origine. Cette note analytique a pour objectif d'évaluer les différents aspects de la migration hautement qualifiée dans le cas de l'Egypte, puis d'en mesurer les conséquences sur le marché du travail.

Introduction

The paper is divided into two main parts. The first part highlights the main theoretical contributions on migration, brain drain and economic loss in developing countries and the relations between these. The second part is divided into four main sections. The first section analyses the education system in Egypt; the second section examines the nexus of education, skills and the labor market in Egypt; the third section examines the main characteristics of Egyptian migrants: their educational and work characteristics while the fourth and last section tackles the socio-economic impact of remittances. Both international and internal migration are seen as part of the survival strategies of families in poor communities. Many families rely on the earnings of members, who have left home in search of better opportunities. The paper depends on data from the Social Capital Survey in Egypt conducted by UNDP in 2002. The results clearly reflect the positive socio-economic impact of remittances on poor communities in Egypt. However, there is still a need to maximize the positive impact of remittance flows and to provide channels for productive investments that could have a socio-economic impact on a wider population.

1. Human flows in Egypt

1.1 Definition of "brain drain"

The term brain drain describes the cross-border movement of highly skilled persons, who stay abroad for a long period of time. Highly skilled persons are defined as having studied or currently studying for a university degree or possessing equivalent experience in a given academic field" (IOM, 2003). In other words, while there is little doubt that highly educated workers in many developing countries are scarce, it is also true that many scientists, engineers, physicians, and other professionals from developing countries work in Canada, the United States, and Western Europe (Carrington and Detragiache, 1999).

1.1.1 "Brain drain" or "brain gain"?

1.1.2.i The conventional view "migration – brain drain – economic loss":

Neo-classical models of economic development conclude that brain drain has adverse effects on sending countries. The endogenous growth theory, which suggests that the human capital of a nation is one of its most important determinants for growth, predicts greater adverse effects than the neo-classical models. The migration of people with a high level of human capital – the so-called "brain drain" – from developing to a developed economy is detrimental for the country of emigration. This is clear for the large-scale departure of highly-educated workers from developing countries to developed countries. In this case investment in education in the developing country may not lead to faster economic growth and migration might damage income levels and long-run economic growth rates through the loss of valuable human resources. In a nutshell international migrants represent an elite that is much better educated than the rest of the population in their country of origin (Adams, 2003).

Moreover, it has been suggested that brain drain reduces the wages of the unskilled population, likely increases the wages of the remaining skilled workers, and hence, increases inequality. Poverty increases as an effect of both increased inequality and slower economic growth (El Baradei, 2004).

The Schumpeterian model of innovation shows that migration could stimulate technological progress in destination countries. This is linked to the hypothesis that as immigrants bring new ideas and different cultures to their new destination countries, they can become entrepreneurs. (Bodvarsson and Van den Berg, 2009) Entrepreneurs, in the Schumpeterian tradition, are agents of resource

mobilization, investment, and innovation. Thus, from an international perspective, entrepreneurs can transfer innovative wealth creation capacities from one country to another. (Soliman, 2006). Thus, it might be expected that migration would have positive effects on the economies of the destination countries by stimulating more specializations and exchange as well as profit from innovation. On the other hand, one might expect that the theoretical statements of Schumpeter would work *vice versa* in origin countries. However, migration can lead to bi-directional effects, as migrants could be agents of innovation in their home countries by sending back new ideas, information and knowledge and thus gifting economic growth. (Bodvarsson and Van den Berg, 2009)

To conclude, it is very important to understand how migration could affect innovation and technological progress in source countries in a way that is translated into a higher and sustained growth rate.

1.1.2.ii. "Brain Gain" vs "Brain Drain":

The above mentioned analysis has recently been challenged by the following argument. In a developing economy with limited growth potential, the return on human capital is likely to be low. This in turn would lead to a limited incentive to acquire education, which is seen as the engine of economic growth. However, allowing migration of the "brains" from a developing country may actually ***increase the incentive to acquire education*** with a demonstration effect. Since only a small fraction of educated people in a specific country would migrate, this would encourage the average level of education in the remaining population to rise (Adams, 2003).

Hence, according to the 'brain gain' hypothesis, emigration of highly qualified workers would foster more human capital in their country of origin than if no emigration had taken place. The reason for this is threefold:

- Higher education is rewarded abroad more than at home;
- Success stories of educated emigrants create new incentives for gaining education;
- A developing country's Diaspora can serve as another window to the industrialized world, as another bridge in knowledge transmission, exchange and creation (Teferra, 2000).

Brain drain, however, would only bring about a net gain if emigration remains under a certain threshold, beyond, which it would produce a net loss.

Moreover, empirically a study of a data set from 24 large labor-exporting countries concluded that (Adams, 2003):

1. With respect to legal migration, international migration involves the movement of the educated mainly to the United States and the OECD countries;
2. While migrants are well-educated, international migration does not tend to take a very high proportion of the best educated. For 22 of the 33 countries in which educational attainment data could be estimated, less than 10 percent of the best-educated (tertiary-educated) population of labor-exporting countries migrated;
3. The immigration of intellectuals from the Arab world accounts for about one-third of the total "brain drain" from developing countries to the West. The same problem applies to Africa. For every 100 African professionals sent overseas for training between 1982 and 1997, 35 failed to return to the continent. Egypt has provided one of the largest migratory flows along with South Africa, Nigeria, Kenya, Ghana and Ethiopia (Sawhel, 2004; Shinn, 2002).

2. Egypt

2.1 Education in Egypt

Since the 1952 Egyptian revolution, the Government has followed the policy of establishing public universities believing that the quantitative expansion of education is the best way to achieve development. Therefore, the State was committed to the policy of free public education in universities despite its high economic cost. This policy is a natural trend in public education that is more extensive in Egypt than private education. This commitment has had a positive impact on expansion in school enrollment (table 1-a, Appendix I).

A similar quantitative expansion has occurred at the university level. Developments of the enrolment ratio in higher education has been showing an upward trend indicating that once students pass the General Secondary School Certificate bottleneck, they and their families desire to continue in higher education. Between 1960 and 1990, the total enrolment ratio in higher education approximately doubled; it increased from 9.5 to 18.1 percent. Enrollment ratio continued on an upward trend to reach 29.2 percent in 2003/04 and 38.4 percent in 2005/2006. (Egypt Human Development Report, various issues). The number of students enrolled in public and private universities increased from 142,000 students in 1965/66 to about 2 million students in 2006/07 (table 2, Appendix I)).

Public education expenditures increased by 80.0 percent in real terms during 1990 to 2000, while other public-sector expenditure was reduced due to sharp fiscal contraction. Consequently, the share of education in the government budget increased from less than 10.0 percent in 1990 to 17.0 percent in 1999-2000. In 2002, public education expenditures reached a peak of 20 percent (WB, 2002). However, spending on education witnessed a relative decline falling from 15.5 percent in 2003/04 to 11.6 percent in 2009/10. Education still represents a major sector in terms of government spending as it usually ranks third in terms of government spending after Public Services and Social Protection. (Table 3-a, Appendix I).

On the other hand, the share of education in public investment has seen an increase from 3.0 percent of total public investments in 1982/83-1986/87 to 8.4 percent in 1997/98-2001/02. However, this share suffered a relative decline over the period 2002/03-2006/07 to 6.6 percent. It is worth mentioning that the educational private sector increased its share in total investment in education from 10.2 percent in 1982/83-1986/87 to about one quarter of total investment in education in 2002/03-2006/07. (Table 3-b, Appendix I)

The data shown in table 1 indicates that there were seventeen public universities in 2008, in addition to El-Azhar University. Cairo University, which currently includes 23 faculties and institutions, comes first in terms of the number of enrolled students, which were about 185,756 in the 2007/2008 academic year or 12.9 percent of the total number of enrolled students in Egypt. Ain Shams University comes second in terms of the number of enrolled students, 183,939 students during the same year representing 12.8 percent of the total number of enrolled students.

As to graduates, Ain Shams University comes first in the number of graduates, which was about 33,808 representing 12.2 percent of the total number in Egypt. It was followed by Cairo University where the number of graduates was about 31,123 representing about 11.2 percent.

Table 1. Number of graduates by university, 2007/2008 academic year

University	Number of enrolled	%	Number of graduates	%
Cairo	185,756	12.87	31,123	11.20
Alexandria	173,638	12.03	30,133	10.84
Ain Shams	183,939	12.75	33,808	12.16
Assiout	68,277	4.73	13,250	4.77
Tanta	94,731	6.56	20,489	7.37
Mansoura	125,789	8.72	24,240	8.72
Zagazig	104,387	7.23	20,857	7.50
Helwan	104,214	7.22	18,396	6.62
Menya	47,710	3.31	11,569	4.16
Menoufia	76,323	5.29	17,654	6.35
Suez canal	51,348	3.56	10,229	3.68
Ganoub el wadi	43,589	3.02	8,864	3.19
Bani Soueif	41,535	2.88	8,392	3.02
Fayoum	23,635	1.64	4,723	1.70
Banha	61,952	4.29	11,722	4.22
Kafr el Sheikh	26,629	1.85	6,228	2.24
Sohag	29,714	2.06	6,254	2.25
Total	1,443,166	100.00	277,931	100.00

Source: Supreme Council of Universities - Higher Education Development Research Statistics Department, 2009.

Table 2 shows the numbers of enrolled and graduate students by field of specialization in the 2007/2008 academic year. Social studies come first; they include the faculties of commerce, law, arts and education. The number of students enrolled in these faculties in the academic year 2007/2008 was respectively 327,453, 219,429, 237,500 and 134,753, with respectively 22.8%, 15.3%, 16.5%, and 9.4% of all Egyptian university students.

These four fields of specialization represent approximately 64.0 percent of the total number of students enrolled in Egyptian universities. This indicates the quantitative expansion in university education to the disadvantage of the applied sciences. It is worth mentioning that most developing countries, including Egypt, are considered countries that consume, and that do not produce technical knowledge. They rely, in their developmental projects, on foreign expertise or what is called "Turn-Key Projects" (Egyptian National Competitiveness Council, 2008).

The applied fields of specialization have a limited share in the total numbers of students enrolled in Egyptian universities. So the number of students enrolled in engineering, medicine, pharmacy and science is respectively 109,305, 58,575, 42,611 and 43,186, with 7.6%, 4.1%, 3.0%, and 3.0% of the total number of students enrolled in Egyptian universities. These four fields add up to 17.6 percent of total students enrolled in Egyptian universities.

In terms of graduates, social studies represented by the faculties of commerce, law, arts and education come first. The numbers of graduates are respectively 60,303, 34,907, 43,476, and 45,593 with percentages of 21.7, 12.6, 15.6 and 16.4 percent. Thus the total number of graduates in these four fields of specialization represents about 66.3 percent of graduates. On the other side, the numbers of graduates in engineering, medicine, pharmacy and science are respectively 17,741, 9,576, 7,238, and 8,511 with 6.4, 3.5, 2.6 and 3.1 percent. Thus, the total number of graduates in these four fields of specialization represents about 15.5 percent of the total.

We should reconsider this policy so that it keeps up with the developmental needs of the work force, that means more vocational fields and less social sciences and more applied sciences.

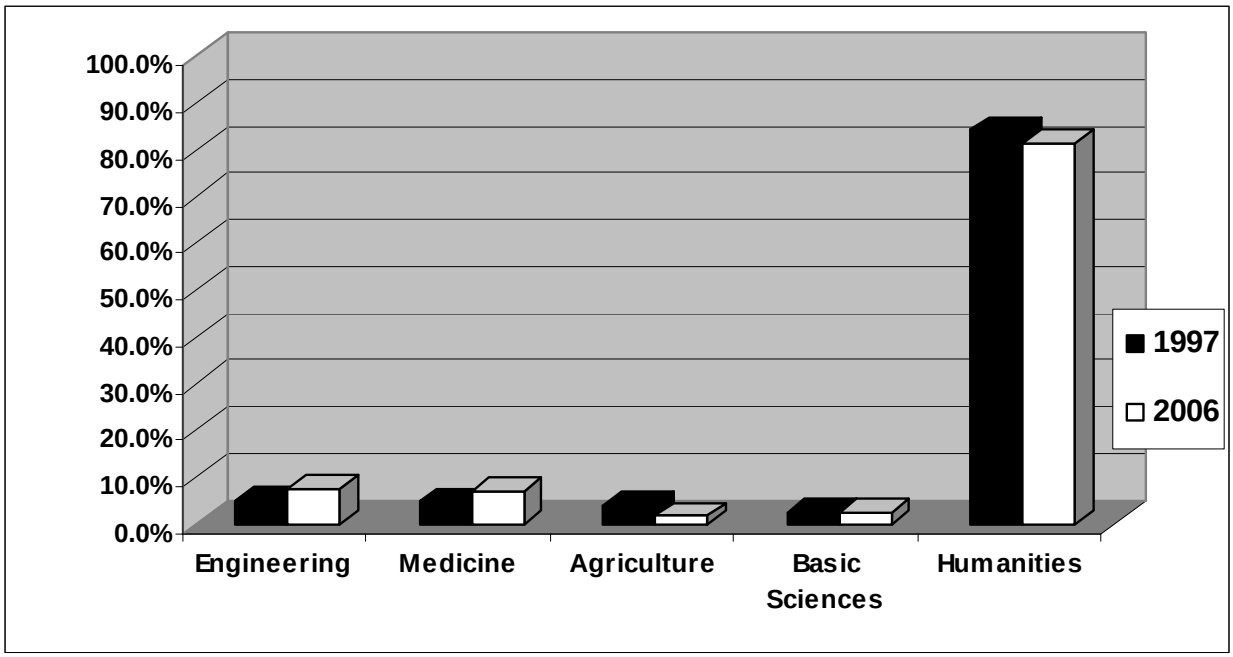
Table 2. Number of enrolled and graduate students in Egyptian universities by field of specialization, 2007/2008 academic year

Specialization	Enrolled	%	Graduates	%
Commerce	327,453	22.76	60,303	21.70
Law	219,429	15.25	34,907	12.56
Arts	237,500	16.51	43,476	15.64
Education	134,753	9.37	45,593	16.40
Engineering	109,305	7.60	17,741	6.38
Medicine	58,575	4.07	9,576	3.45
Pharmacy	42,611	2.96	7,238	2.60
Science	43,186	3.00	8,511	3.06
Specific Education	29,281	2.04	7,104	2.56
Social Work	25,230	1.75	5,280	1.90
Physical Education	24,477	1.70	5,107	1.84
Dentistry	10,129	0.70	1,681	0.60
Economics and political science	3,628	0.25	705	0.25
Nursery	11,227	0.78	2,793	1.00
Technical Nursery	2,069	0.14	907	0.33
Veterinary Medicine	34,621	2.41	3,210	1.15
Computer science	10,144	0.71	1,529	0.55
Agriculture	18,689	1.30	3,288	1.18
Arabic Language Studies	22,970	1.60	3,040	1.09
Archaeology	4,585	0.32	911	0.33
Mass communication	2,774	0.19	551	0.20
Girls Faculty	15,840	1.10	3,131	1.13
Kindergarten	4,022	0.28	855	0.31
Languages	11,544	0.80	2,211	0.80
Tourism and Hotels	15,301	1.06	2,675	0.96
Home	2,879	0.20	653	0.23
Fine arts	12,520	0.87	1,323	0.48
Applied arts	-	-	417	0.15
Art education	-	-	306	0.11
Music education	688	0.05	121	0.04
Industrial education	9,449	0.66	1,225	0.44
Higher Institute for Energy	2,509	0.17	228	0.08
Higher Institute for Technology	3,525	0.24	363	0.13
Institute of Productive Sufficiency	3,658	0.25	972	0.35
Total	1,454,571	100.00	277,931	100.00

Source: Supreme Council of Universities - Higher Education Development Research Statistics department, 2009.

Although the share of humanities graduates has declined relatively over the period (1996-2006), it is evident that a large share of graduates still come from these subjects that suffer from the highest levels of unemployment

Figure 1. Distribution of graduates from universities and higher institutes (Public-Private) by field of specialization, 1997-2006



Source: Table 4 in Appendix 1

As for private university education, the Ministry of Higher Education indicates that private universities were established as a response to the increasing demand on university education and the inability of public universities to meet this demand. There are nine private universities in Egypt. They are the American University in Cairo, the German University, the British University, the French University, El-Ahram Canadian University, the 6th October University, Misr University for Sciences and Arts, Misr University for Sciences and Technology, and the International Egyptian University.

These universities were established to keep up with the Egyptian privatization drive. In addition, private universities were established with the aim of reducing the flows of hard currency abroad, which were transferred abroad to students, who could not be admitted in public universities because of low grades. They also helped get domestic flows of hard currency from Arab students.

There is a considerable discrepancy between the fees paid in private and public universities adding to the economic distortions in the educational system in Egypt. Egyptian students pay between £E30 and £E150 (8.5 and 42 US$) per year as a token tuition fee in government-funded universities. In addition, they also pay for necessary equipment, books, transportation, and residence fees.

In addition, some State universities have introduced foreign-language programs for which they charge tuition. Some public universities charge L.E. 1,000 (around $280 US) (El Sebaei, 2006) as tuition for a degree program in commerce which uses English as the medium of instruction. Also, in recent years, a new system of admission to the faculties of law, commerce, and arts allows a less qualified student to obtain a place on paying an admission fee of L.E 360 (around $100 US).

However, the American University in Cairo charges a tuition fee of around 10,000 £ (US$ 2,813) for 6 credits and around 1,700 L.E (US$ 469) for each additional credit.

Table 3. Average fees in selected private universities, 2005

	Average
The German University	37.800 L.E
The 6 October University	11.730 L.E
The Misr University	13.470 L.E
AASTMT	16.000 L.E

Ahmed, Riham, 2005.

It is worth mentioning that these private universities are, to a large extent, duplicating what already exists in public education in Egypt with no qualitative addition. This means that these universities increase the quantitative dimension of graduates in different fields of specialization but that they do not contribute to the improvement of the quality of graduates on the labor market.

2.2 Skills in the Egyptian labor market:

The Egyptian Central Organization of Public Mobilization and Statistics found that the labor force in Egypt in 2008 was around 24 million. The data indicates that the scientific skills of the labor force in Egypt are extremely low, as the percentage of illiteracy in the labor force is about 35.6 percent, while those who are literate constitute about 18.9 percent of the workforce. This means illiterates and near illiterates constitutes about 54.5 percent of the Egyptian workforce, and this percentage increases to 60.5 percent, if we add those who received below intermediate level education and those, who received only primary education, respectively 3.4 percent and 2.6 percent of the workforce. This is natural given the low level of graduates in the current educational system. As for those who did not go beyond intermediate education, they constitute about 22.7 percent of the workforce in Egypt, while 4.2 percent did not receive education above the intermediate level. Finally, university graduates constitute about 12.2 percent of the work force, while holders of higher diplomas, i.e. M.A. and PhD. Degrees, constitute about 0.4 percent of the labor force in Egypt. This indicates that the skills and educational level of the majority of the labor force in Egypt is low. Table 4 indicates the unemployment rate by educational status in 2008.

Table 4. Unemployment rate by educational status, 2008

Educational status	Number by 100 (total)	%
Illiterate	374	1.74
Read and write	263	1.23
Under intermediate	642	2.99
Middle schooling	469	2.19
Technical intermediate	11,314	52.77
Above intermediate	1,574	7.34
Bachelor	6,806	31.74
Total	21,442	

Source: CAPMAS, 2008a

The data shows that graduate unemployment stands at about 31.7 percent of overall unemployment. It is the second largest unemployment rate in terms of educational status after the technical intermediate unemployment, which represents 52.8 percent of total unemployment. It is a high proportion because of the State's abandonment of its commitment to appoint graduates.

As regards the ordering of graduate unemployment in different fields of specialization, the highest proportions during the period from 2002 till 2004 were in commerce (34.7%), followed by arts and archaeology (about 15.3 % for each), then agriculture and law (14.5% for each), other fields of specialization (10.0%), social work (7.3%), and finally engineering (3.8%). This table clearly indicates unemployment resulting from large numbers of graduates from what is essentially a free university education system.

According to the "ILO school to work transition survey"[1], the level of satisfaction among employers with their young recruiters is generally fair (66.0%). However, many employers have criticized young graduates' poor performance in applying knowledge learned at school, a performance which 41.0 percent of employers assessed as poor. The same low ranking is given to the practical training provided to young applicants at school, as about half of the interviewed employers view it as poor (48.0 percent of employers). Egyptian employers face difficulties to recruit qualified workers, as the training system fails to produce the skills that are required to perform the job.

Table 5. Young workers' skills: assessment by employers SWTS, 2006.

Workers' skills	Very Good	Fair	Poor
Required technical skills	18.2	50.5	31.3
Practical training at school	10.1	42.4	47.5
Communication skills	38.6	49.4	12.0
Writing skills	39.2	41.0	19.8
Ability to apply knowledge learned at school	22.4	37.0	40.6
Commitment and discipline	62.9	28.9	8.2
Overall preparedness	13.5	66.1	20.5

Source: El-Zanaty, et al., 2006

Examining the reasons for unemployment, the ELMS 2006 data distinguishes between those who were unemployed who could not find absolutely any job opportunities and the other group who could not find appropriate job opportunities. About 53.0 percent claimed that they could not find any job at all, while about 47.0 percent claimed that they could not find an appropriate job (Table 6). When asked why a job is considered inappropriate, the majority of those unable to find appropriate job opportunities indicated that the job opportunity did not match their qualifications. This again clarifies the dilemma of the mismatch between what students learn and what is actually needed in the labor market. Unsuitable pay was the second major reason for the inappropriateness of a job (Table 7).

Table 6. Reasons for unemployment by sex, urban/rural location, ages 15-64, 2006 (in %)

Reason for Unemployment		Urban	Rural	All Egypt
Absolutely no Job Opportunity	Male	51.3	51.5	51.4
	Female	52.1	56.0	54.1
	Total	51.8	54.3	53.0
No Appropriate Job Opportunity	Male	48.7	48.5	48.6
	Female	47.9	44.0	45.9
	Total	48.2	45.7	47.0

Source: Assaad, Ragui, 2007

[1] The survey was undertaken to assess the opportunities and challenges facing young Egyptian people age 15-29 in the labour market when they first exit school. The survey targets 5 different groups of respondents, namely in-school youth, job seekers, young employees, the self employed and own account workers. In addition the survey covered employers and managers who are hiring young workers (El-Zanaty, et al., 2006).

Table 7. Reason for unemployment among those unable to find appropriate job opportunities by sex, urban/rural location, 2006 (in %)

		Urban	Rural	All Egypt
No Work Corresponding to Qualifications	Male	45.4	54.4	49.2
	Female	56.1	50.1	53.2
	Total	51.2	51.8	51.5
No Work at Acceptable Pay	Male	25.6	29.5	27.2
	Female	12.0	22	16.9
	Total	18.3	24.9	21.3
No Work at Suitable Organization	Male	15.5	8.9	12.7
	Female	24.4	18.7	21.6
	Total	20.3	14.9	17.8
No Work at Suitable Location	Male	3.6	4.7	4.1
	Female	6.0	7.0	6.5
	Total	4.9	6.1	5.5
No Work Available for Other Reasons	Male	9.9	2.4	6.8
	Female	1.5	2.2	1.8
	Total	5.4	2.3	4.0

Source: Assaad, Ragui, 2007

Moreover, there seems to be a low rate of return on education despite high tuition fees in private schools average wages in Egypt are relatively low as indicated in table 8. Low return for education in addition to high levels of unemployment may push people, in particular the highly skilled ones to migrate.

Table 8. Average weekly wages (Egyptian Pound) in the first week of October by economic activity, 2005 - 2007

Economic Activity	Sector	2005	2006	2007
Agriculture& Forestry	Public	354	211	183
	Private	105	127	140
Fishery	Public	123	130	156
	Private	104	134	192
Mining	Public	390	337	454
	Private	506	650	656
Manufacturing	Public	247	304	297
	Private	147	153	185
Electricity, Gas & Water	Public	267	345	321
	Private	387	298	399
Construction	Public	236	255	299
	Private	236	214	241
Retail & Wholesale trade	Public	226	254	281
	Private	185	222	205
Hotels &Restaurants	Public	133	131	318
	Private	156	150	175
Transportation, communication & Storage	Public	253	296	315
	Private	220	254	253
Financial Mediation	Public	317	327	345
	Private	514	465	783
Real Estate	Public	299	180	244
	Private	410	231	246
Education	Public	0	0	-
	Private	93	98	111
Health and Social work	Public	43	254	252
	Private	88	115	120
Social, Personal and other services	Public	267	156	136
	Private	133	125	137
Total	Public	257	303	308
	Private	168	172	214

Source: CAPMAS, 2008b.

2.3 Skilled labor and migration in Egypt

Despite, the majority of Egyptian labor migrants are expected to return home eventually, thousands left their country with the intention of permanently resettling in various Arab countries, Europe, or North America, particularly southern Europe, the UK and North America. Moreover, the characteristics of Egyptian migrants show **selectivity and enforce the notion of brain drain.**

a) *First there is strong age selectivity.* The percentage of the young (18-34) among migrants is higher than among non-migrants and *vice versa*. The probability that Egyptians aged 40 years old and above will migrate is lower. In fact, the average age among migrants is 29.8 years old, while it is 35 years among non-migrants (Table 9).

Table 9. Return migrants and non-migrants by age at last emigration (migrants) or five years ago (non-migrants), 1997 (in %)

Age Group	Migrants	Non-Migrants(*)
18-24	29.8	25.7
25-29	27.4	16.1
30-34	17.4	11.3
35-39	11.1	11.6
40-49	11.7	17.6
50+	2.6	17.7
Total	**100.0**	**100.0**
Absolute number	**1,121**	**3,672**
Mean Age	**29.8 years**	**35.0 years**

Notes: Non-migrants are 23 years old and over

Source: "Pull and Push Factors of International Migration" Survey, sponsored by the Statistical Bureau of the Commission of the European Communities (Eurostat) and the Netherlands Interdisciplinary Demographic Institute (NIDI) in Ministry of Manpower and Emigration, 2003

Table 10. Migrants and non-migrants by educational level at last emigration (migrants) or five years ago (non-migrants), 1997 (in %)

Educational Level	Migrants	Non-Migrants
Non Formal Education	15.4	37.7
Incomplete Primary	18.7	18.5
Primary	7.8	8.8
Preparatory	4.2	4.9
Secondary	32.7	15.7
University or Higher	21.2	14.5
Total	**100.0**	**100.0**
Absolute number	**1,121**	**3,672**

Source: "Pull and Push Factors of International Migration" Survey, sponsored by the Statistical Bureau of the Commission of the European Communities (Eurostat) and the Netherlands Interdisciplinary Demographic Institute (NIDI) in Ministry of Manpower and Emigration, 2003

b) *Migrants are better educated.* The percentage of those with secondary and higher education among migrants is far higher than among non-migrants. They have better opportunities to migrate. More than 1/2 of Egyptian migrants (53.9%) completed secondary school or a higher level of education, while they represent only less than 1/3 of non-migrants (30.2%). The percentage of those who did not get any formal education (15.4%) among migrants is less than half the percentage among non-migrants (37.7%) (Table 10). A study that covered migration from 61 developing countries, accounting for about 70.0 percent of the total population of developing countries, revealed that: "The biggest migratory flows from Africa to the United States are from Egypt, Ghana, and South Africa, with more than 60.0 percent of immigrants from those three countries having a tertiary education. For Egypt, the brain drain includes 2.5 percent of highly educated individuals immigrating to the United States and another 5.0 percent immigrating to the other OECD countries" (Carrington and Detragiache, 1999).

c) *Concerning the occupational status of migrants* data show that since mid 1980s, the percentage of scientists and technicians has increased and the share of production workers in Egyptian migration has declined, although the percentage remains high, one-third of migrants in 2002. Unskilled laborers face labor compression in their traditional markets, due to new streams of cheap labor migrants coming from South-East Asia and heading towards the GCC countries. The percentage of scientists and technicians increased from 20.4 percent in all professions in 1985 to 40.2 percent in 1990 to 41.0 percent in 2002 (IOM 2003). While the percentage of scientists and technicians almost doubled, the percentage of clerical workers decreased to less than one fifth of what it had been in 1985. Sales and services and production workers tend also to decrease as a percentage of total temporary migrants (Table 11).

Table 11. Migrants by occupation, 1985, 1990 and 2002

Occupation	**1985**	**1990**	**2002**
Scientists and technicians	20.4	40.2	41.0
Managers	0.3	0.3	2.4
Clerical workers	8.8	8.0	1.5
Sales and services	18.5	17.3	12.7
Agriculture animal husbandry & fishing	8.9	5.3	8.6
Production workers	43.0	28.9	33.8
Total	100.0	100.0	100.0

Source: Ministry of Manpower and Emigration.

d) *Egyptians generally fill jobs for which locals are either untrained or where locals are not willing to work,* for example in the construction sector in Saudi Arabia or in the agriculture sector in Iraq. Saudi Arabia, Libya, Kuwait, the UAE, Qatar, Yemen, and Oman absorb highly-skilled Egyptian workers. The percentage of technical and scientific migrants in these countries ranges from 69.1 percent in Yemen to 40.5 percent in Saudi Arabia. The highest percentage of unskilled migrants is found in Lebanon, where they comprise about 75.0 percent of the total number of Egyptian migrants; Iraq and Jordan ranking second with 69.2 percent; in the UAE they comprise 50.0 percent and in other Arab countries they range between 37.4 percent in Qatar and 7.7 percent in Yemen. Generally, The GCC plus Libya absorb most skilled Egyptian laborers, while Iraq, Jordan and the GCC countries absorb the majority of unskilled Egyptian migrants (IOM, 2003).

e) *Permanent migration is the main source of the "Brain Drain*" as has always been the case with the better educated. This fact may be illustrated by analyzing the educational level of migrants to the US and to other OECD countries (the main destination of permanent

migrants). More than three quarters of Egyptian migrants in the US and the other OECD countries (77.0%) have obtained tertiary education. The higher migration rates, the higher educational attainment. The probability of migrating to OECD countries among those who obtained tertiary education is five times higher than the probability among those with only primary education or less. The probability of migration to the US among those who obtained tertiary education is twenty-three times the probability among those with primary education or less (Table 12 a and b).

Looking at the educational status of Egyptian permanent migrants flows to developed countries over 2000-2007, it is evident that migrants tend to enjoy a relatively high level of education. Nearly half of all permanent migrants who migrated over that period (2000-2007) were university graduates. About 40.0 percent of them were intermediate education graduates. While about 6.0 percent held higher academic degrees. (Table 12-a).

Table 12a. Permanent migrants flows by level of education in the period 2000-2007

	P.h.D	Masters	High Diploma	University	Below Intermediate Intermediate & Above Intermediate	No Qualification	Total
2000	8	12	8	243	233	32	563
2001	5	14	12	322	334	31	718
2002	10	10	11	274	323	24	652
2003	4	2	2	167	104	14	293
2004	3	16	9	200	115	14	357
2005	5	15	9	196	180	20	425
2006	4	12	7	210	124	11	368
2007	3	10	10	198	145	7	373
Total	**42**	**91**	**68**	**1810**	**1558**	**153**	**3749**
Share (%) (2000-2007)	**1.12**	**2.43**	**1.81**	**48.28**	**41.56**	**4.08**	**100.00**

Source: Central Agency for Public Mobilization& Statistics, 2007

Migrants to OECD countries are highly-educated professionals, mostly doctors, engineers, and teachers. Their distribution according to specialization reveals that 18.3 percent were in the medical sciences, 32.2 percent were engineers, 36.5 percent were in the social sciences, 8.0 percent in the basic sciences and 5.0 percent in agriculture. According to CAPMAS data, more than one third of permanent migrants in 2007 were trained in commerce (36.7%) followed by engineers (23.1%) and those with medical sciences (13.1%) (Table 12-b). This trend of migration tends to increase over time. Egyptian permanent migrants increased as a percentage of total migrants from 9.6 percent in 1983 to 38.0 percent in 2006. They increased at a higher rate (9.7%) than total migration (2.2%) meaning *more brain-drain*.

Table 12b. Permanent migrants by academic qualification (before migration) and country of destination, 2007

Academic qualification	Number	%
Medicine	6	2.71
Dentist	1	0.45
Pharmacy	13	5.88
Veterinary	9	4.07
Agriculture	9	4.07
Sciences	7	3.17
Engineering	51	23.08
Commerce	81	36.65
Law	9	4.07
Arts	14	6.33
Education	5	2.26
Others	16	7.24
Total	**221**	**100.00**

Source: Central Agency for Public Mobilization& Statistics database

Looking at the occupational structure of those permanent migrants who headed to developed countries in 2007, it is evident that more than two thirds were specialists indicating a definite brain drain.

Table 12c. Permanent migrants by occupation (before migration) and country of destination, 2007

	Number	%
Legislature and Managers	25	11.2
Specialists	139	62.1
Technicians and Specialists Assistants	24	10.7
Clericals	15	6.7
Sales & Services	2	0.9
Handicrafts	3	1.3
Elementary Occupations	1	0.4
Total	**209**	**100.0**

Source: Central Agency for Public Mobilization & Statistics database

To conclude, Egypt loses highly skilled persons to developed countries as well as a more significant number of medium skilled workers both to developed and developing (mostly Arab neighboring) countries.

Two factors may explain the previous argument:

i. *the low private rate of return on education in Egypt,* which acts as a push factor for highly as well as medium skilled labor out of Egypt, in search of higher returns on education (El Baradei 2004). Private rates of return on education in Egypt were found to be extremely low especially for basic and secondary education, if compared to other countries whether

developed or developing. Moreover private rates of return on secondary education are lower than the private rate of return on basic education. This is not, of course, the typical pattern. The rate of return on secondary education was negative in all regions in 1995/96 and 1999/2000 and 1995/1996. Table 13 indicates this last argument for Egyptian students enrolled in OECD with the intention to migrate.

Table 13a. Egyptian students enrolled in tertiary education in OECD countries by country of destination, 1998 -2002

Country of destination	1998	1999	2000	2001	2002
Austria	254	243	218	230	130
Belgium		44	50	54	61
Bulgaria	2	8	12	18	14
Switzerland					67
Cyprus		5	4	3	4
Czech Republic	22	22	8	14	9
Germany	1194	1166	1126	1191	1284
Denmark	7	9	9	11	13
Estonia	0	0	0	0	0
Spain	52	50	70	46	38
European Union (25)	2863	3065	3142	3736	3275
European Union (27)	3131	3222	3262	3833	3324
Finland	19	14	11	12	14
France	552	542	555	794	787
Greece		0		0	29
Hungary	15	16		8	13
Ireland	12	9	9	36	13
Iceland	0	0	0	0	0
Italy	84	63	35	72	73
Japan	142	172	163	204	238
Liechtenstein			0		
Lithuania	1	1	3	2	2
Latvia	12	8	0	2	2
Malta		3	3	2	0
Netherlands		40	37	31	22
Norway	9	13	10	17	13
Poland	3	0	0	0	1
Portugal	0	0	0	3	
Romania	266	149	108	79	35
Sweden	14	16	17	15	27
Slovenia	0	0	0	0	0
Slovakia			32	20	20
Turkey		81	61	53	41
United Kingdom	622	814	955	1190	733
United States	1639	1688	1813	1956	2409

Source: EUROSTAT database

Zohry (2006)[2] assessed the push factors for young Egyptians intending to migrate to Europe. Two main sets of reasons were identified: push factors and pull factors. With respect to push factors, three main reasons were repeated again and again by respondents: lower incomes in Egypt than in Europe (30.5 percent of respondents); bad living conditions in Egypt (30.4 percent of respondents); and lack of job opportunities in Egypt (21.1 percent of respondents). It was evident that the major push factors were economic. However, the pull factors in the destination countries were related to the existence of a family/friends network and job opportunities. (Table 13-b)

Table 13b. Young Egyptians intending to migrate abroad by reason for migration, Oct. 2005 – Nov. 2006

	Number	**%**
Reason for migration related to origin – push factors		
Income in Egypt is lower than in Europe	490	30.5
Bad living conditions in Egypt	488	30.4
No job opportunities available in Egypt	338	21.1
Help family	173	10.8
To improve knowledge	75	4.7
Family reunification	13	0.8
Escape from family pressures & troubles	7	0.4
Other	21	1.3
Total	**1605**	**100.0**
Reason for migration related to destination – pull factors		
I have friends there	218	27.6
I have relatives there	156	19.8
I have a job offer there	135	17.1
I want to see Europe	88	11.2
More job opportunities there	83	10.5
I want to live in Europe	56	7.1
I can study there	22	2.8
Other	31	3.9
Total	**789**	**100.0**

Source: Zohry, 2006

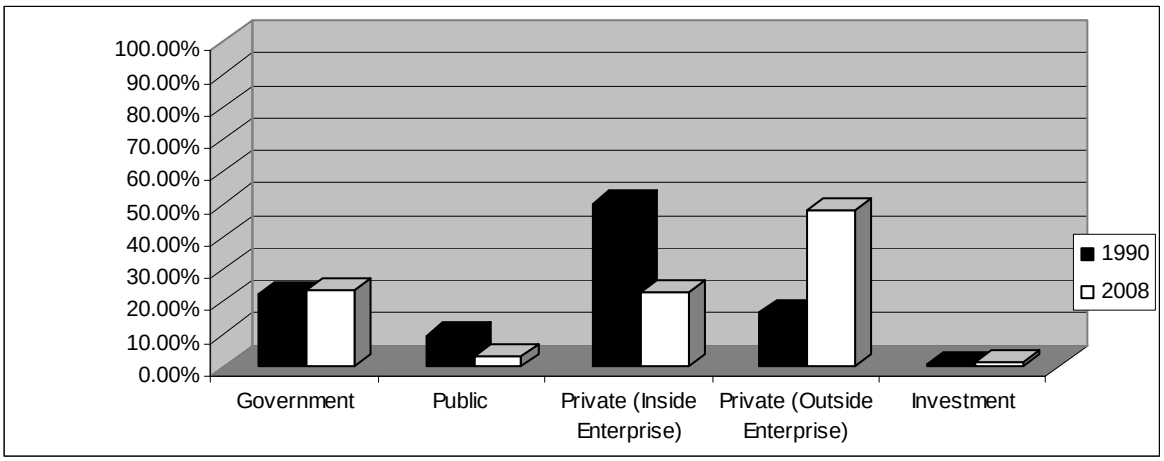
[2] The study was based on a Field Survey carried out by the Emigration Sector of the Ministry of Manpower and Emigration in cooperation with Italia Cooperation and the International Organization for Migration. The study was carried out from October 2005 until March 2006. The study aimed at identifying the push factors in Egypt, with particular attention to the dynamics governing irregular migratory flows from Egypt to the EU. The research focuses on the broad dimensions of migration, both legal and illegal, towards the northern shores of the Mediterranean. The research further tries to define the socio-political and economic environment in which the decision to migrate mature, with the aim of finding appropriate responses at the point of origin. The survey also gathers information about the level of awareness of potential migrants about irregular migration on migrants smuggling from Egypt. The study population was young males between 18 and 40 years old. This segment of population forms the pool from which illegal (regular) – and legal (irregular) – migrants come. The fieldwork took place in urban and rural areas in eight governorate: Cairo, Alexandria, Gharbiya, Dakaqliya, Sharqiya, Fayoum, Menoufiya, and Luxor. The total number of completed questionnaires was 1,552. (Final report of the project).

ii. *the limited employment opportunities in the formal private sector* and shrinking employment opportunities in the government sector in Egypt. Recently, official data show an upward trend in unemployment from 7.9 percent in 99/2000 to 9.4 percent in 2008/2009, compared with 8.6 percent in 1989/90. New job seekers in both urban and rural areas have unemployment rates close to 15.0 percent, with the exception of young urban women (15-30 years), whose average unemployment rate is closer to 25.0 percent. By 30-35 years of age, unemployment falls to about 5.0 percent. Educated labor, especially those with intermediate degrees and above have higher unemployment rates, especially among females and rural males.

The outlook for job creation is unclear in the medium-term given the economic crisis. Past employment and growth trends suggest that if the economy grows by 4-5 percent *per annum* unemployment will remain constant. However, past experience – even recent experience – may not be a good predictor because of the changing composition of employment (World Bank, 2001).

First, job creation in the slow growth period came down to government hiring rather than productive employment opportunities. Thus, though the private sector has created 83 percent of all jobs during 1998-2008, the government is still the main absorber of new entrants into the labor market, even if figure 2 indicates a declining rate of absorption in the public sector.

Figure 2 - Employed population in Egypt by occupation sector, 1990-2008



Source: CAPMAS, Labour Force Sample Survey

Hence, out-migration in Egypt is regarded as an outlet for unemployed people. Labor migration, especially to major oil-exporting countries in the Middle East, may have provided Egypt with *a channel for surplus labor*. However, little data is available that would help ascertain to what degree labor migration has helped to curb unemployment in Egypt (IOM 2003). True, Stalker (2000) examined data for the Philippines, Bangladesh, Sri Lanka, Indonesia, Turkey, Mexico and Egypt and found no significant relationship between emigration and unemployment. But Bharagavi found that one country where emigration had effected employment was Egypt (Bharagavi, 2003).

Another argument assumed that in 2000, outflows of employed nationals stood at 1.9 million and unemployment reached 1.451 million (MOFT, 2004). If all migrants returned and had no jobs unemployment then would increase to 3.351 million and the unemployment rate would go up to 17.8 percent (in a labor force of 18.8 million). This rate is 2.3 times the prevailing unemployment rate in that year.

Various other arguments support the evidence of the importance of migration as a channel for surplus labor. The 1960s and 1970s saw *a transition from a Lewis-type labor surplus economy, where labor surplus manifests itself primarily as low-skill labor underemployment in agriculture, to a point where job creation was led by public sector growth and external migration.* As these two sources of

labor absorption lost their importance in the mid 1980s with limited labor absorptive capacity in the formal sectors, the labor market saw high unemployment intensified with a growing working age population (Assaad, 2000).

Second, the importance of migration was seen during the Gulf crisis, when Iraq and Kuwait were effectively removed as receiving countries for some years and the Egyptian economy suffered accordingly (Fergany, 2001).

Notwithstanding these facts several studies have pointed instead to a weak relationship between migration and unemployment. They point to the impact of migration selectivity on the labor market. Migration selects the skilled from each occupation and many, who migrate were not unemployed but were workers (Nassar,2004).

Finally it is worth mentioning that Egypt is also an immigration country. However, the numbers of immigrants are relatively low as indicated by table 14 and 15.

Egypt 2006 census indicates that the major three occupations for foreign nationals are sales and services (31.3%), followed by specialists (20.0%), then legislature and managers (10.0%). This indicates that foreign nationals tend to be concentrated in both the high as well as the low skilled occupations in the Egyptian labor market. The census data shows that Arab countries followed by west European countries represent the two major sending countries (Table 14-a).

However, looking at the data provided on work permits for foreign nationals in Egypt, the data indicates more foreign nationals in highly skilled occupations. Work permits are mainly concentrated in three occupations: managerial, specialists and specialist technicians (Table 14-b).

Table 14a. Foreign nationals (aged 15 and +) in Egypt by nationality and occupation, 2006

	Arab	African	Asian	Western Europe	Eastern Europe	North America	South America	Oceania	Unidentified	Total
Legislature, high officials & managers	3,694	64	342	1,016	85	249	12	25	230	5,717
Specialists	4,625	174	1,102	3,146	268	1,003	44	143	482	10,987
Technicians and specialists assistants	1,668	63	353	839	85	186	22	17	114	3,347
Clerks	1,260	80	194	791	75	134	5	41	196	2,776
Sale and services workers	4,020	240	424	5,637	5,480	283	65	97	539	16,785
Farmers, fishery	1,141	0	6	167	25	4	3	1	13	1,360
Craftsmen & related workers	2,267	80	274	115	16	38	1	2	94	2,887
Factory & machine operating workers	1,917	18	235	108	20	9	0	2	54	2,363
Elementary occupation workers	2,184	128	392	65	11	8	2	0	115	2,905
Unidentified	1,936	78	431	1,128	159	225	25	26	428	4,436
Total	24,712	925	3,753	13,012	6,224	2,139	179	354	2,265	53,563

Source: CAPMAS (2006) Census of population and establishments 2006

Table 14 b. Foreign employee permits in Egypt (Government and Private sectors) by occupation, 2007

	First time	Renewing	Total	
			Number	%
Legislature, high officials & managers	2809	3408	6217	30.8
Specialists	1410	2062	3472	17.2
Technicians and specialists assistants	2560	2769	5329	26.4
Clerks	57	122	179	0.9
Sale and services workers	261	627	888	4.4
Farmers, fishery	85	913	998	4.9
Craftsmen & related workers	265	943	1208	6.0
Factory & machine operating workers	275	1207	1482	7.3
Elementary occupation workers	72	353	425	2.1
Total	7794	12404	20198	100

Source: CAPMAS, 2009

It should also be noted that Egypt hosts foreign students. The two main foreign students groups are Arab (62.0%) followed by non-Arab Asian (28.7%).

Table 15. Distribution of foreign graduates from Egyptian universities & institutes (Public and private) by country group (2006)

	Male		Female		Total	
	Number	**%**	**Number**	**%**	**Number**	**%**
Arab countries	2079	73.28	758	26.72	**2837**	**62.75**
African non Arab countries	287	92.58	23	7.42	**310**	**6.86**
Asian non Arab countries	827	63.66	472	36.34	**1299**	**28.73**
European countries	29	60.42	19	39.58	**48**	**1.06**
Americas	12	44.44	15	55.56	**27**	**0.60**
Total	**3234**	**71.53**	**1287**	**28.47**	**4521**	**100.00**

Source: CAPMAS

2.4 Socio-economic aspects of migration

Concerning the effects of migration on poverty, both international and internal migration is a survival strategy for families in poor communities. Many families rely on the earnings of members, who have left home in search of better opportunities (ILO, 2003).

Research on the use of remittances shows that these funds are often used for daily expenses such as food, clothing and health care. Funds are also spent in building or improving housing, buying land or cattle and buying durable consumer goods. Generally, only a small percentage of remittances are saved and used for "productive investments", i.e. for activities, which can generate income and employment. Egyptian data indicate that about 74.0 percent of migrant households spent the largest share of funds received from relatives abroad on daily household expenses. Buying/building/renovating a house and financing the education of a household member rank second and third (respectively 7.3% and 3.9%). Remittances in kind included, above all, clothes and electronic equipment (IOM, 2003).

Moreover as indicated by the Labor Market Survey 2006, 63.0 percent of migrants (mostly from rural to urban environments) migrate to find work. This can be an important informal mechanism for poverty alleviation and job creation. Migrant networks form social capital for both countries of origin and countries of destination. Former migrant communities established in countries of destination facilitate the arrival and settlement, and often the employment of new immigrants who are related to them or who share the same home area in the country of origin. Migration builds on pre-existing social capital.

There are also, however, various situations in which social capital is built on migration. This happens when immigrants become entrepreneurs in host countries, and build a network of relations proper to their professional activity. If they extend part of their activity to their country of origin, this means the transfer of social capital accumulated abroad.

U**sing the set of data of the Social Capital Survey in Egypt (UNDP, 2002)** we divided migrants into two groups of households: remittance-senders and non-remittance senders in order to look at the socio-economic aspects of migration.

First, a "Standard of Living Index" is constructed as a broad measure of living conditions with five variables: *per capita* income, *per capita* expenditures, an index of economic security/vulnerability, an index of housing conditions, and an index of affordability of basic needs (UNDP, 2002).

Second, in an attempt to assess the relations between social capital and remittances, the study has provided a social capital index. The index includes a number of indicators, each given a certain weight, based on its respective significance in estimating social capital. The indicators that were used are the following (UNDP, 2002):

1. trust towards community, community participation, political participation – given a weight of (4);
2. satisfaction with life and conditions – given a weight of (2);
3. involvement with children in the community – given a weight of (1).

Finally a basic-needs index was constructed to address the availability of resources for the five main basic needs: shelter, nutrition, housing, health and education. Table 1 in Appendix II shows the role of remittances in forming a safety net for different households. The table indicates clearly that households who receive remittances have a relatively higher mean standard of living (30.05 vs 28.51) and basic need index (6.6 vs 6.0) than those households who do not receive remittances. This is also clear in table 2 Appendix II as the percentage of households who own their house is higher relatively among households who receive remittances than among non-remittance receiving households, indicating a relatively higher living standard. This is not the case with the social capital index. The social capital index for households who receive remittances is lower than the index for households who do not receive remittances as seen in table 1, Appendix II (0.58 vs 0.62). Our interpretation is that because these households are better off then their involvement with the community is not needed as much. Also their commitment towards political participation might be lower, in particular if some of them are living abroad. However table 3, Appendix II shows how remittances can form a safety net for households, as poverty incidence is far lower for households with remittances than in households without remittances (10.8% vs. 20.7%). Table 4, Appendix II, shows also that households who receive remittances have fewer difficulties in buying food (88.8%) vs. households who do receive remittances (81.1%). This fact is also true for rent expenses (94.8% vs. 88.7%) for medical expenses (94.8% vs 91.1%), for clothing (84.8% vs. 71.7%) as well as for educational expenses (73.9% vs. 62.4%). Moreover the ratio of households who have income to cover emergencies is higher among households who receive remittances than among other households (60.3% vs 58.8%). Also remittance households are more likely to believe that their income is covering their basic needs than the non-remittance receiving group of households (89.8% vs 75.3%)

Further, migration has a positive impact on receiving services such as educational and medical services. 62.4% of households who receive remittances receive educational services vs. 58.1% for non-remittance households. Meanwhile, the percentage is 80.8% vs 73.0% for health for, respectively, households who receive remittances and for non-remittance households (Table 5, Appendix II). In addition households who receive remittances do not resort to financial aid as a coping strategy for difficulties while non-remittance receiving families do, table 6, Appendix II. In comparison to households who do not receive remittances, expenses, such as high education costs, health services and price increase are not the main causes for worries among remittance-receiving households. They worry more about employment opportunities, as indicated in table 7, Appendix II. This can be explained by their dependence on remittances in their earnings. Table 8, Appendix II shows too that the relative percentage of the households who do not have insurance or pension is slightly higher among remittance-receiving households than among the others group, which might suggest that remittances are forming a safety net in these households, while insurance and pensions matter more for the other group of households. Remittance serves as a coping mechanism as can be seen in table 10, Appendix II as families who receive remittances are relatively more dependent on their immediate family members than households who do not receive remittances. Again households who receive remittances are not as social as non-remittance receivers. Table 11, Appendix II shows that the percentage of the former group which saves together with their neighbors (0.0% vs. 5.2%) and relatives (1.4% vs.13.3%) in the form of “Roshka” gameya”, a rotating system for collective saving, is lower than among households who do not receive remittances.

Table 12 – Appendix II, shows how the relative percentage of households, who have an income sufficient to cope during an emergency is higher for households who receive remittances, than for non-remittance receiving households (8.8% vs 6.9%). Finally it is important to note that the channels between households who receive remittance and those who do not are strong: 100.0% of both categories know their neighbors (Table 14, Appendix II).

Networks are a key factor in migration; they operate in both directions**.** Migration by some household members – to earn income elsewhere – can be an important strategy for risk prevention, particularly among the poorest. It can be considered an important livelihood option from two perspectives. Financially, migration is related to remittance, which, for many households offers an additional income source. Then migration is also an exit option from any vulnerable structure. For the poorest group, this is important as migration is a way of coping with hardship.

It can be concluded that although the local use of remittances by Egyptian migrants focuses on daily expenditure and customer goods, remittances tend to have a positive developmental impact on these households. The positive impact of remittances should be encouraged along with channels that are able to create productive investments with an impact on more of the population.

Conclusion

The objective of the paper was to study the different aspects of skilled Egyptian migration and its implications for the labor market. The paper started by discussing the main theoretical positions on migration, brain drain and economic loss in developing countries and the relations between these.

The second part of the paper highlighted the main quantitative and qualitative aspects of the education system in Egypt. Here we examined the nexus between skills, education and labor market performance in Egypt. The labor force in Egypt in 2008 was around 24 million. The data indicates that the scientific skills of the labor force in Egypt are relatively low. The high unemployment rates among the best educated as well as those who have completed intermediate education reflects a significant imbalance between the education system's outputs and labor market needs in Egypt.

What then are the characteristics of Egyptian emigrants? Unsurprisingly, they tend to be young and well educated in the sense that the percentage of those with secondary and higher education is far higher among migrants than among non-migrants. The paper concluded with the thought that permanent migration is the main source of the "Brain Drain" as permanent migration tends to include the best educated.. Egypt loses highly skilled persons to developed countries as well as significant number of medium skilled workers whether to developed or other developing (mostly Arab) countries. This paper highlighted two main reasons for the Egyptian brain drain: shrinking opportunities in the formal private sector as well as the diminishing private rate of return on education in Egypt, which acts as a push factor for the highly educated as well as for medium skilled labor. Here we also set out the flow of immigrants. However, the number of immigrants is, in fact, relatively low. Egypt has been receiving foreign nationals who are employed in three main areas: managerial, specialists and technical specialists. In addition, Egypt receives foreign national students intent on studying in the country. The two main foreign students groups come from Arab countries (62%) followed by non-Arab Asian countries (28.7%).

In examining the socio-economic impact of remittances in Egypt, this paper depends on data from the Social Capital Survey in Egypt conducted by the UNDP in 2002. The results clearly reflect the positive socio-economic impact of remittances on poor communities in Egypt. However, there is still a need to maximize the positive impact of remittances and to provide channels to create more productive investments that would reach more of the population.

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Appendix I

Table 1 a. Number of students, classes and schools for public education (2005/2006-2008/2009)

	2005/2006			2006/2007			2007/2008			2008/2009		
	Schools	**Classes**	**Students**	**Schools**	**Classes**	**Students**	**Schools**	**Classes**	**Students**	**Schools**	**Classes**	**Students**
Pre-primary	**4,876**	**11,826**	**364,680**	**5,259**	**12,898**	**407,409**	**5,910**	**14,670**	**481,581**	**6,401**	**16,124**	**543,471**
Primary	**14,963**	**184,317**	**8,078,202**	**15,074**	**185,538**	**8,160,236**	**15,194**	**187,087**	**8,308,003**	**15,282**	**189,111**	**8,446,722**
One-class	**3,146**	**3,146**	**68,627**	**3,184**	**3,184**	**68,453**	**3,237**	**3,237**	**70,320**	**3,229**	**3,229**	**70,039**
Girls friendly schools	**298**	**298**	**7,975**	**386**	**386**	**10,807**	**505**	**505**	**14,118**	**777**	**777**	**20,457**
General Preparatory	7,621	66,138	2,558,337	7,762	67,729	2,623,311	7,995	83,415	3,452,244	8,155	85,877	3,621,782
Technical Preparatory	272	2,640	119,538	281	2,488	114,350	280	2,523	113,412	281	2,409	114,162
Athletic Preparatory	**29**	**133**	**3,401**	**31**	**119**	**2,928**	**33**	**171**	**4,312**	**34**	**164**	**4,170**
Total Preparatory	**7,922**	**68,911**	**2,681,276**	**8,074**	**70,336**	**2,740,589**	**8,308**	**86,109**	**3,569,968**	**8,470**	**88,450**	**3,740,114**
General Secondary	1,612	28,645	1,142,154	1,643	28,190	1,078,330	1,655	21,433	719,578	1,695	21,673	731,408
Athletic Secondary	29	140	3,020	32	159	3,654	32	130	2,668	35	144	2,914
Total Secondary	**1,641**	**28,785**	**1,145,174**	**1,675**	**28,349**	**1,081,984**	**1,687**	**21,563**	**722,246**	**1,730**	**21,817**	**734,322**
Industrial	**863**	**27,285**	**988,729**	**863**	**25,673**	**907,598**	**856**	**20,531**	**693,320**	**854**	**19,980**	**663,415**
Agricultural	**172**	**5,740**	**223,386**	**174**	**5,006**	**185,499**	**172**	**4,131**	**141,307**	**177**	**3,706**	**123,482**
Commercial	**536**	**15,356**	**620,144**	**530**	**14,645**	**584,233**	**539**	**12,492**	**449,856**	**545**	**11,136**	**395,297**
Others	**786**	**3,839**	**36,207**	**790**	**3,928**	**36,424**	**810**	**3,907**	**36,367**	**840**	**4,131**	**37,195**
Total	**35,203**	**349,503**	**14,214,400**	**36,009**	**349,943**	**14,183,232**	**37,218**	**354,232**	**14,487,086**	**38,305**	**358,461**	**14,774,514**

Source: Ministry of Education, Statistical Yearbook 2008/2009

Table 1b. Gross and net enrollment rates for both males and females in pre-university education, 2008/2009 (in %)

	Age Category	Males		Females		Gender Gap
		Net Enrollment	Gross Enrollment	Net Enrollment	Gross Enrollment	
Pre-primary	**5 - 4**	**20.97**	**23.70**	**20.04**	**22.66**	**1.04**
Primary	**11- 6**	**88.13**	**96.00**	**89.16**	**96.09**	**-0.09**
General Preparatory	**14 - 12**	**64.10**	**78.96**	**68.56**	**82.24**	**-3.28**
General Secondary	**16- 15**	**14.68**	**20.68**	**17.74**	**24.49**	**-3.81**
Industrial	**16- 15**	**13.18**	**22.76**	**9.27**	**13.83**	**8.93**
Agricultural	**16- 15**	**3.06**	**5.30**	**0.89**	**1.48**	**3.82**
Commercial	**16- 15**	**5.31**	**9.15**	**9.41**	**16.33**	**-7.18**
Total Technical	**16- 15**	**21.56**	**37.21**	**19.57**	**31.64**	**5.57**
Total	**16 - 4**	**63.81**	**74.80**	**64.75**	**74.59**	**0.22**

Source: Ministry of Education, Statistical Yearbook 2008/2009

Table 2. Number of students enrolled in public and private universities

Year	Number of students
1965/66	**142,000**
1975/76	**437,000**
1985/86	**808,600**
1995/96	**1,213,300**
2005/06	**1,963,250**
2006/07	**1,919,944**

Source: CAPMAS

Table 3a. Expenditures in functional classification

Description		Fiscal year					Budget 2008/09	Draft Budget 2009/10
		2003/04*	2004/05*	2005/06	2006/07	2007/08		
Public Services	L.E. Million	45,288	51,035	54,084	67,577	71,764	97,127	113,929
	%	31	31.6	26	30.4	25.4	30.4	31.9
Public Order & Security Affairs	L.E. Million	7,590	8,902	10,523	11,127	13,139	13,808	15,651
	%	5.2	5.5	5	5	4.7	4.3	4.4
Economic Affairs	L.E. Million	11,355	11,762	11,227	13,914	18591	20,975	25,452
	%	7.8	7.3	5.4	6.3	6.6	0.1	7.1
Environmental Protection	L.E. Million	440	493	412	828	912	994	1,056
	%	0.3	0.3	0.2	0.4	0.3	0.3	0.3
Housing &Community Amenities	L.E. Million	5,882	6,003	5,613	9,247	13865	14,293	6,862
	%	4	3.7	2.7	4.2	4.9	4.5	1.9
Health	L.E. Million	8,073	7,258	9,664	10,436	13161	13,494	15,919
	%	5.5	4.5	4.7	4.7	4.7	4.2	4.5
Recreation, Culture & Religious Affairs	L.E. Million	6,648	7,307	7,635	8,729	10975	11,159	12,870
	%	4.6	4.5	3.7	4	3.9	3.5	3.6
Education	**L.E. Million**	**22,667**	**25,816**	**25,641**	**27,763**	**33,678**	**36,047**	**41,283**
	%	**15.5**	**16**	**12.3**	**12.5**	**11.9**	**11.3**	**11.6**
Social Protection	L.E. Million	23,482	28,230	67,078	54,486	86155	127,228	63,284
	%	16.1	17.5	32.3	24.5	30.5	39.9	17.7
Other Sectors	L.E. Million	-	-	15,933	17,922	20050	21,719	22,831
	%	-	-	7.7	8.1	7.1	6.8	6.4
Total	**L.E. Million**	131,425	146,806	207,810	222,029	282,290	356,844	319,137

Notes: (*) Ministry of Finance (2007) Statistical Statement: Draft of State General Budget for FY 2007/2008, April 2007
Source: Ministry of Finance (2009) Analytical Statement of the State General Budget for FY 2009/2010, May 2009

Table 3b. Implemented investment in education (Public /Private)

	Education			Grand total Investments			% Education in total public Investment
	Public	**Private**	**Total**	**Public**	**Private**	**Total**	
1982/83-1986/87	1,024	116	**1,140**	34,367	21,846	**56,213**	**3**
1987/88-1991/92	3,078	182	**3,260**	80,015	54,010	**134,024**	**3.8**
1992/93-1996/97	11,707	790	**12,497**	155,317	86,820	**242,137**	**7.5**
1997/98-2001/02	14,662	2,510	**17,172**	174,827	146,087	**320,915**	**8.4**
2002/03-2006/07	15,577	4,715	**20,292**	234,410	280,788	**515,198**	**6.6**

Source: Author's calculations based on the Ministry of Economic Development Database, http://www.mop.gov.eg/investment.htm

Table 4. Distribution of graduates from universities and higher institutes (public-private) by sex and specialization (1997-2006)

Engineering			
	Male	**Female**	**Total**
1997	6232	2236	8468
1998	6549	2817	9366
1999	8276	3436	11712
2000	11272	5548	16820
2001	14609	5562	20171
2002	18461	6628	25089
2003	19670	7051	26721
2004	19977	7395	27372
2005	19581	7226	26807
2006	21645	7388	29033
Medicine			
	Male	**Female**	**Total**
1997	4282	3901	8183
1998	4580	3713	8293
1999	5779	4633	10412
2000	6826	5902	12728
2001	9369	8824	18193
2002	10709	11169	21878
2003	11202	13132	24334
2004	10892	14582	25474
2005	11149	14575	25724
2006	11777	16142	27919

Agriculture			
	Male	**Female**	**Total**
1997	4831	1905	6736
1998	5116	1751	6867
1999	6772	2970	9742
2000	6826	2194	9020
2001	5828	2295	8123
2002	6807	2549	9356
2003	7386	3646	11032
2004	5583	3753	9336
2005	5030	3459	8489
2006	4076	2519	6595
Basic Sciences			
	Male	**Female**	**Total**
1997	2515	1497	4012
1998	2239	1617	3856
1999	3050	2291	5341
2000	2764	1790	4554
2001	3066	2258	5324
2002	3806	2758	6564
2003	4047	3596	7643
2004	4322	4657	8979
2005	4662	5344	10006
2006	4874	5194	10068
Humanities			
	Male	**Female**	**Total**
1997	79714	65431	145145
1998	84547	74149	158696
1999	113129	114348	227477
2000	127743	120326	248069
2001	124466	112875	237341
2002	120162	114534	234696
2003	122298	126436	248734
2004	130302	135693	265995
2005	150344	161821	312165
2006	157912	164713	322625

Source: CAPMAS

Table 5. Distribution of working individuals (15-64) by sector

	1990		1995		2001		2005		2008	
	00's	**(%)**	**00's**	**(%)**	**00's**	**(%)**	**00's**	**(%)**	**00's**	**(%)**
Government	32,602	22.1	39,556	26.3	48,601	27.7	49,876	25.8	53,407	23.7
Public	14,271	9.7	13,580	9.0	10,424	5.9	8,739	4.5	7,757	3.4
Private (Inside Enterprise)	74,228	50.3	66,515	44.2	43,032	24.5	43,269	22.4	51,431	22.9
Private (Outside Enterprise)	24,572	16.7	29,131	19.3	71,222	40.6	89,692	46.4	108,298	48.1
Investment	838	0.6	1,064	0.7	1,598	0.9	1,252	0.6	3,379	1.5
Others Foreign & Cooperative	855	0.6	741	0.5	697	0.4	591	0.3	801	0.4
Total	**147,366**	**100.0**	**150,587**	**100.0**	**175,574**	**100.0**	**193,419**	**100.0**	**225,073**	**100.0**

Source: CAPMAS, Labour force Sample Survey, various issues

Appendix II

Table 1. Receiving and not receiving remittances households by standard of living, social capital and basic needs index

		Remittance receiving households	Non-remittance receiving households	Total
Standard of living Index	**Households**	501	17,903	18,404
	Mean	.3005	.2851	.2855
Basic needs Index	**Households**	501	17,903	18,404
	Mean	6.6128	6.0142	6.0305
Social capital Index	**Households**	501	17,903	18,404
	Mean	.58353912	.61659921	.61569924

	Remittance Receiving households (%)	Non-remittance receiving households (%)	Total (%)
Standard of Living Index	30.05	28.51	28.55
Basic needs index	6.61	6.01	6.03
Social Capital Index	58.35	61.66	61.57

Source: Social Capital Survey in Egypt (UNDP, 2002)

Table 2. Receiving and not receiving remittances households by ownership of residence

	Number			Proportion on the total		
	Receiving remittances individuals	Non-remittance receiving households	Total	Remittance receiving individuals	Non-remittance receiving households	Total
Rent	40	4,013	4,053	0.08	0.22	0.22
Furnished rent		22	22		0.00	0.00
Rent by new law		120	120		0.01	0.01
Owned building	362	10,894	11,256	0.72	0.61	0.61
Owned unit	21	1,526	1,547	0.04	0.09	0.08
Donated	75	1,215	1,290	0.15	0.07	0.07
Special Privilege	3	38	41	0.01	0.00	0.00
Other		75	75		0.00	0.00

Source: Social Capital Survey in Egypt (UNDP, 2002)

Table 3. Poverty measures for remittances and non-remittances households by urban/rural region of residence (in %)

	Remittance receiving households	Non remittance-receiving households	Total
Urban	0.00	10.15	**10.07**
Rural	12.05	27.87	**27.23**
Total	**10.78**	**20.67**	**20.40**

Source: Social Capital Survey in Egypt (UNDP, 2002)

Table 4. Basic needs indicators for remittances and non-remittances households, 2002 (in %).

	Remittance receiving households	Non-remittance receiving households	Total
Have any difficulty in expenditure on :Food			
Could not afford		0.02	**0.02**
Severe difficulty	1.80	3.32	**3.28**
Some difficulty	9.38	15.53	**15.37**
No difficulty	88.82	81.13	**81.34**
Total	**100.00**	**100.00**	**100.00**
Self assessment for sufficient income for basic needs			
Not sufficient	10.18	24.67	**24.27**
Sufficient	89.82	75.33	**75.73**
Total	**100.00**	**100.00**	**100.00**
Have any difficulty in expenditure on: Clothing			
Could not afford		0.32	**0.31**
Severe difficulty	2.79	4.73	**4.67**
Some difficulty	12.38	23.24	**22.94**
No difficulty	84.83	71.72	**72.08**
Total	**100.00**	**100.00**	**100.00**
Have any difficulty in expenditure on: Rent			
Could not afford		0.22	**0.22**
Severe difficulty		2.02	**1.97**
Some difficulty	5.19	9.04	**8.94**
No difficulty	94.81	88.71	**88.88**
Total	**100.00**	**100.00**	**100.00**
Difficulty in paying medical fees			
Have difficulty	5.19	8.91	**8.81**
No difficulty	94.81	91.09	**91.19**
Total	**100.00**	**100.00**	**100.00**
Difficulty in paying education fees			
Have difficulty	2.59	12.72	**12.45**
No difficulty	73.85	62.39	**62.70**
No children	23.55	24.89	**24.85**
Total	**100.00**	**100.00**	**100.00**

was income enough to cover emergency			
Yes	60.27	58.81	**58.86**
No	39.73	41.19	**41.14**
Total	**100.00**	**100.00**	**100.00**
Has there been any change in the family income last year			
Decreased	2.20	8.52	**8.35**
Same	32.73	42.70	**42.43**
Increased	65.07	48.78	**49.22**
Total	**100.00**	**100.00**	**100.00**

Source: Social Capital Survey in Egypt (UNDP, 2002)

Table 5. Percentage of individuals who are benefiting from services by migration (in %)

	Remittance receiving individuals	**Non-remittance receiving households**	**Total**
Education			
Urban	73.33	52.67	**52.85**
Rural	60.91	62.35	**62.28**
Total	**62.40**	**58.09**	**58.23**
Health			
Urban	66.67	61.00	**61.05**
Rural	82.73	82.40	**82.41**
Total	**80.80**	**72.98**	**73.23**

Source: Social Capital Survey in Egypt (UNDP, 2002)

Table 6. Remittance and non-remittance receiving households by ownership of residence and coping strategy (in %)

	Urban			**Rural**		
	Remittance receiving households	**Non-remittance receiving households**	**Total**	**Remittance receiving households**	**Non-remittance receiving households**	**Total**
Health						
Financial aid	0.00	38.27	**37.96**	42.11	35.29	**35.45**
Loan	100.00	38.27	**38.78**	21.05	53.00	**52.21**
Sold an asset	0.00	9.83	**9.75**	0.00	6.26	**6.10**
Education						
Financial aid	0.00	30.86	**30.86**	0.00	22.01	**21.80**
Loan	0.00	39.64	**39.64**	53.85	52.42	**52.43**
Sold an asset	0.00	1.88	**1.88**	0.00	7.72	**7.64**

Source: Social Capital Survey in Egypt (UNDP, 2002)

Table 7. Main reasons for worries to future for remittances and non-remittance receiving households, 2002 (in %)

	Urban			Rural		
	Remittance receiving households	**Non-remittance receiving households**	**Total**	**Remittance receiving households**	**Non-remittance receiving households**	**Total**
Worries about Future						
Privatization	13.21	13.83	**13.83**	2.68	6.33	**6.18**
Unemployment	67.92	63.17	**63.20**	62.05	72.62	**72.19**
Lay-offs		5.80	**5.76**	0.67	1.35	**1.33**
Other	15.09	9.89	**9.92**	1.12	6.23	**6.02**
Does not apply	3.77	7.31	**7.29**	33.48	13.47	**14.28**
Worries about health						
High cost	64.15	71.46	**71.40**	88.84	80.19	**80.54**
Deteriorating health with age(ageing)	20.75	24.78	**24.75**	10.27	18.45	**18.12**
Other	15.09	3.55	**3.63**	0.89	1.18	**1.16**
Does not apply	0.00	0.22	**0.22**	0.00	0.19	**0.18**
Worries about Education						
High cost	54.72	68.66	**68.56**	74.55	69.07	**69.29**
Education is useless		9.18	**9.12**	3.79	6.41	**6.30**
Other	33.96	6.08	**6.28**	1.34	3.06	**2.99**
Does not apply	11.32	16.07	**16.04**	20.31	21.47	**21.42**
Worries about income						
Rising prices	83.02	82.91	**82.91**	81.47	81.80	**81.78**
Income is not enough to cover needs	9.43	15.58	**15.53**	17.86	17.56	**17.58**
Other	7.55	1.51	**1.56**	0.67	0.64	**0.64**

Source: Social Capital Survey in Egypt (UNDP, 2002)

Table 8. Remittances and non-remittance receiving households by possession of a insurance/pension

	Number			Proportion on the total		
	Remittance receivers	**Non-remittance receivers**	**Total**	**Remittance receivers**	**Non-remittance receivers**	**Total**
Have no insurance nor pension	406	14,731	**15,137**	0.81	0.82	**0.82**
Insured or have pension	95	3,172	**3,267**	0.19	0.18	**0.18**
Total	**501**	**17,903**	**18404**	**1.0**	**1.0**	**1.0**

Source: Social Capital Survey in Egypt (UNDP, 2002)

Table 9. Remittances and non-remittance receiving households by possession of an election card

	Number			Proportion on the total		
	Remittance receivers	**Non-remittance receivers**	**Total**	**Remittance receivers**	**Non-remittance receivers**	**Total**
No	288	5,918	**6,206**	0.58	0.33	**0.34**
Yes	213	11,985	**12,198**	0.43	0.67	**0.66**
Total	**501**	**17,903**	**18,404**	**1.00**	**1.00**	**1.00**

Source: Social Capital Survey in Egypt (UNDP, 2002)

Table 10. Remittances and non-remittance receiving households by main support

	Number			Proportion on the total		
	Remittance receivers	**Non-remittance receivers**	**Total**	**Remittance receivers**	**Non-remittance receivers**	**Total**
Immediate Family	381	10,901	**11,282**	0.76	0.61	**0.61**
Extended Family	26	962	**988**	0.05	0.05	**0.05**
Relatives	23	580	**603**	0.05	0.03	**0.03**
Friends		589	**589**		0.03	**0.03**
Colleagues	3	413	**416**	0.01	0.02	**0.02**
Neighbors	31	1,931	**1,962**	0.06	0.11	**0.11**
NGOs		44	**44**		0.00	**0.00**
Imam in Mosque or Priest in Church		100	**100**		0.01	**0.01**
The Rich		30	**30**		0.00	**0.00**
Government Agencies, e.g. the Ministry of Social Affairs		9	**9**		0.00	**0.00**
No one; I Depend on God	37	2,344	**2,381**	0.07	0.13	**0.13**
Total	**501**	**17,903**	**18,404**	**1.00**	**1.00**	**1.00**

Source: Social Capital Survey in Egypt (UNDP, 2002)

Table 11. Remittances and non-remittance receiving households by main support main tool used to save money

	Number			Proportion on the total		
	Remittance receivers	**Non-remittance receivers**	**Total**	**Remittance receivers**	**Non-remittance receivers**	**Total**
Gameya with friends		396	**396**		0.05	**0.05**
Gameya with relatives	4	1,016	**1,020**	0.01	0.13	**0.13**
Gameya with colleagues	3	669	**672**	0.01	0.09	**0.09**
Gameya with neighbors	18	793	**811**	0.06	0.10	**0.10**
Put money aside	187	2,798	**2,985**	0.65	0.37	**0.38**
Cut down on food expenses		107	**107**		0.01	**0.01**
Cut down on coffee shop expenses and stay at home		84	**84**		0.01	**0.01**
Deposit my money in a bank	68	1,714	**1,782**	0.24	0.22	**0.23**
Other ways to save	6	64	**70**	0.02	0.01	**0.01**
Total	**286**	**7,641**	**7,927**	**1.00**	**1.00**	**1.00**

Source: Social Capital Survey in Egypt (UNDP, 2002)

Table 12. Remittance and non-remittance receiving households by coping strategy

	Number			Proportion on the total		
	Remittance receivers	**Non-remittance receivers**	**Total**	**Remittance receivers**	**Non-remittance receivers**	**Total**
Have emergency but no sufficient income to cope	29	860	**889**	0.06	0.05	**0.05**
Have emergency and income was sufficient to cope	44	1,228	**1,272**	0.09	0.07	**0.07**
No emergency	428	15,815	**16,243**	0.85	0.88	**0.88**
Total	**501**	**17,903**	**18,404**	**1.00**	**1.00**	**1.00**

Source: Social Capital Survey in Egypt (UNDP, 2002)

Table 13. Survey question: "Do you believe that people in Egypt help each other, and relationships are good between them?"

	Number			Proportion on the total		
	Remittance receivers	**Non-remittance receivers**	**Total**	**Remittance receivers**	**Non-remittance receivers**	**Total**
No	38	1,908	**1,946**	0.08	0.11	**0.11**
Yes	463	15,995	**16,458**	0.92	0.89	**0.89**
Total	**501**	**17,903**	**18,404**	**1.00**	**1.00**	**1.00**

Source: Social Capital Survey in Egypt (UNDP, 2002)

Table 14. Survey question: "Do you know all your neighbors?"

	Number			Proportion on the total		
	Remittance receivers	**Non-remittance receivers**	**Total**	**Remittance receivers**	**Non-remittance receivers**	**Total**
1 Yes, because we are one family	333	10,464	**10,797**	1.00	1.00	**1.00**
Total	**333**	**10,464**	**10,797**	**1.00**	**1.00**	**1.00**

Source: Social Capital Survey in Egypt (UNDP, 2002)

Table 15. Survey question: "Do you discuss with your neighbors matters that concern your house and area?"

	Number			Proportion on the total		
	Remittance receivers	**Non-remittance receivers**	**Total**	**Remittance receivers**	**Non-remittance receivers**	**Total**
No	386	9,586	**9,972**	0.77	0.54	**0.54**
Yes	115	8,317	**8,432**	0.23	0.47	**0.46**
Total	**386**	**9,586**	**9,972**	**0.77**	**0.54**	**0.54**

Source: Social Capital Survey in Egypt (UNDP, 2002)