

Abstract

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The Impact of the Egyptian Privatisation Programme on the Employment Level of Newly Privatised Firms

Privatisation has been a major political and economic phenomenon over the past few years. Therefore, researchers continue to target it for both theoretical and empirical work. The objective of this paper is to evaluate the Egyptian experiment concerning its privatisation programme, to determine whether this programme has affected the privatised firms' performance. By relying on 15 years of data, which cover the period 1991/1992 till 2004/2005 this paper empirically investigates whether the operating efficiency of privatised firms improves following privatisation through comparing pre- and post-privatisation performance in terms of operating efficiency indicators, and level of employment. To reach the research objective, several statistical techniques, such as parametric t-test, the non-parametric Wilcoxon signed-rank test are performed. The results from this analysis indicate clearly that there are significant increases in operating efficiency indicators as well as significant declines in the level of employment in the firms under investigation. A caveat to the finding of this paper is that the privatised firms might need a longer period to reflect more fully the impact of the privatisation programme the level of employment.