

# Egypt's Bloated Civil Service: Too Many Ghosts in the Closet

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THE Egyptian government has been aware of the need to reform employment policies within the civil service since at least the early 1970s. Yet, have serious steps been taken toward reform?

The answer is that while there has been some positive movement, the government still has a long way to go in the following areas:

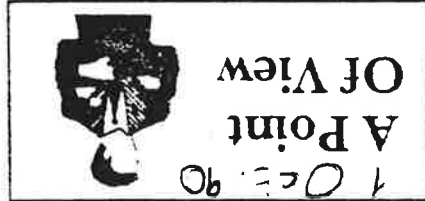
1) The elimination of 'phantom' or 'ghost' employees. One of the most obvious areas of abuse of the government's employment policy has been the hiring of such ghost workers, encouraged by the government itself. These workers are civil servants who receive state salaries and either have no real job or are not employed in the position for which the salary has been allocated. Ghost or phantom workers can be found virtually everywhere across the civil service, and they represent that part of the work force employed by the government who sign in when they go to work, then disappear and come back only to sign out at the end of the day.

In one incident, which was publicized by the *Al Akhbar* newspaper last month, it was found that one such phantom in a state organization received a full salary for seven years and was promoted three times without ever having worked a single day and without having been appointed to work in a government division at all.

As *Al Akhbar* explained, this phantom came to collect his paycheck month after month and year after year until he was finally uncovered by an intelligent cashier who found himself unable to trace the man to any department within the organization. The name of the state organization in question and that of the phantom were never revealed.

With the exception of uncovering one such incidence every two or three years, the government has done little on a large-scale basis to eliminate these kinds of phosts, primarily because it is well aware that underemployment in the civil service is so extreme as to be almost beyond cure.

Some other countries such as Ghana, Zambia and



bia and Guinea carry out censuses at undisclosed times with the objective of attempting to match payroll data with actual employment levels. Guinea, in one such census, identified 1,300 phantom workers roughly equal to about seven percent of their total civil service senior government employees are forced to retire at 60, and the government is now considering introducing various compensation packages for those retiring at earlier ages. The objective of these new schemes is to lower the number of phantom workers and simply to reduce the extremely large number of civil servants.

In addition, leave without pay is becoming much more difficult for civil servants to obtain than it used to be. Besides the difficulty of getting leave without pay, all civil servants who have been granted such status (e.g., school teachers working in the Gulf can be given as much as three to five years' annual leave because of special Ministry of Education agreements with various Arab countries) are now required to pay taxes ranging from £20 a month to £120 a month depending upon the person's civil service grade. All payments must be made in hard currency during required intervals by the tax department.

Such taxes are a good way for the government to earn foreign exchange due to the large number of Egyptian civil servants on leave without pay and working abroad, and at the same time these taxes create an incentive for civil servants to think twice about hanging on to their government jobs.

Nonetheless, these new hybrid taxes are not likely to lower the number of civil servants, the majority of whom feel a sense of security in their government jobs. After all, a government job may not pay much, but it guarantees that a new trend is to work with a team of temporary personnel who can be hired based on need and fired if their performance is less than satisfactory. On the other hand, it is virtually impossible to do away with bona fide civil servants whose performance is not up to par because of the legal difficulties that exist when it comes to firing a state employee.

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3) Automatic and voluntary retirement schemes, and leave-without-pay policies, are now getting around the bureaucracy by turning to temporary-hire personnel.

Instead of trying to amend the system to allow for easier hire-and-fire policies based on skills and performance, various ministries are now getting around the bureaucracy by turning to temporary-hire personnel.

3) Automatic and voluntary retirement schemes, and leave-without-pay policies,

This is an area where the government has shown some movement. They have lowered the mandatory retirement age from 65 to 60, a rule, though, which is not being enforced on all civil servants. Nonetheless, the majority of senior government employees are forced to retire at 60, and the government is now considering introducing various compensation packages for those retiring at earlier ages. The objective of these new schemes is to lower the number of phantom workers and simply to reduce the extremely large number of civil servants.

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