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Fandrich, C. (2009). Facilitated International Egyptian Labor Migration and Development. *The Integrated Migration Information System as Case Study*, 1–22.

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MLA Citation

Fandrich, Christine "Facilitated International Egyptian Labor Migration and Development." *The Integrated Migration Information System as Case Study*, 2009, pp. 1–22.

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The American University in Cairo

Facilitated International Egyptian Labor Migration and Development

The Integrated Migration Information System as Case Study

Christine Fandrich
5/26/2009

Contents

1. Introduction

1.1 Integrated Migration Information System and Development

1.12 Facilitated International Egyptian Labor Migration: the IMIS Project

1.2 Summary

2. Migration and Development

2.1 Introduction: A Brief Summary of the Links between Migration and Development

2.12 Remittances and Development

2.13 Brain Drain/Gain and Development

2.14 Diasporas and Development

2.15 Summary

3. Literature on International Egyptian Migrants and Development

3.1 Remittances

3.12 Egyptian Brain Drain/Gain

3.13 The Egyptian Diaspora

3.2 Summary and Conclusions: International Egyptian Labor Migration and Development

4. Evaluation of IMIS

4.1 Egyptian Remittances and Development

4.12 Brain Drain/Gain and Development

4.13 The Egyptian Diaspora and Development

4.2 IMIS Job Matchmaking Website

4.3 Summary of Findings

1. Introduction

This paper will analyze the attempts of the Egyptian government to facilitate and manage international Egyptian labor migration for the development of Egypt through its Integrated Migration Information System (IMIS). IMIS hopes to channel human and financial resources resulting from migration to Egypt, and to encourage Egyptians and Egyptian NGOs abroad to invest in Egypt.

First, an overview of the IMIS project will be mentioned, followed by a brief summary of the links between migration and development with a specific focus on remittances, brain drain/gain, and diasporas. Third, a review of the literature concerning international Egyptian migrants (EMs) and development will be discussed, followed by an evaluation of the IMIS project in order to see if its developmental objectives coincide with the reality of the Egyptian context.

1.1 Integrated Migration Information System and Development

The Egyptian Ministry of Manpower and Emigration is attempting to manage migration for the development of Egypt by facilitating the outmigration of Egyptian labor and by encouraging Egyptians and Egyptian NGOs abroad to invest in Egypt. The Italian government offered to cooperate with the Egyptian government for the creation of the Integrated Migration Information System (IMIS), with the International Organization for Migration (IOM) as the implementing agency, as a means to accomplishing its development goals.

This study specifically examines facilitated Egyptian labor migration and assisted investment for development. The IMIS project is one such scheme which is an attempt by the Egyptian government to facilitate and manage Egyptian out-migration for development. What are the reasons for the management of migration through such a system, and what are the potential development benefits for the actors involved in such a migration-management scheme? In other words, does managing migration through projects like IMIS lead to development in Egypt? Or are there other goals, such as curbing illegal Egyptian migration? In the end, who benefits?

1.12 Facilitated International Egyptian Labor Migration: the IMIS Project

Egyptian labor migration is facilitated by the Egyptian government through the Ministry of Manpower and Emigration. Within the Ministry, the Emigration and Egyptians Abroad Sector attempts to regulate the international and domestic aspects of Egyptian out-migration. According to the Ministry's webpage, the Sector's purpose is to: "develop a comprehensive Egyptian Emigration Strategy, to provide the necessary care for Egyptians abroad and to benefit from their scientific potential in order to contribute to the process of development in Egypt."¹ Its objectives are four-fold:

1. "to develop executive plans and policies to encourage Egyptian emigration and provide the opportunities that ensure its success, on the basis of the assumption that migration is a natural and stable phenomenon.

¹ (2009). Objectives . Retrieved February 20, 2009, from Ministry of Manpower and Emigration, Emigration and Egyptians Abroad Sector Web site:
<http://www.emigration.gov.eg/AboutUs/Objectives.aspx>

2. to sponsor Egyptians abroad, encourage them to create Egyptian gatherings, unions and clubs and focus on the second and third generation of migrants by fostering their ties and allegiance to their homeland.
3. to achieve the maximum capitalization of Egyptian potential abroad, whether in relation to scientific and research knowledge transfer or to the contribution in savings to Egyptian development strategies; to support Egyptian capacities inside and outside Egypt.
4. to establish an integrated database on Egyptians abroad, emigration markets, and migration; to regulate legislations in the countries of destination."²

In short, the Egyptian government, through the Ministry, actively assists Egyptian emigration to occur; encourages Egyptians abroad to maintain links with other Egyptians abroad, and with Egypt; advances Egyptian development through the capitalization of Egyptians abroad; and to regulate international Egyptian migration.

The Integrated Migration Information System (IMIS) project attempts to fulfill the purposes of the Emigration Sector, stated above. IMIS is funded by the Italian government in cooperation with the Emigration Sector and the International Organization for Migration (IOM). IMIS is a technical tool and institutional capacity building mechanism which assists the Emigration Sector: 1) in the management of regular migration flows from Egypt; 2) improving Egyptian migrants' social status in receiving countries; and 3) channeling human and financial resources resulting from the phenomenon of migration.³

Phase I of the project, implemented between June 2001 and December 2005 with a budget of approximately \$1.6 million, appears to have focused on accomplishing the first and second objectives of the IMIS project: to assist in the management of regular migration flows from Egypt, and to improve migrants' social status in the receiving country. It has done so by providing technical training and equipment to the Emigration Sector,⁴ and by creating a website which connects employers abroad⁵ with Egyptian job seekers, and a databank (Misriat) which provides Egyptians with information on the main countries of immigration. In regards to the IMIS website, Egyptian job seekers can upload their CVs to the database, and employers abroad can register with the system to view Egyptian worker profiles and find a candidate that meets their employment needs. After identifying a candidate, the employer then contacts the Ministry of Manpower which validates the job seekers profile and makes the final decision on whether the job seeker can be employed. Approximately 200,000 CVs have been

² (2009). Objectives . Retrieved February 20, 2009, from Ministry of Manpower and Emigration, Emigration and Egyptians Abroad Sector Web site:
<http://www.emigration.gov.eg/AboutUs/Objectives.aspx>

³ IMIS Project. Retrieved April 27, 2009, from Ministry of Manpower and Emigration: Emigration and Egyptians Abroad Sector Web Site: <http://www.emigration.gov.eg/AboutUs/AboutIMISProject.aspx>

⁴ "The restructuring has involved retraining and reorganising 30 of the 60 staff of the Emigration Sector, including all but 2 of the managerial staff. The office is now fully networked and all staff have access to broadband internet connections. They are divided into discrete teams, each with a specific role in the compilation and maintenance of an online database of Egyptians abroad and regular communication with the members of the Egyptian diaspora and prospective emigrants in Egypt." Development Research Centre on Migration, Globalisation and Poverty . (2004). *The Development Impact of Temporary International Labour Migration on Southern Mediterranean Sending Countries: Contrasting Examples of Morocco and Egypt* Michael Collyer. Pg. 42.

⁵ "For the Gulf states this service is carried out by private recruitment organisations, who are licensed by the Ministry of Manpower and Emigration. Labour migration to European or North American states typically does not pass through labour brokers but more informal networks. These networks may involve family or friends but may also consist of unlicensed recruitment organisations." Development Research Centre on Migration, Globalisation and Poverty . (2004). *The Development Impact of Temporary International Labour Migration on Southern Mediterranean Sending Countries: Contrasting Examples of Morocco and Egypt* Michael Collyer. Pg. 42.

uploaded in the database, and nearly 20 employers abroad have registered with the system.⁶ Misriat provides information and links on entry and work visas, citizenship, and country profiles on the following countries of emigration: Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Jordan, Malta, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom, and United States.⁷ Phase I also saw the creation of a website for Egyptians and Egyptian NGOs abroad to register with the Ministry to receive a monthly press review and information on the country of residence and Egypt (these websites are also being developed under Phase II).

IMIS Plus, or Phase II, is expected to be implemented between February 2008 and December 2010 with a budget of approximately \$1.2 million. IMIS Plus appears to be centered on correcting the complications resulting from Phase I, and consolidating the capacity of the EEAS and the General Department of External Employment and Representation (GDEER) to strengthen ties between Egyptians and Egyptian NGOs abroad and the home country with a view towards enhancing investment in Egypt.

IMIS Plus Project Manager Luigi Carta stated that IMIS Plus was implemented to correct various complications resulting from the first phase of the project. For one, the quality of CVs was low. Egyptian workers would attest they had skills necessary to perform to a certain job, for example welding or brick-laying, but when asked specific questions about such professions during the validation process conducted by the Ministry, it became apparent that many workers lied or exaggerated their skill sets. More validation and tests were deemed necessary, therefore, to define the real skills of potential workers. Another issue was low activity on the part of the employers abroad. Few Italian businesses were registering with the site; one remedy was project promotion through brochures. In fact, Italian employers found it easier to employ migrants 'off the street,' as opposed to going through lengthy procedures and waiting for a worker to migrate from overseas. A technical issue encountered in the first phase was limited visibility. When accessing the website roster to view Egyptian applicants, employers would only be able to view the results of matchmaking with certain professions. Employers are now able to browse all applicant CVs. Finally, most CVs uploaded were in Arabic. The Ministry has thus far worked on translating the CVs into English.⁸

IMIS Plus will also work to improve relations between Egyptians and Egyptian NGOs abroad with Egypt. This second phase will build upon the 'Egyptians Abroad' portal created in Phase I of the project. According to EEAS, IMIS Plus "will focus on the Egyptian Diaspora as a drive for investment, brain circulation and preservation of cultural heritage."⁹ IMIS Plus will be implemented through five components:

1. Enhancing understanding of labor migration in Egypt;
2. Enhancing the job matchmaking system;
3. Information dissemination on investment opportunities in Egypt;
4. Raising awareness on cultural roots of Egyptian diasporas;
5. Enhancement of opportunities of migration and development.

In regards to the third component, the EEAS has created a window on the website for investment opportunities, and will strengthen the capacity of governmental and non-governmental entities to provide the Egyptian diasporas on such investment opportunities in Egypt, focusing on the establishment of small and medium enterprises. Regarding the fourth component, the project will upload cultural texts, music, videos and info materials for the Egyptian audience abroad. The fifth

⁶ (Luigi Carta , personal communication, 05 12, 2009)

⁷ Misriat. Retrieved May 6, 2009, from Ministry of Manpower and Emigration: Emigration and Egyptians Abroad Sector Web site: <http://www.emigration.gov.eg/Misriat/MisriatCountries.aspx>

⁸ (Luigi Carta , personal communication, 05 12, 2009)

⁹ Emigration and Egyptians Abroad Sector. *Integrated Migration Information System (IMIS) Project*.

component of IMIS Plus: “will assist EEAS and other Egyptian authorities in exploring ways to take advantage of the labor employment opportunities (initially in Italy) to enhance the benefits of migration and development at home.”¹⁰ The “Egyptians Abroad Conference” from 27-29 July 2009, will complement the projects efforts in taking advantage of migration for development purposes in Egypt. The conference will explore the links between migration and development, including remittances, investment and circular migration. Representatives of diasporas associations based in main destination countries and Egyptians abroad will be invited.

In sum, IMIS Plus has identified and improved upon the flaws within the job matchmaking system, is strengthening the ties between Egyptians and Egyptian NGOs abroad, and is examining investment opportunities stemming from migration for development in Egypt.

IOMs Role

According to IOM Cairo’s website, under the heading “Facilitating Migration,” the website states that “IOM Cairo continues to implement activities to assist the Government and other key stakeholders to facilitate regular migration, to the mutual benefit of Egypt and countries of destination as well as individual migrants.”¹¹ IMIS is considered to be one of these activities. In regards to the project, IOM contributed by providing capacity building, which included: managerial capacities, Information Technology (IT) management, the upgrading of language skills and Basic IT knowledge for the whole Emigration Sector, the setting up of an IT Unit to meet the future technical needs of the Sector and the training of a Research Unit.¹²

Role of the Italian Government

The main role of the Italian government was that of funding through the Italian Cooperation. The website of Italian Cooperation, the development branch of the Italian Ministry of Foreign Affairs, states that the Italy’s cooperation “with developing countries contributes to UN efforts to combat poverty all over the world; and to help developing countries to strengthen their institutions in terms of ‘good governance’, in respect of human rights and democratic participation to economic development.”¹³ Italian Cooperation’s efforts on IMIS are to improve social and human development, and to control migratory flows through technical assistance and institutional building. The beneficiaries of the project were claimed to be Egyptian immigrants abroad, potential immigrants, and the Egyptian Emigration Sector. Its objective was to reinforce “the technical and institutional capacities of the Egyptian Government in the sound management of the Emigration sector.”¹⁴

Role of the Egyptian Government

As mentioned, the Ministry of Manpower and Emigration will validate potential employees’ profiles to ensure they are an adequate match with employers’ requests. As the beneficiary of IOM technical and other training, the Ministry will also operate the website roster of Egyptian worker applicants, employers abroad, and Egyptian and Egyptian NGOs abroad.

¹⁰ Emigration and Egyptians Abroad Sector. *Integrated Migration Information System (IMIS) Project*.

¹¹ IOM Egypt . Retrieved April 27, 2009, from International Organization for Migration Web site: <http://www.iom.int/jahia/Jahia/pid/403#fm>

¹² Retrieved April 27, 2009, from IMIS Project Web site: <http://www.emigration.gov.eg/AboutUs/AboutIMISProject.aspx>

¹³ ITALIAN DEVELOPMENT COOPERATION. Retrieved April 27, 2009, from Cooperazione Italiana allo Sviluppo Web site: <http://www.cooperazioneallosviluppo.esteri.it/pdgcs/inglese/intro.html>

¹⁴ Integrated Migration Information System (IMIS). Retrieved April 27, 2009, from Italian Cooperation in Egypt Web site: <http://www.utlcairo.org/english/progetti/progetti/11.html>

1.2 Summary

Phase I of the IMIS project saw the creation of a website roster of Egyptian worker applicants, as well as a website for registration of employers abroad, and Egyptian and Egyptian NGOs abroad. A databank, Misriat, of information on the main countries of immigration was also created. During the implementation of IMIS Plus, complications resulting from the first phase of the project were addressed, such as the quality of CVs, low activity of employers abroad, limited access, and translation of CVs into English. IMIS Plus is also working to strengthen ties between Egyptians and Egyptian NGOs abroad and Egypt, and to evaluate the links between migration and development. In the end, it appears as though the project has worked towards achieving all three of its objectives. IMIS's first objective, to manage regular migration flows of Egyptians, has been addressed through the matchmaking website which connects employers abroad and with Egyptian workers in a legal fashion. The second objective, to improve the migrants' social status in receiving countries, has been addressed by the Misriat website which provides information on the conditions of employment and visa requirements, alerting the migrant to relevant laws and conditions in the country of residence. Finally, the third objective, to channel human and financial resources resulting from migration to Egypt, is being addressed through the creation of the 'Egyptians Abroad' portal and through IMIS Plus as the second phase is creating a window on the EEAS website for investment opportunities for Egyptian diasporas, and is exploring ways to take advantage of the labor opportunities abroad to enhance the benefits of migration and development (the Conference in July 2009 is seen as a complement to this process).

2. Migration and Development

2.1 Introduction: A Brief Summary of the Links between Migration and Development

The following section will review the literature concerning the links between migration and development in order to specifically inform the discussion on the IMIS project and its development objectives: channeling human and financial resources by strengthening the ties between Egyptians and Egyptian NGOs abroad and the home country with a view towards enhancing investment in Egypt. As the Egyptian government, through the IMIS project, is attempting to channel human/financial resources resulting from the phenomenon of migration, the developmental impacts of remittances and brain drain/gain will be analyzed. Additionally, as the government is attempting to foster such development links by strengthening ties with Egyptians and Egyptian NGOs abroad, links between diasporas and development will be examined.

2.12 Remittances and Development

The beneficial and detrimental effects of financial, and to a lesser extent, social remittances on development have been well-documented.¹⁵ In regards to positive financial effects, remittances, at the micro level, can help to improve livelihoods (food, housing, education, health), alleviate poverty, increase and diversify household incomes, and provide investment capital. When remittances are used to purchase goods and services, or when they are invested in projects that

¹⁵ The Global Commission on International Migration. (2005). *Migration in an Interconnected World: New Directions for Action*; World Bank (2006). *Global Economic Prospects 2006: Economic Implications of Remittances and Migration* (Washington D.C.: World Bank); Migration Policy Institute. (2003). *Migration as a Factor in Development and Poverty Reduction* Kathleen Newland; Kapur, Devesh. (2003). *Remittances: The New Development Mantra?* United Nations Conference on Trade and Development, Geneva.

demand labor, they also benefit entire communities. Remittances can also be a survival resource for homes (and countries) in political or economical distress.

At the macro level, financial remittances may increase national income and provide a source of foreign exchange (remittances may provide a more stable source of foreign currency than other capital flows, foreign direct investment, or development aid¹⁶); contribute to the balance of payments and savings; support entrepreneurial endeavors; and create demand for local goods and services, which can have multiplier effects on migrant and non-migrant households. Remittances can also provide a vital source of income during times of economic hardship, conflict or environmental disaster.

In regards to the negative developmental impacts, some studies show that the majority of financial remittances are used for conspicuous consumption, as opposed to income-earning, job-creating investment. Remittances can also increase the demand for and consumption of imported goods, increasing trade deficits; cause inflation; raise the cost of land and housing; and provoke dependency, thereby discouraging those at home from seeking out income-generating projects. Remittances increase inequality between migrant and non-migrant households (at varying degrees), and can create a 'culture of migration' in emigration countries, whereby the younger generation places more emphasis on migrating than on finding schooling or employment in the country of origin.

Concerning social impacts, remittances can alter class, ethnic and gender hierarchies and structures, whether it be challenging ethnic or social roles in the society or within the household. Perhaps both a positive and negative impact of social remittances is the changed notion of the man as the family breadwinner. In some cases, women migrants can become empowered due their role as family provider; yet, this role may not be empowering as some women may be forced to assume this role. Women, as the receivers and distributors of remittances, can also gain empowerment and autonomy as they contribute to the decisions of allocating remittances within the household. Yet, this role more often than not reverses as soon as the male migrant returns.

The developmental impacts of remittances can be affected by a number of factors: the type and duration of migration (internal/external; temporary/permanent); migrant characteristics (sex, age, skill level, familial relations, legality of stay, etc.); geographical location (large country/small island economy; rural/urban, etc.); and the political and socio-economic environment of the origin and destination countries. All such factors will affect the amount, duration, motivations and frequency of remittances; they will also impact how such remittances are sent, saved, and invested. In sum, neither the beneficial nor detrimental impacts of migration are axiomatic; yet, research pinpoints certain cases where these effects can be seen.

One factor affecting remittances is duration of stay abroad. For example, remittances may be greatest when a migrant moves abroad temporarily for a specific target (money, business), or may decline the longer a migrant stays abroad.¹⁷ Also, the amount of time it takes a migrant to pay back loans or to fulfill the primary needs of the household and family will also increase the amount of time that the migrant will invest in commercial enterprises; yet, only if the investment conditions in the country of origin are conducive to such action.

¹⁶ World Bank. (2005). *Global Development Finance: Mobilizing Finance and Managing Vulnerability*. Pg. 106; Grundel, J. (2002). The Migration-Development Nexus: Somalia Case Study. *International Migration* . 40, 255-281.

¹⁷ International Organization for Migration. (2006). *Migrants' Remittances and Development: Myths, Rhetoric and Realities*. Geneva, Switzerland: Bimal Ghosh. Pg. 22; Migration Policy Institute. (2006). *Remittances and Development: Trends, Impacts and Policy Options*. Washington D.C.: Dovelyn Rannveig Agunias. Pg 16.

In regards to migrant characteristics, it is commonly held that “young, married, low-skilled and temporary male migrants remit the most, and that integrated, highly educated, well-paid migrants invest more in host countries.”¹⁸ Finally, migration is a selective process, and it is generally not the poor who migrate as migration expenses are too great;¹⁹ yet, the poor who do migrate depend upon remittances the most. Also, some studies show that women are better remitters than men, and also that men may remit more money back home than women.

Without lower transfer costs for remittances, sound financial systems, stable currencies, a favorable investment climate, the developmental impacts of remittances will be few and unsustainable. “Until such problems as poor infrastructure, corruption, lack of access to credit, distance from markets, lack of entrepreneurial skills, and disincentives to savings are tackled, it is unrealistic to expect remittances to solve the problem of low investment in poor communities. In the meantime, remittances lift many recipients out of poverty, if only for as long as remittances continue.”²⁰ The situation of the migrant in the country of destination will also determine the extent to which the migrant can earn and save wages or learn skills for remittance.

2.13 Brain Drain/Gain and Development

Emigration can lead to a shortage of a country’s ‘best and brightest,’ or ‘brain drain,’ of the members of society needed for development. There are also fiscal costs associated with the brain drain: the country of origin may lose tax revenue that these potential high-earners would have paid to the government. Furthermore, certain professional classes comprising - engineers, scientists, physicians, professors – are critical for institution building, and can thus have a negative impact on development if they have migrated elsewhere.

Yet, outmigration of the highly skilled does not mean that the country of origin automatically loses their skills for potential development. A counterflow of skills and knowledge can enter the country of origin after the highly skilled have left. For example, Indian scientists in the United States keep in contact with scientists in India and exchange ideas and knowledge in a transnational form of skill remittance. The prospects of jobs abroad may also motivate persons in developing countries to pursue higher education in order to migrate, thereby causing a brain gain.²¹

In the end, however, if the environment within the country of origin is not conducive to receiving the skills from ‘brains’ abroad, then the development impacts of ‘brain gain’ may be slim. For example, Indian scientists who migrated to the United States have better access to labs and resources unavailable in India. In the US, they can therefore utilize and develop their skills. This may attract more highly skilled to migrate. On the other hand, however, such scientists can send back their findings to the home country, thereby engaging in transfer of knowledge. Yet, development is dependent upon the environment in the home and host country. For example, ‘brain waste’ could occur in the country of destination as the occupational placement of the highly skilled is in a field below their skill level, thereby downgrading their position and squandering the migrants’ capabilities. Also, if the migrant is employed in a field that matches their skills, the potential transfer of skills to the home country might be unproductive as there could be limited resources within the home country with which to apply the information learned.

¹⁸ United Nations Research Institute for Social Development. (2007). *Remittances, Migration and Social Development: A Conceptual Review of the Literature*. Geneva, Switzerland: Hein de Haas. Pg. 9. (Citing Ghosh, pg. 23, above).

¹⁹ Kapur, Devesh. (2003). *Remittances: The New Development Mantra?* United Nations Conference on Trade and Development, Geneva. Pg. 7-8.

²⁰ Migration Policy Institute. (2003). *Migration as a Factor in Development and Poverty Reduction* Kathleen Newland.

²¹ World Bank. (2005). *Global Development Finance 2005*. Washington D.C.: World Bank. Pg. 68.

2.14 *Diasporas and Development*

Migrants themselves are interested in building transnational links due to common interests and activities, religion, charitable work and development. For example, Home Town Associations (HTAs) enable people from the same area in the country of origin to keep in touch with each other for personal and professional reasons. These organizations collect donations to send back to the country of origin for specific purposes, such as the building of roads and schools, which can help local communities to develop. Diasporic philanthropic activities can also provide for community development. Diasporic groups could also have nostalgia for the foods and products of the country of origin, which “creates markets for those products in the immigration country, fostering local production and international trade.”²²

Governments and international organizations have also been interested in diaspora groups and in the potential developmental impacts diasporas have on countries of origin. The governments of countries of origin are seeking to cultivate ties with the diaspora, seeing them as a source of remittances, investment, and in some cases for political support in the host or home country. International organizations also have an interest in the links between the diaspora and development. The Global Commission on International Migration claims: “Diasporas should be encouraged to promote development by saving and investing in their countries of origin and participating in transnational knowledge networks.”²³

Diasporas, however, can sometimes impede development by fueling internal dissent or funding wars.²⁴ Diaspora involvement in such conflicts would hinder development as it would assist in the destruction of a state or governing party (such intervention may also assist in development, however, if it was destroying a state without good governance). Yet, during conflicts and times of crises in the country of origin, diasporas tend to send more remittances. Diasporas can also act as ambassadors for the national interest and development by applying pressure on the host country. Such groups can also go against harmful government policies as the Sri Lankan and Cuban Diasporas have done in Britain and America.

It is possible that local communities can benefit and develop through the efforts of diasporic communities which send collective remittances and charities to the home country. Such activities have sprung from migrants’ mutual interest in keeping ties with the homeland or certain communities. Governments’ and international organizations’ are interested in mobilizing and capitalizing on the mutual interests of diasporas in order to tap into the potential development opportunities of diaspora groups. Certainly, the political and socio-economic environment in the country of origin and destination will affect the efforts of diasporas, governments and international organizations in applying diasporic resources for development.

2.15 *Summary*

Remittances, brain drain/gain, and diasporas are all potential development assets for migrants and their households and communities, government and international organizations. As mentioned above, however, the capacity for growth and development within all three potential assets is not inherent. Remittances can help to alleviate poverty, improve livelihoods, provide revenue for investment, and create a multiplier effect; yet, they can also increase inequality, lead to trade deficits, and create cultures of dependency and migration. The notion that remittances

²² Migration Policy Institute. (2003). *Migration as a Factor in Development and Poverty Reduction* Kathleen Newland.

²³ The Global Commission on International Migration. (2005). *Migration in an Interconnected World: New Directions for Action*. Pg. 29.

²⁴ Collier (1999), Anderson (1999), Duffield (2001), Koser (2002), Karpur (2004).

are invested in income-earning, job-producing investments is also questionable. Brain drain leads to the loss of highly skilled labor which can negatively impact development by depriving states of essential talent for institution building and production; yet, this flight of talent can also lead to transfer of skills and knowledge between the host and origin countries and could lead to more people enrolling in higher education because of the opportunity to migrate, thereby increasing the level of skills within the origin country. Finally, diasporas can develop communities by sending remittances (especially in times of crisis) and by investing. On the national level, they can act as representatives of the national and developmental interests of the home country by pressuring and lobbying their host country. On the other side, diasporas can fuel conflict and crises by sending remittances, thereby destabilizing a country, and they can lobby their host countries against the national interests of their government (in either a positive or negative way). As mentioned, the development prospects will depend on the political and socio-economic environment of the host and home countries.

3. Literature on International Egyptian Migrants and Development

This section will review the dearth of research on Egyptian migrants and development. The key focus will be to inform the discussion on the Egyptian government's plan to channel resources resulting from migration back to Egypt, and to foster ties with Egyptians abroad for investment through the IMIS project. Mainly, the research consists of Italian data, as the Italian government is the donor agency for the IMIS project.

One study on international EMs is "Egyptian Diaspora: Cooperation with the Homeland: migration networks and transnationalism between local contexts," a CeSPI Working Paper written by Ceschi, Coslovi, & Mora, funded by the Italian Cooperation to help inform the Italian and Egyptian governments and IOM about the IMIS project. It found that Egyptians move towards Italy due to the economic differentials between the two countries and the strong migratory Egyptian networks in Italy.²⁵ The study furthermore noted that Egyptian migration abroad is mainly facilitated through networks of family and friends to which a potential migrant belongs, both at home and in the receiving country. "More than half of all migrants had a network (family, relatives or friends) in the country of destination prior to departure from Egypt."²⁶

It also found that Egyptian migration to Italy is selective: the majority of EMs are male, young and belonging to the middle class. They migrate for economic, social and cultural reasons. Initially, the migrants aimed at accumulating savings and moving back to Egypt within a few years. Yet, after a period of time, the migrants aspired to gain economic and social integration in Italy. They are well-integrated due to high levels of education, mixed marriage and family reunification. Egyptian migrants in Italy want to keep strong links with the family back home, they also want to maintain their cultural and religious identity. According to the study, a dual identity emerges: migrants "have strong cultural identity linked to family ties in Egypt, while at the same; they are increasingly involved in the Italian social and economic context." They are also concentrated in metropolitan areas, particularly Rome and Milan, and in the industrial districts in the Northern-East of Italy. Most migrants come from Alexandria, Cairo, and cities in the Nile Delta.²⁷

²⁵ The study interviews Egyptians from Kafr Saad to Sesto San Giovanni and from Kafr el Gamal towards Cinisello, Abbiate Grasso and Trevigliano, from Batta towards Trevigliano and Milan.

²⁶ Contemporary Egyptian Migration. (2003). Accessible at: <http://www.egypt.iom.int/publications.htm>, pg. 62.

²⁷ CeSPI. (2004). *Fostering Egyptian Local Development through Diasporic Networks in Italy* Andrea Stocchiero. Pg. 7-8.

3.1 Remittances

According to the Central Bank of Egypt (CBE) data for the fiscal year 2001/02, the total amount of money remitted by Egyptians abroad was \$2773.4 million. The largest amount of remittances arrived from the United States (\$955.9 million) which comprises almost one-third (34.5%) of the total remittances by Egyptians abroad in this fiscal year. Saudi Arabia ranked second (\$612.4 million or 22.1%) followed by United Arab Emirates (\$312.7 million or 11.3%). Remittances from the three countries together comprise more than two-thirds of the remittances to Egypt in this fiscal year (67.9%). Adding Kuwait to this list, with \$246.0 and 8.9% of the total remittances, the contribution of the four countries accounts for more than three-quarters (76.8%) of the total remitted money. The United States and Saudi Arabia also ranked first and second in the number of permanent Egyptian migrants.²⁸ Remittances from Western Europe countries -- Switzerland, United Kingdom, Germany, France, Italy, Netherlands, Greece, Spain – comprise 15.3% of the total remittances (\$425.3 million).²⁹

Most EMs in Europe live in Italy, Greece, and Netherlands; yet they remit less than countries with fewer Egyptians such as Switzerland and the United Kingdom. This may be attributed to the differences in migrants' occupations and skill levels.³⁰

a. How are Remittances Transferred and Allocated?

The CeSPI study, "Egyptian Diaspora: Cooperation with the Homeland," by Ceschi, Coslovi, and Mora found that banks are not used for transferring remittances (transfer is through informal means), but are used for savings.³¹ After the migrant has stabilized, they tend to remit twice a month for a yearly total of 8,000-10,000 euros. Remittances from EMs diminish with the lengthening of the residence in Italy; yet, some interviewees said that they remit about 500 Euro per month equivalent to 25% of their salary.

The study found that Egyptian migrants in Sesto San Giovanni needed between 2-4 years to become free from loan debt, and to find a better paying job. The average amount of time needed to send remittances was three years. There were cases, however, when the migrant had no loan debt. The same study discovered that if the migrant is not married, then the money is remitted and managed by the father or brother. If the migrant is married, the money is managed by the wife back home.³²

b. Where do Remittances Go? Basic Needs/Consumption and Small, Low-Risk Investments

-Remittances and Basic Needs/Consumption

Egyptian data indicate that about 74% of migrant households spend the largest share of funds received on daily household expenses. Buying/building/renovating a house, and financing the education of a household member rank second and third (7.3% and 3.9%). Remittances in kind mainly include clothes and electronics. The study, "Interrelationships between Internal and Internal Migration in Egypt," by the Development Centre on Migration, Globalization and Poverty, is in agreement with these findings claiming that large proportions of Egyptian remittances are used for daily expenses such as food, clothing and health care. Funds are also spent on building or improving housing, buying land or cattle, and buying durable consumer goods. "Most international migrants are expected to renovate their family house or build a new house, get

²⁸ Contemporary Egyptian Migration. (2003). Accessible at: <http://www.egypt.iom.int/publications.htm>, Pg. 51.

²⁹ Ibid, pg. 52.

³⁰ Ibid, pg. 52.

³¹ Ceschi, S, Coslovi, L, & Mora, M (2005). Egyptian Diaspora: Cooperation with the Homeland: migration networks and transnationalism between local contexts. *CeSPI Working Paper*. Pg. 42.

³² Ceschi, S, Coslovi, L, & Mora, M (2005). Egyptian Diaspora: Cooperation with the Homeland: migration networks and transnationalism between local contexts. *CeSPI Working Paper*. Pg. 40.

married (if they are still single), and help other family members as much as they can.”³³ The CeSPI study, “Egyptian Diaspora: Cooperation with the Homeland,” claimed that remittances are used according the following sequence of priorities: for the upkeep of the family, for financing the education of siblings, for departures of other family members, for medical expenses, for building a home, for marriage, to purchase land, to start-up small enterprises. When an investment does occur, it is in land and in the building sector.³⁴

- *Remittances and Investments*

According to Ceschi, Coslovi, and Mora, investment choices of EMs derive from a desire to keep the family prosperous. Also, traditional investment choices, such as land and small projects, were seen as ‘low profile’ investments which are able to avoid high tax rates and further bank loans. “In the countryside, besides these motivations, people are aware that land and agricultural activities are the safest investment in a so unstable economic situation like the Egyptian one.”³⁵ EMs in Italy also “highlight their clear disposition to invest in Italy first, and their strong hesitation to do the same in Egypt, at least in the short-middle term.” These activities are in the construction, cleaning, trade and catering fields, which closely correspond to the jobs worked in Italy. In Sesto San Giovanni, migrant entrepreneurs also own Islamic butcher shops, restaurants, and phone centers which serve mainly the immigrant community.

Self-employed activities in Italy derive from: 1) human capital (education and professional skills); 2) ability to utilize migrant and native social networks; 3) financial capital. A “Common feature of all these employers is the destination of their financial investment: everyone chooses to invest their funds surplus in the host (Italian) and not origin (Egyptian) society.” EMs are, therefore, making rational-choice investments as these self-employed activities are apparently: 1) easier to open in Italy; 2) less riskier than endeavors in Egypt where “taxes, laws and corruption strongly curb entrepreneurial spirit and do not safeguard little enterprises;” 3) few investment opportunities within Egypt, especially in the countryside.³⁶ Despite EMs reservations, most self-employed interviewed expressed their desire to complement the Italian business with an Egyptian business at a later time: “to differentiate investments in order to protect themselves from bankruptcy risks; from the family point of view, to give a job and means of subsistence to relatives and to arrange for the come-back.”³⁷

EM investments within Egypt are trading and services activities in cities and foodstuff and agricultural activities in the countryside. The study finds that these activities “will hardly create employment at the community level and therefore have a boosting effect on local economy.”³⁸

The study concludes that international Egyptian migration from Kafr Saad and Bahna:

“seems to be characterized by brain drain and skill shortage phenomena that have a positive result more for the destination country than for the native one. Certainly, remittances allowed to improvements in the definitely housing conditions, expenditure capacity for education and health and often the possibility to maintain themselves and give support to the family in the future.

³³ Development Research Centre on Migration, Globalisation and Poverty. (2005). *Interrelationships between Internal and International Migration in Egypt*: Ayman Zohry. Pg. 87-88.

³⁴ Ceschi, S, Coslovi, L, & Mora, M (2005). Egyptian Diaspora: Cooperation with the Homeland: migration networks and transnationalism between local contexts. *CeSPI Working Paper*. Pg. 8.

³⁵ Ceschi, S, Coslovi, L, & Mora, M (2005). Egyptian Diaspora: Cooperation with the Homeland: migration networks and transnationalism between local contexts. *CeSPI Working Paper*. Pg. 44.

³⁶ Ceschi, S, Coslovi, L, & Mora, M (2005). Egyptian Diaspora: Cooperation with the Homeland: migration networks and transnationalism between local contexts. *CeSPI Working Paper*. Pg. 46-47.

³⁷ Ceschi, S, Coslovi, L, & Mora, M (2005). Egyptian Diaspora: Cooperation with the Homeland: migration networks and transnationalism between local contexts. *CeSPI Working Paper*. Pg. 49.

³⁸ Ceschi, S, Coslovi, L, & Mora, M (2005). Egyptian Diaspora: Cooperation with the Homeland: migration networks and transnationalism between local contexts. *CeSPI Working Paper*. Pg. 48.

However, the negative effects seem to balance and sometimes override the positive ones and in the native country it is possible to observe a more and more dependence condition on remittances and migrations.”³⁹

In short, the study finds that the quality of life for Egyptians has improved, but there does not appear to have been any significant boost for economic development due to migration.

According to another CeSPI study, “Fostering Egyptian Local Development through Diasporic Networks in Italy,” by Andrea Stocchiero, most EMs with businesses are small entrepreneurs. Consequently, the capacity to invest is on a small scale basis and linked to family networks. The main business activities are commercial ones: export of machines and spare parts to Egypt and import of craftworks and carpets in Italy.⁴⁰ The strict supervision and delays in issuing visas was cited as a major problem for investment.

3.12 Egyptian Brain Drain/Gain

Ceschi, Coslovi and Mora found that Egyptians rarely find jobs in Italy which correspond to their skills, and are subordinated to low and medium skilled jobs such as building, cleaning, retail trading, or catering. “The Italian labor market is highly segmented. It constrains Egyptians...in low skill jobs and it produces brain and skill waste. From another point of view, the brain and skill drain is somehow balanced by the high rate of Egyptian entrepreneurship.” Egyptian entrepreneurs own about 18% of all foreign enterprises in Milan. These businesses are in continuity with their preceding jobs (construction and cleaning) and in migrant and ethnic services (phone centers, ethnic food, and restaurants).⁴¹ Even so, the “work and economic integration in the area surrounding Milan takes place in fields that develop skills one cannot apply in Egypt, nor when he comes back or to train other would-be migrants.”⁴²

Yet, Ceschi, Coslovi and Mora also found that a local skill shortage was created by migrants’ departures, which thus provided an opening for neighboring villages to send labor to fill this gap. Communities surrounding areas with high emigration rates may therefore benefit from the skill drain such migration causes as jobs to become available, assuming that the migrants were employed before they left.⁴³

3.13 The Egyptian Diaspora

“Fostering Egyptian Local Development through Diasporic Networks in Italy” is a CeSPI Policy Paper on IMIS commissioned to inform the Egyptian authorities about the impact Egyptian diasporas in Italy can have on development in Egypt.⁴⁴ According to the study, EMs have

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⁴⁰For example, the study found a group of returned Egyptians which started a brick-making company using Italian technologies; some willing to open enterprises of linen production in Egypt importing Italian power looms; new agro food projects in the Nile Delta; acquiring Italian machines; and exploiting trading channels towards European markets. CeSPI. (2004). *Fostering Egyptian Local Development through Diasporic Networks in Italy* Andrea Stocchiero. Pg. 17.

⁴¹ Ceschi, S, Coslovi, L, & Mora, M (2005). Egyptian Diaspora: Cooperation with the Homeland: migration networks and transnationalism between local contexts. *CeSPI Working Paper*. Pg. 6.

⁴² Ceschi, S, Coslovi, L, & Mora, M (2005). Egyptian Diaspora: Cooperation with the Homeland: migration networks and transnationalism between local contexts. *CeSPI Working Paper*. Pg. 45.

⁴³ Ceschi, S, Coslovi, L, & Mora, M (2005). Egyptian Diaspora: Cooperation with the Homeland: migration networks and transnationalism between local contexts. *CeSPI Working Paper*. Pg. 9.

⁴⁴ CeSPI. (2004). *Fostering Egyptian Local Development through Diasporic Networks in Italy* Andrea Stocchiero. Pg. 7-8.

acquired skills such as metalworking, mechanics, and construction by on-the-job training. EMs are willing to transfer their skills to Egyptian enterprises, particularly towards family enterprises through commuting. On the other side, they do not want to return and work for low salaries in Egyptian enterprises. They are not aware of Egyptian entrepreneurial associations and government programs to encourage skill transfers. They do not have trust in Egyptians institutions and are critical about the capacity of the public sector. "However EMs are willing to improve relationships and they demand a direct link with a public office specialized in migration problems and in assistance to entrepreneurial new activities."⁴⁵ EMs stress, however, the problems that Egyptian entrepreneurs have in obtaining a visa for business: they are critical about the bureaucratic procedures of the Italian consulates and lack of transparency.⁴⁶

So far, the Egyptian diaspora has not set up important unions, hometown associations nor any other organization networks to strengthen the links with villages and cities of origin. Egyptian associations are interested principally in sustaining local integration of migrants and the preservation of the Arab culture and language in Italian schools, and in assisting the transfers of deceased bodies.⁴⁷ The majority of these associations have no links with the Egyptian embassy and Consulates. Some Egyptian entrepreneurs living in Italy are satisfied with the Commercial Consul in Milan which gives assistance to business activities and is willing to develop trade and investment linkages with Egypt. Egyptian entrepreneurs also have links with local Italian entrepreneurial associations and the Chambers of Commerce. "The majority of EMs claim they would trust Italian and international organizations and institutions even for the implementation of development projects with Egypt."⁴⁸

Regarding collective remittances for community social development, EMs do not seem committed in helping their villages of origin through collective actions. Differently, EMs sustain small local social activities giving their aid individually to local Islamic organizations through informal channels.⁴⁹ EMs do not have much knowledge and experiences working with Non-Governmental Organizations (NGOs) in Egypt. "They are still more interested in the creation of a solidarity fund for sustaining the costs of body transfers."⁵⁰

⁴⁵ CeSPI. (2004). *Fostering Egyptian Local Development through Diasporic Networks in Italy* Andrea Stocchiero. Pg. 12.

⁴⁶ CeSPI. (2004). *Fostering Egyptian Local Development through Diasporic Networks in Italy* Andrea Stocchiero. Pg. 13.

⁴⁷ In Rome, the Egyptian League, which has strong ties with the Egyptian embassy, promotes cultural activities and assists in the transferring of the deceased. It maintains good relations with the Egyptian Embassy. A mixed Italian and Egyptian association in Emilia Romagna Region promotes cultural and economic links, sustains the participation of Egyptian and Italian enterprises in the Bologna Fair and Cairo Fair, and gives assistance for the setting up of EMs' business in Cairo (but only as occasional activity). Another Association 'Egypt 2000' in Milan sustains cultural activities; it is launching a web site www.egypt.it, and wants to develop new activities with the support of Italian NGOs and the Municipality of Milan. It is in contact with the General Union of Egyptians Abroad and would like eventually to link with other Egyptian associations in other Italian cities as well as in Europe. In Milan, the neo-born Italy-Egypt cultural association *El Nadi El Masri El Itali* sustains reciprocal knowledge and would like to support the establishment of courses in Arab language in Italian public schools. They are also thinking of setting up a database of Egyptian enterprises in the region (and on a later stage also nationwide) in order to identify business opportunities. (14)

⁴⁸ CeSPI. (2004). *Fostering Egyptian Local Development through Diasporic Networks in Italy* Andrea Stocchiero. Pg. 15.

⁴⁹ CeSPI. (2004). *Fostering Egyptian Local Development through Diasporic Networks in Italy* Andrea Stocchiero. Pg. 7-8.

⁵⁰ CeSPI. (2004). *Fostering Egyptian Local Development through Diasporic Networks in Italy* Andrea Stocchiero. Pg. 18.

3.2 Summary and Conclusions: International Egyptian Labor Migration and Development

In regards to the developmental effects of remittances from Italy to Egypt, remittances tend to diminish over time, and require approximately three years for most migrants to send home remittances. Remittances are mainly spent on the daily household needs of the family (74%). One study found that remittances are spent, in order, on the following: for the upkeep of the family, for financing the education of siblings, for departures of other family members, for medical expenses, for building a home, for marriage, to purchase land, to start-up small enterprises. Regarding the investment of remittances, most EMs invest in small and low-risk projects (land, agriculture, trading) due to the investment climate in Egypt. Migrants attempt to avoid high taxes and further bank loans in Egypt; are discouraged from investing due to corruption; invest in projects which are deemed the safest (land, agriculture); and tend to invest in Italy before investing in Egypt due to Egypt's unstable economic situation. There are also few investment opportunities in Egypt, especially in the countryside. Finally, most investments in Egypt do not create employment and have few effects on development.

The 'brain drain' effect on Egypt's development can be both positive and negative. A skill shortage can be created by those who leave which could deprive the country of vital skills. Yet, this skill shortage could open up positions for local Egyptians thereby lessening the pressure on the labor market (assuming that the emigrants were employed before migrating). If the emigrants were not employed before migrating, then this would also lessen the pressure on labor market demands. EMs may also develop skills that cannot be applied in the Egyptian context. Development through Egyptian skill transfer would thus be limited.

In regards to the Egyptian diaspora and development, EMs have acquired skills abroad which they would like to transfer to Egypt, yet most are unwilling to return to Egypt due to low Egyptian salaries. Development impacts of skill transfer may be limited, therefore, as EMs would prefer to work outside of Egypt for higher wages. Additionally, the Egyptian diaspora has not set up networks to strengthen the links with Egypt. Egyptian associations are interested principally in Islamic charity or *zakat*, sustaining local integration of migrants and the preservation of the Arab culture and language in Italian schools, and in assisting the transfers of deceased bodies. Development potentials from diaspora-led organizations would also seem thin as most are not concerned with developing or keeping links with the homeland. The development potentials are also limited as EMs lack trust in Egyptian institutions.

As mentioned, it appears that the developmental impacts of remittances, brain drain/gain, and diasporas are limited, and the final conclusion, that is most commonly made elsewhere, is that development will depend on the political and socio-economic contexts of the country of origin and destination. Perhaps the study "Interrelationships between Internal and International Migration in Egypt: A Pilot Study" by Ayman Zohry explains the prospects for international migration and development best when he states that:

"With respect to the development impact of migration, it is important to recall the fact that Egyptian migration is a response to poverty, so that its impact on economic development is limited. Egyptian internal and international migration – especially to Libya and Jordan – should be regarded as a sort of survival migration rather than migration for development.

The conclusion to be drawn from this study is that Egyptian internal and international migration are deployed to escape poverty and mal economic development. Migration is a survival strategy; it is more to decrease hazards than to maximize benefits."⁵¹

⁵¹ Development Research Centre on Migration, Globalisation and Poverty. (2005). *Interrelationships between Internal and International Migration in Egypt*: Ayman Zohry. Pg. 91.

If Egyptian out-migration is mainly to relieve household poverty, then the developmental impacts resulting from migration will be small as money will mainly be invested in food and housing. These expenses could create a multiplier effect within local communities whereby revenue from migration is spent in local shops or in construction. Yet, the impacts will probably be few.

4. Evaluation of IMIS

The preceding section was meant to provide an overview of the issues surrounding international Egyptian migration and development in order to specifically inform the discussion on the IMIS project. Does the IMIS project coincide with realities within the home and host context? How is this particular type of migration-management scheme facilitating development in Egypt? The following section attempts to answer these questions. As the IMIS project attempts to channel human and financial resources resulting from migration to Egypt, the developmental prospects of remittances and brain drain/gain will be examined. IMIS is also attempting to encourage Egyptians and Egyptian NGOs abroad to invest in Egypt. Therefore, developmental prospects concerning the Egyptian diaspora will be discussed. Finally, issues concerning the IMIS job matchmaking website will also be discussed.

4.1 Egyptian Remittances and Development

Most studies on Egyptian migration and remittances are in agreement with general research conducted on remittances: 1) remittances are used mainly for family basic needs and consumption; and 2) most investments are small and low-risk. It has also been claimed that international Egyptian migration is a survival strategy; it is a means for poverty alleviation above all else. IMIS may have difficulties in reaping development rewards from remittances if it is the case that most remittances are used for poverty alleviation. Development rewards, however, would be seen in the improvement of Egyptian livelihoods; yet, this is already occurring through remittance allocation outside the IMIS system.

Development schemes may also have to take into account duration of migrant stabilization. For example, the CeSPI “Egyptian Diasporas” study found that Egyptian migrants in Sesto San Giovanni needed between 2-4 years to become free from loan debt, and to find a better paying job. The average amount of time needed to send remittances was also three years. Development schemes that did not assist in the costs surrounding migration may therefore have to expect longer-term results rather than shorter-term solutions.

In regards to investments, after all other costs are paid (loan repayment, basic needs, consumption, marriage, improvements in livelihood, etc.), the majority of Egyptian migrants tend to invest in traditional, low-risk projects, such as land and small projects, to avoid high tax rates and further bank loans. In the countryside, furthermore, investments in land and agricultural were seen as the safest investment in the unstable Egyptian economy. Given the economic situation in Egypt, EMs also preferred to invest within Italy first, and later on invest within the Egyptian context. Likewise, self-employed activities are easier to open in Italy, as in Egypt entrepreneurs face taxes, laws and corruption which provide a disincentive to invest; there is little protection for small enterprises; and few investment opportunities within Egypt, especially in the countryside. In the end, it seems as though attempts by the Egyptian government to encourage Egyptians abroad to invest within the Egyptian context may be hindered by the poor investment climate, and the attractiveness, consequently, of other investment opportunities outside Egypt. For one, the absence of investment opportunities, high taxes, further loans, corruption and laws provide a disincentive for EMs to invest within Egypt. Secondly, EMs (as the Italy case shows) would rather invest in the country of destination which is seen as a more viable option than the Egypt.

Furthermore, it has been shown that only after some EMs reap the rewards of investment in the destination country do they invest the country of origin. It seems improbable that IMIS could cure the ills of a poor investment climate within Egypt (which would presumably attract Egyptian investment) and also to decrease the attractiveness of investment in other, more stable countries. It appears that the majority of investments within Egypt (trading and services activities in cities and foodstuff and agricultural activities in the countryside): “will hardly create employment at the community level and therefore have a boosting effect on local economy.”⁵² Even so, small scale businesses can create small scale improvements in livelihood. “Fostering Egyptian Local Development through Diasporic networks in Italy” found that difficulties obtaining business visas hindered EMs ability for investment. IMIS may also have to navigate around such structures with foreign governments, or the Egyptian government may need to persuade foreign governments to ease migrant restrictions.

4.12 Brain Drain/Gain and Development

Ceschi, Coslovi & Mora found that most EMs experience brain and skill waste due to Italy’s segmented labor market. This situation could be detrimental or beneficial. This situation could deprive the Egyptian economy of skills that are not being utilized in Italy (if in fact, they could be utilized in Egypt). If an EM who is employed in a profession which does not match his skills, but would not have found employment within Egypt anyways, then Egypt would presumably benefit as this situation would decrease the demands on the labor market and the migrant would be seemingly receiving higher wages in the foreign country. If the Egyptian government is hoping to facilitate Egyptian out-migration for development, then an evaluation of the destination countries labor market may have to be taken into account to outweigh the benefits of sending such a migrant.

Also, skill drain may have a positive effect on development in some communities in Egypt as workers may be needed to replace the migrants, assuming that the migrants were employed within Egypt.

Finally, the study discovered that, in Milan, EMs develop skills that cannot be applied in Egypt, nor to train other would-be migrants.⁵³ IMIS strives to channel the human and financial resources that EMs learn abroad; yet, in some cases, EMs newly learned skills may not be transferable to the Egyptian context.

4.13 The Egyptian Diaspora and Development

Ceschi, Coslovi & Mora found that within in Italy, the Egyptian diaspora could be utilized for the development of Egypt. Evidence provided in the study, however, seems to show that diaspora-led development prospects in Egypt are conditional on certain factors; the evidence at times also contradicts the claim that the Egyptian diaspora can be utilized for Egypt’s development.

In regards to the diaspora’s human capital, skills such as metalworking, mechanics, and construction have been acquired by on-the-job training. As mentioned, EMs are willing to transfer these skills to Egypt through commuting, as they do not want to return to Egypt due to low Egyptian salaries. The IMIS project attempts to channel such human development back to Egypt; yet, it may have to find ways to allow particular EMs to commute in order to transfer skills, as most do not want to return.

⁵² Ceschi, S, Coslovi, L, & Mora, M (2005). Egyptian Diaspora: Cooperation with the Homeland: migration networks and transnationalism between local contexts. *CeSPI Working Paper*. Pg. 48.

⁵³ Ceschi, S, Coslovi, L, & Mora, M (2005). Egyptian Diaspora: Cooperation with the Homeland: migration networks and transnationalism between local contexts. *CeSPI Working Paper*. Pg. 45.

EMs, furthermore, are neither aware of Egyptian entrepreneurial associations nor government programs to encourage skill transfers. Even if EMs knew of such programs, however, it is uncertain that EMs would participate as they lack trust in Egyptian institutions and are critical about the capacity of the public sector. IMIS, therefore, may have difficulties gaining the trust of EMs in participating in development schemes. Yet, according to the study, EMs are open to improving relationships “and they demand a direct link with a public office specialized in migration problems and in assistance to entrepreneurial new activities.”

There are also over 5,000 Egyptian enterprises registered in Italy which could open new economic links with Egypt. Yet, prospects for development will need to acknowledge the difficulties in obtaining business visas and the complications with bureaucratic procedures in Italian (and in general, foreign) consulates. Some Egyptian entrepreneurs, furthermore, ‘are satisfied’ with the Commercial Consul in Milan which gives assistance to business activities and is willing to develop trade and investment linkages with the homeland. The IMIS project would seem superfluous, therefore, in this particular instance given the fact that Egyptians are content with the service they receive from the Commercial Consul in Milan. This would cancel out the need for IMIS to develop trade and investment links with the diaspora, as the Consul is already, or is willing, to provide such a service. IMIS may have to prove to migrants that IMIS could provide better incentives to receive assistance from the Egyptian government as opposed to foreign governments.

Ceschi, Coslivi & Mora also found that the Egyptian diaspora has neither set up important unions, hometown associations nor any other organizations to strengthen the links with Egypt. Existing Egyptian associations are interested principally in sustaining local integration of migrants, giving charity, or *zakaat*, the preservation of Arab culture and language in Italian schools, and assisting in the transfer of deceased bodies. According to this study, there is no Egyptian organization which attempts to strengthen its ties with Egypt. Based off of this particular study, the IMIS project could be attempting to instill links within the diaspora where they are not occurring naturally. The Egyptian associations mentioned above seem to be apathetic towards creating links with the homeland, outside of transferring dead bodies and Islamic charities. Therefore, the Egyptian government may have to entice the diaspora into forming stronger links with Egypt, a difficult task given the lack of trust in Egyptian institutions and level of indifference towards creating such links.

Finally, in regards to social capital, the study found that EMs social capital is greater in Italy than in Egypt, where they maintain only family ties. It also found that: “The majority of EMs claim they would trust Italian and international organizations and institutions even for the implementation of development projects with Egypt.” Given that the majority of EMs interviewed stated that they did not trust Egyptian institutions, development prospects may be slim if the IMIS project is banking on EMs participating in an Egyptian Ministry-operated system. If, however, the IMIS project provided services with or through other governments or institutions that EMs trusted, like the Italian government, EMs might be more willing to participate in schemes which channel resources and development links with Egypt.

4.2 IMIS Job Matchmaking Website

In regards to the effectiveness of the Egyptian government’s job matchmaking website, the Italian Consulate in Egypt (2002) and the Italian Regional Labor Agencies (2004) noted that “only few demands were coming from the Italian entrepreneurs to recruit Egyptian workers.”⁵⁴ IMIS project manager Luigi Carta also mentioned in an interview that approximately 20 employers had registered with the IMIS system. He mentioned that IMIS Plus was attempting to correct the lack

⁵⁴ CeSPI. (2004). *Fostering Egyptian Local Development through Diasporic Networks in Italy* Andrea Stocchiero. Pg. 6.

of employer interest in the system by distributing brochures. In reality, however, it would appear to be easier to recruit Egyptian workers off the streets than to wait for a worker to come from overseas. IMIS may have to demonstrate the benefits of hiring a worker through the system, as opposed to finding a worker already in the country of destination, or even from a country with closer proximity than Egypt.

It must also be noted that Egyptian migration abroad is mainly facilitated through networks of family and friends. The 2003 study, "Contemporary Egyptian Migration," found that: "More than half of all migrants had a network (family, relatives or friends) in the country of destination prior to departure from Egypt."⁵⁵ In the end, IMIS may also have to prove to the migrants that registering through the system would be more beneficial than relying on family and friends to facilitate migration. Given the lack of trust in the Egyptian government, (and the relative ease and comfort of relying on one's family and friends) this may be difficult.

Finally, the study "Interrelationships between Internal and International Migration in Egypt: A Pilot Study," by Ayman Zohry for the Development Research Centre on Migration, Globalization and Poverty, specifically examined the IMIS program. In conclusion, the study claimed that: 1) the European focus of the IMIS system ignores the geographical distribution of Egyptian workers (mainly in the Gulf, noted above); and 2) internet services are mainly located in urban areas, thereby potentially excluding those in rural areas who do not have internet access.⁵⁶ As mentioned, however, (footnote 5):

"For the Gulf states this service [Egyptian worker recruitment] is carried out by private recruitment organisations, who are licensed by the Ministry of Manpower and Emigration. Labour migration to European or North American states typically does not pass through labour brokers but more informal networks. These networks may involve family or friends but may also consist of unlicensed recruitment organisations."⁵⁷

Therefore, in regards to the first conclusion drawn from Zohry's study, it could be that IMIS is not attempting to control all international Egyptian labor migration, and therefore is not ignoring the geographical distribution of Egyptian workers. It could be that the Egyptian government is ignoring a particular type of migration, legal migration already occurring, and is focusing rather on illegal migration, which is mainly to Europe. It may be in the Egyptian government's best interest to ensure that Egyptians are migrating to Europe legally to receive higher wages and to receive benefits as legal migrants (for the countries that give benefits to migrants) than to allow illegal migration to Europe to occur where wages and benefits may be less. It may also be beneficial for the Egyptian government to promote legal migration to Europe as a means to foster better relations with European countries interested in curbing illegal migration flows, and in managing much needed labor migration, albeit, for a temporary period of time (which also avoids issues of migrant integration).

Zohry's second conclusion, that the IMIS project may not be as productive due to poor internet access, seems like a legitimate concern and could hinder development prospects within IMIS as this could grant access to some and not others thereby promoting development in select areas which could create inequalities.

⁵⁵ Contemporary Egyptian Migration. (2003). Accessible at: <http://www.egypt.iom.int/publications.htm>, pg. 62.

⁵⁶ Development Research Centre on Migration, Globalisation and Poverty . (2004). *The Development Impact of Temporary International Labour Migration on Southern Mediterranean Sending Countries: Contrasting Examples of Morocco and Egypt* Michael Collyer. Pg. 43.

⁵⁷ Development Research Centre on Migration, Globalisation and Poverty . (2004). *The Development Impact of Temporary International Labour Migration on Southern Mediterranean Sending Countries: Contrasting Examples of Morocco and Egypt* Michael Collyer. Pg. 42.

4.3 Summary of Findings

The Egyptian government may still have unresolved issues if it is looking to create development in Egypt through the IMIS project. In sum:

1. Egyptian migration is a survival strategy; it is a means for poverty alleviation above all else. Developmental impacts, therefore, may be limited.
2. If IMIS does not assist in the costs surrounding migration, the Egyptian government may have to expect longer-term results rather than shorter-term solutions, as it takes 2-4 years for some EMs to pay off loan debt and invest in family basic needs.
3. It seems improbable that IMIS could cure the ills of a poor investment climate within Egypt (which would presumably attract Egyptian investment) and also to decrease the attractiveness of investment in other, more stable countries.
4. It appears that the majority of investments within Egypt (trading and services activities in cities and foodstuff and agricultural activities in the countryside) will create little employment, although small scale businesses can create small scale improvements in livelihood and multiplier effects.
5. IMIS may also have to navigate around the restrictions foreign governments place on business visas, or the Egyptian government may need to persuade foreign governments to ease migrant restrictions.
6. Egyptian out-migration could deprive the Egyptian economy of skills that are not being utilized in Italy (if in fact, they could be utilized in Egypt). If an EM who is employed in a profession which does not match his skills, but would not have found employment within Egypt anyways, then Egypt would presumably benefit as this situation would decrease the demands on the labor market and the migrant would be seemingly receiving higher wages in the foreign country.
7. Skill drain may have a positive effect on development in some communities in Egypt as workers may be needed to replace the migrants, assuming that the migrants were employed within Egypt.
8. IMIS strives to channel the human and financial resources that EMs learn abroad; yet, in some cases, EMs newly learned skills may not be transferable to the Egyptian context.
9. The IMIS project attempts to transfer skills back to Egypt; yet, it may have to allow particular EMs to commute in order to transfer skills, as most do not want to return.
10. EMs are unaware of Egyptian entrepreneurial associations or government programs to encourage skill transfers. Even if EMs knew of such programs, however, it is uncertain that EMs would participate as they lack trust in Egyptian institutions and are critical about the capacity of the public sector. IMIS, therefore, may have difficulties gaining the trust of EMs in participating in development schemes.
11. The need for IMIS to develop trade and investment links with the diaspora, may be superfluous in some cases as destination governments are providing such a service. IMIS may have to prove to migrants that IMIS could provide better incentives to receive assistance from the Egyptian government as opposed to foreign governments.

12. Some Egyptian associations seem to be apathetic towards creating links with the homeland, outside of transferring dead bodies and Islamic charities. Therefore, the Egyptian government may have to entice the diaspora into forming stronger links with Egypt, a difficult task given the lack of trust in Egyptian institutions and level of indifference towards creating such links.
13. Given that the majority of EMs interviewed stated that they did not trust Egyptian institutions, development prospects may be slim if the IMIS project is banking on EMs participating in an Egyptian Ministry-operated system. If, however, the IMIS project provided services with or through other governments or institutions that EMs trusted, like the Italian government, EMs might be more willing to participate in schemes which channel resources and development links with Egypt.
14. IMIS may have to demonstrate to employers the benefits of hiring a worker through the system, as opposed to finding a worker already in the country of destination, or even from a country with closer proximity than Egypt.
15. IMIS may have to prove to the migrants that registering through the system would be more beneficial than relying on family and friends to facilitate migration. Given the lack of trust in the Egyptian government, (and the relative ease and comfort of relying on one's family and friends) this may be difficult.
16. IMIS project may not be as productive due to poor internet access which could hinder development prospects as this could grant access to some and not others thereby promoting development in select areas which could create inequalities.

It should also be emphasized that it appears that IMIS is not attempting to control all international Egyptian labor migration. For example, the majority of Egyptian migrants can be found in Libya and the Gulf, yet the Misriat website which provides EMs with information "on the main countries of emigration," provides only information on the US and European countries. Zohry claims that IMIS is ignoring the geographical distribution of EMs. This paper claims, however, that IMIS is not ignoring the geographical distribution of EMs; the Egyptian government, rather, is ignoring a particular type of migration, legal migration already occurring mainly to the Gulf, and is focusing on illegal migration, which is mainly to Europe. Perhaps, the Egyptian government is attempting 1) to ensure that Egyptians are migrating to Europe legally to receive higher wages and to receive benefits as legal migrants; and 2) is promoting legal migration to Europe as a means to foster better relations with European countries interested in curbing illegal migration flows, and in managing much needed labor migration, albeit, for a temporary period of time (which also avoids issues of migrant integration).