

V.8 EGYPTIAN LABOR MIGRATION**Progress Report**

June 1, 1977 - September 1, 1977

Progress to Date:

The major effort during this past phase was a continuation of data collection with a view to writing an initial report on the implications of labor migration for the construction industry in Egypt. This paper is to be authored jointly by Professors Mohie-Eldin, Choucri, and Eckaus. Attached is an outline of the paper which indicates the directions of the analysis, the type of data that would be required, and the scope of the analysis.

We focus on the construction industry because it is critical to the economy as a whole, because there is strong evidence of outward migration among construction workers, and because the Ministry of Labor has been concerned with developing procedures for regulating that migration.

During this past period, we have also contributed a paper written with Professor Eckaus, entitled "Interactions of Political and Economic Change: The Case of Egypt" (August, 1977), and prepared two other papers that bear directly on labor migration in Egypt. The first, by a research associate for this project, Ijaz Gilani, is entitled "International Migration: Some Lessons for an Egyptian Migration Policy." This paper reviews the policy experience of Turkey and Yugoslavia (both countries export labor to Europe), and draws some appropriate inferences for the Egyptian case. The second paper, by Professor Choucri, is entitled "Migration Processes Among Developing Countries: The Middle East," and seeks to develop the conceptual basis for systematic analysis of the migration process and of the policy interventions that could affect this process.

Next Phase:

We expect, first, to complete our analysis of migration in the construction industry and draw the implications for the economy as a whole, "clean" the data, and begin more systematic and quantitative analysis of the dimensions of labor migration in Egypt, with the view of generating a comprehensive perspective that would assist in identifying appropriate policy interventions and evaluating current policies.

Difficulties Encountered:

The major difficulties involve obtaining consistent and complete data series on many aspects of labor migration. An enormous amount of time and effort is going into the data gathering and "cleaning."

Attachment A: Egyptian Labor Migration

Suggested Title:

Migration and Employment in Construction:Critical Factors in DevelopmentI. Introduction

RSE This will be a brief statement of the issues and the content of the
AM paper.

II. Employment and development patterns in Egypt: overall and in construction sector

AM A. Overall patterns of employment in Egypt

AM B. Patterns of investment and their significance for construction
RSE activity

III. The relations of construction activity to the rest of the Egyptian economy.

AM-RSE A. Input-output and capital forming interrelations of construction with the rest of the economy.

AM B. Distribution of construction in the Egyptian economy

1. Sectoral

2. Relative importance of major projects

3. Geographic

AM IV. Materials, capacity and foreign exchange as constraints on construction activity

NC V. Labor force availabilities in construction

A. Characteristics of labor force in construction and growth

1. Size

2. Age

3. Occupational structure

4. Origins

B. Patterns of recruitment into domestic labor force

NC VI. Emigration of construction workers

- A. Overall patterns of emigration
- B. Emigration of construction workers
 - 1. Overall patterns
 - 2. Recruitment
 - 3. Returnees
- C. Relative wages and effects on migration

NC VII. Special Policies Affecting Migration and Returnees

AM

- A. Domestic
 - Labor permits, political environment
 - Secondment practices
- B. Foreign
 - 1. Saudi Arabia
 - 2. Libya Work permits
 - 3. Kuwait and Gulf Laws of nationality
 - 4. Iraq Residence permits

VIII. Social Costs of Construction Labor Migration

(Note restriction of discussion to unique features of construction labor movement)

RSE

- A. Emigration and wage increases in construction as a means of adjustment by Egyptian economy to international demands and prices - effects of pushing so much of the adjustment through a single sector
 - 1. On wage costs in the sector
 - 2. On relative costs of investment
 - 3. On stability of labor force and planning problems
 - 4. On gestation periods in construction

AM

- B. Other social costs
 - 1. On income distribution
 - 2. On rural-urban population movements

3. Relative social versus private marginal products of construction labor

RSE **IX. Social Benefits of Construction Labor Migration**

- A. Improvements in individual-family welfare
- B. Social value of remittances in the form of funds - nominal versus shadow price of foreign exchange
- C. Savings patterns and the capture of savings

NC **X. Conclusion**

RSE
AM

- A. Distinctive features of construction migration in relation to total labor migration
- B. Implications of migration policies and patterns for Egyptian development