

CHAPTER 12

Linkages between Brain Drain, Labour Migration and Remittances in Africa

In the foreseeable future, labour-related migration within and from Africa is expected to remain a major social and economic pattern. Brain drain - an important sub-set of labour-related migration - is one of the most serious migration issues of concern to African countries as it has development implications.

According to the World Bank's *World Development Report*, "cross-border migration, combined with the brain drain from developing to industrial countries will be one of the major forces shaping the landscape of the twenty-first century" (World Bank and International Bank for Reconstruction and Development, 2000).

This chapter examines the linkages between brain drain, unskilled and semi-skilled labour migration, and remittances. After describing brain drain and labour migration patterns from a sub-regional perspective, it considers the question whether African countries gain or lose when their workers and brightest talents go abroad. Through an analysis of the impact of remittances on countries of origin, the chapter demonstrates that migration can contribute significantly to the development of African countries. The positive impact of remittances could even be amplified if more appropriate national policies to channel and use them were put in place systematically.

Fathoming the link between migration and development, the chapter concludes that governments in countries of origin and destination ought to invest in partnerships that allow migration to be managed comprehensively and sustainably as positive consequences of labour-related migration can be factored into development policies.

Major Characteristics of Brain Drain and Labour Migration

Definitions

By applying the criteria "level of education" to migrants, one can distinguish between two broad categories of labour-related migration:

- brain drain,
- labour migration.

The term **brain drain** describes the cross-border movement of highly skilled persons who stay abroad for a longer 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.

In most cases, the loss of highly skilled professionals is critically resented in African countries of origin as they are active in important development fields: agriculture, business, education, engineering, health, science, etc. Most migrants in these professional categories leave their country of origin in order to maximize the return on their investment in education and training by moving in search of the highest paid and/or most rewarding employment (Iredale, 2002). Brain drain also involves African students who move abroad in order to further their education.

The growing number of highly skilled African women leaving their home countries is also noteworthy. The brain drain has been "feminized" in recent years as more and more African women are becoming as qualified and skilled as men (see also **textbox 1.1.**).

The dominant, classical path of brain drain used to be emigration from a former colony to a former metropolitan power: from francophone West and North Africa to France; from anglophone Africa to the United Kingdom as well as the USA and Canada; from the Great Lakes region to Belgium; and from lusophone Africa to Portugal. Later, as these movements became less intense, intra-African migration as well as emigration from Africa to less traditional destination countries in the Middle East, Asia or Latin America emerged and gathered momentum.

Movements of highly skilled persons within Africa are often referred to as brain circulation. African brain circulation began as a way of replacing expatriate manpower that

had returned to their countries of origin in Asia, Europe or North America. Research underlines the temporary nature of brain circulation and the fact that most migrants return home for several reasons, including rigid immigration legislation as well as certain xenophobic tendencies in some African countries. However, in reality, the return does not always take place (Weiss, 1998).

Labour migration involves people with fewer qualifications and skills than those considered highly skilled. The major formal difference between labour migrants and brain drain migrants is that the latter possess a university degree. Labour migrants include documented and undocumented, semi-skilled and unskilled workers, active in agriculture, industry, services or the informal sector. Labour migrants may be temporary contract workers or blue collar labourers. Billsborrow (1997) adds the categories of free-moving migrants and frontier workers migrating for the purpose of securing employment or undertaking self-employment.

Similar to brain drain, labour migration occurs either within the African continent or between the continent and overseas.

Geographic Dimensions of Brain Drain

No systematic data are available on brain drain in Africa. Most countries do not take stock of who migrates, the migrants' motives and length of stay abroad. However, available fragmentary information on highly skilled African migrants provides useful insights into the scale of the phenomenon.

Brain drain patterns in **North Africa** are largely shaped by the sub-region's geographic proximity and historic ties with Europe. The dominant brain drain flow is from the three French-speaking countries Algeria, Morocco and Tunisia to France or Belgium, but also increasingly Italy. Some movements to North America also take place. Highly skilled Egyptians favour southern Europe and the UK as well as North American destinations. Brain circulation between North African countries and other countries of the continent is relatively small. Egypt, however, is an important destination for academics from Arabic-speaking countries in Africa.

Over the last thirty years, **West Africa** has been the most important source of brain drain from Africa. As of the 1970s, inflation and recession sparked the emigration of nationals of Gambia, Ghana, Liberia and Sierra Leone –

notably engineers, applied scientists and medical personnel. Within the sub-region, many skilled migrants from Burkina Faso, Guinea, Mali and Senegal went to Côte d'Ivoire. The 1980s and 1990s witnessed substantial brain circulation of West Africans, especially to Libya, South Africa and Zimbabwe. As the economy of Nigeria declined at the end of the 1980s, Nigerians joined the stream of skilled migrants to overseas destinations. Over 20,000 Nigerian doctors are practising in Canada and the United States, a figure that is thought to be underestimated (Tettey, 2002).

In **Central Africa**, the two major countries of origin are the Democratic Republic of Congo (DRC) and Cameroon. In the early 1990s, the Republic of Congo emerged as a major destination for intra-regional migrants. When countries of the Economic Community of the Great Lakes' signed a convention on the free movement of labour, which was expected to increase the volume of skilled migrants, political instability in the region prevented this opportunity from developing further. Two small Central African countries have become important destinations of both skilled and unskilled workers in the last couple of years: oil- and mineral-rich Equatorial Guinea and Gabon.

In **East Africa**, the three closely connected countries of Uganda, Kenya and Tanzania used to have figures on population exchange, based on censuses, in addition to data assembled by the statistics department of the East African Community (EAC). For many years, EAC has been facilitating the exchange of highly skilled workers: for example Kenya and Tanzania benefitted from the immigration of highly skilled professionals from Uganda during the oppressive Amin regime. During the same period, a number of skilled Ugandans also emigrated to South Africa's homelands, and later to Zimbabwe and Botswana. For several decades, the war-torn countries in the Horn of Africa – Eritrea, Ethiopia, Somalia and Sudan – did not only produce huge numbers of refugees but also legions of highly skilled emigrants.

The case of Sudan is illustrative. In 1978, Sudan lost 17 per cent of its doctors and dentists, 30 per cent of its engineers, 20 per cent of its university lecturers and 45 per cent of its surveyors through emigration overseas (Stalker, 1994; Tettey, 2002). The Ministry of Labour in Khartoum estimated that in that same year, about 180,000 Sudanese worked in the Gulf countries, 135,000 of them in Saudi Arabia alone. By 1995, some 500,000 skilled Sudanese worked abroad. Back home in Sudan, some of these were replaced by Ethiopians.

1) DRC, Burundi and Rwanda.

In **Southern Africa**, Malawi, Mozambique, Zambia and Zimbabwe produce skilled migrants who are leaving to the three economically buoyant countries in the sub-region: Botswana, Namibia and South Africa. These three major immigration countries are well endowed with abundant natural resources and have prospered thanks to sound economic management and governance, but depend heavily on highly skilled human resources from the rest of the Southern African Development Community (SADC) Member States and other African regions. On the other hand, however, skilled nationals of these countries often emigrate overseas. A recent survey of South Africa revealed that one-third of white South-Africans and slightly more than one-fifth of black South-Africans interviewed in 1999 contemplate migrating overseas in order to benefit from better working conditions (Mattes and Richmond, 2000). Skilled workers emigrating from South Africa are estimated to have cost the country some US\$ 7.8 billion in lost human capital since 1997, and this trend has retarded economic growth (Selassie and Weiss, 2002).

Geographic Dimensions of Labour Migration

For generations, labour migration in and from Africa has been driven by the agricultural seasons, climatic conditions that influence crop planting or livestock breeding as well as the existence of labour-intensive branches of industry and mining.

The largest numbers of African labour migrants in Europe originate from **North Africa**. Moroccan, Algerians and, to a lesser extent, Egyptians and Tunisians form the bulk of the semi-skilled and unskilled African migrants to the countries of the European Union (EU). The main sectors of employment are industry, agriculture, but also retail commerce and the services. Another dominant flow is that of Egyptian unskilled and semi-skilled workers to countries of the Persian Gulf where they occupy construction industry, service industry and domestic services positions. Traditionally, North African countries feature among the biggest receivers of overseas remittances worldwide.

West Africa presents a mix of political and economic fortunes that determine labour migration patterns. Labour-exporting countries include Burkina Faso, Mali and Ghana (an importer before the Aliens' Compliance Act of 1969, turned exporter since the mid-1970's). For a long time, Côte d'Ivoire was the sub-region's major labour-importing country because of its flourishing plantation

industry. Following violence against foreigners in the aftermath of the 2000 election, many migrants from Côte d'Ivoire's northern neighbours have returned home. Once a magnet for foreign labourers, especially during the oil boom of the early 1980s, Nigeria carried out mass deportations of foreigners in 1983 and 1985 as economic conditions deteriorated in the country.

Efforts to organize labour migration at regional level began in 1979 with the enactment of the protocol on free movement of people of the Economic Community of West African States (ECOWAS). Capitalizing on the free movement of labour in the region, the Protocol allows citizens from member countries to travel visa-free for 90 days and grants them the right to residence. Countries in northern Africa are often countries of destination, or transit, for labour migrants from Africa. Well-known migrant routes cross the Sahara from Ghana, Niger or Nigeria to Algeria or Libya. Many of these labour migrants ultimately attempt to reach Europe.

In **Central Africa**, the major labour-exporting countries are Angola, Cameroon, the Central African Republic and Chad. Many of their agricultural workers used to immigrate to Sao Tome and Principe and Equatorial Guinea, to work on cocoa, coffee and sugar plantations during the heyday of these agricultural commodities in the 1970s and the early 1980s. With a growing mining industry, migration streams shifted to the mining areas of Gabon, the Congo, DRC and Angola (Stalker, 1994).

Gabon, the wealthiest country in the sub-region in terms of per capita income, stands out as the principal labour importer owing to its diverse natural resources, including oil, forestry, manganese and uranium. However, in a move to "gabonize" the labour force, the Government of Gabon has restricted foreigners' access to its labour market.

Since 1995, Equatorial Guinea has become a major importer of labour due to its large offshore petrol reserves, discovered in the mid-1990s.

In **East Africa**, a well established labour migration pattern leads from the countries in the Horn of Africa to the Gulf States. Indeed, war-torn and drought-stricken Ethiopia, Eritrea or Somalia, traditionally produce numerous unskilled labourers who migrate to the Gulf States, particularly the United Arab Emirates, Qatar and Saudi Arabia, where they occupy menial jobs in the services and domestic fields.

In **Southern Africa**, the Republic of South Africa is the major labour-importing magnet². In fact, as the continent's strongest and most diversified economy, South Africa is Africa's undisputed major country of destination. Most African countries have established regular or irregular labour migratory flows with South Africa. Since the early twentieth century, labour migration to South Africa has been a well-known phenomenon that spurred exploitation of the country's mineral wealth. South Africa relied heavily on its neighbouring countries as suppliers of large numbers of unskilled labourers – Botswana, Lesotho, Malawi, Mozambique and Swaziland. Although labour migration has decreased over the last two decades through the recruitment of domestic workers, it has not ceased completely. Half of all migrants from Lesotho, 40 percent from Mozambique and 35 percent from Zimbabwe, claim that the prospect of finding employment in South Africa's mining industry is the principal pull-factor prompting them to migrate “down south” (McDonald *et al.*, 2000).

Based on latest available statistical data, IOM estimates that some 3.8 million Africans live in Europe, North America and Australia (see **table 12.1.**), including several hundred thousand high level professionals. According to the World Bank, some 80,000 highly qualified people leave the continent annually to work overseas (Weiss, 2001). This figure does not include the many students who leave the continent to study overseas.

Causes

Surveys conducted by IOM among African returnees, carried out in the framework of its Return of Qualified African Nationals Programme in the mid-1990s, revealed as many different reasons explaining why (highly skilled) Africans have left their country of origin as people interviewed. However, apart from migrants' personal preferences and experiences, migration is prompted by a number of common factors in both countries of origin and destination.

Applicable to both highly skilled and unskilled migrants, the hit-list of the most frequently mentioned “push” factors prompting migrants to leave their country of origin, and “pull” factors attracting migrants to enter a specific country of destination includes the following (Fadayomi, 1996):

Push-factors

- poor socio-economic living conditions;
- unemployment, increasing the dependency burden of household wage-earners;
- drops in real income, currency devaluation and rising cost of living;
- rigid government employment systems;
- professional isolation;
- tribal/ethnic discrimination in appointments and personnel policies;
- corruption;
- employer discrimination against the qualifications held (e.g., bias against degrees obtained in former socialist countries);
- competition with expatriates.

Pull-factors

- higher salaries;
- greater job mobility and professional career development;
- fewer bureaucratic controls and higher standards of living;
- acquisition of high-level skills;
- foreign scholarships and educational support;
- active presence of recruitment agents.

The most important driving force behind labour migration is economic disparity among African countries. Countries with plentiful resources attract migrant labour from far and near; countries with large-scale agricultural sectors attract large numbers of farm labourers; countries with industrial infrastructure attract workers. Conversely, countries with scarcer natural resources but abundant skilled and semi-skilled human resources generally export labour.

Both migrant networks and strong links between migrants and relatives back home sustain labour migration in many African countries. These are part of the broader social imperative of the extended family system that has sustained “chain migration” over generations. In any African society of origin, emigrants provide hope for survival, improving socio-economic status and represent an opportunity for younger relatives to join earlier migrants who are well established in their new abode. Once a member of the family (nuclear or extended) emigrates, he/she is expected to create employment opportunities for, and permit visits and subsequent migration of, other relatives back home. The chain process sustains links between migrants and those left behind, and indeed with the wider community from which the migrant originates (see also **textbox 12.1.**).

2) **Chapter 3** provides information on the new South African Immigration Act.

TABLE 12.1.

The African diaspora in selected countries of Europe and North America¹ (stock data)

	France	Italy	UK ²	Germany	Spain	NL ²	Belgium	Portugal	CH ²	Sweden	USA	CAN ²
Years ⁴	1990	2000	2000	2000	2001	2000	2001	2000	2000	2001	1999	1996
Totals	1652400	411492	373000	300611	261385	149764	143745	89516	35446	25651	36700	229300
Algeria	614200	11435	15000	17186	13847	917	7685	91	3023	500	789	
Angola	N/A	1199	5000	7456	801	1184	654	17695	1797	158	57	
Barundi	N/A	N/A	N/A	423	N/A	N/A	N/A	2	262	N/A	16	
Benin	4300	N/A	N/A	1100	N/A	N/A	N/A	4	135	N/A	59	
Botswana	N/A	N/A	1000	96	N/A	N/A	N/A	6	8	N/A	5	
Burkina Faso	N/A	N/A	N/A	1417	N/A	N/A	N/A	2	140	N/A	17	
Cameroon	18000	2433	N/A	8397	784	365	1689	17	1535	77	826	
Cape Verde	N/A	4611	N/A	552	2052	1567	N/A	43797	971	61	909	
CAR ⁵	4100	N/A	N/A	121	N/A	N/A	N/A	5	23	N/A	3	
Chad	1400	N/A	N/A	343	N/A	N/A	N/A	N/A	56	N/A	24	
Comoros	3000	N/A	N/A	56	N/A	N/A	N/A	N/A	4	N/A	N/A	
Congo	12800	N/A	N/A	1223	N/A	N/A	N/A	40	379	N/A	190	
Côte d'Ivoire	16700	N/A	N/A	2646	N/A	N/A	N/A	83	696	N/A	305	
Djibouti	N/A	N/A	N/A	75	N/A	N/A	N/A	1	5	N/A	6	
DRC ⁵	N/A	2710	10000	16090	674	1887	11337	208	2954	679	88	
Egypt	6300	33652	9000	13811	952	2771	696	57	1591	592	4429	
Eritrea	N/A	3118	N/A	3873	N/A	226	N/A	N/A	590	965	326	
Ethiopia	N/A	7229	8000	16470	3	1280	N/A	10	1018	2400	4272	
Gabon	3000	194	N/A	238	96	28	N/A	1	57	N/A	4	
Gambia	N/A	377	3000	2565	25	123	N/A	2	150	1560	183	
Ghana	2800	21807	33000	22602	8840	3887	1540	31	1182	439	3714	
Guinea	5900	N/A	N/A	1953	1837	199	N/A	367	245	N/A	6	
Guinea-Bissau	N/A	N/A	N/A	541	N/A	N/A	N/A	14140	34	N/A	134	
Guinea-Equatorial	N/A	50	N/A	105	4507	N/A	N/A	N/A	13	2	1	
Kenya	N/A	625	15000	4431	245	368	N/A	284	972	623	1412	
Lesotho	N/A	N/A	N/A	108	N/A	N/A	N/A	4	11	N/A	5	
Liberia	N/A	194	N/A	3796	484	569	N/A	38	122	78	1358	
Libya	N/A	1924	12000	2643	164	119	N/A	42	382	146	156	
Madagascar	9800	N/A	N/A	651	N/A	N/A	N/A	5	384	N/A	26	
Malawi	N/A	N/A	3000	125	N/A	N/A	N/A	22	22	N/A	41	
Mali	37700	N/A	N/A	813	N/A	N/A	N/A	63	105	N/A	72	
Mauritania	6600	641	N/A	493	3764	69	N/A	24	49	10	2971	
Mauritius	13000	N/A	9000	859	N/A	N/A	N/A	12	855	N/A	38	
Mozambique	N/A	N/A	N/A	2698	N/A	N/A	N/A	4503	40	N/A	31	
Morocco	572700	170905	8000	81450	199782	119726	106822	330	5349	1234	24	
Namibia	N/A	N/A	N/A	327	N/A	N/A	N/A	N/A	19	N/A	13	
Niger	900	N/A	N/A	882	N/A	N/A	N/A	N/A	34	N/A	12	
Nigeria	N/A	17340	45000	15351	3292	1978	963	72	991	401	6769	
Rwanda	N/A	486	N/A	947	93	145	702	22	364	108	98	
Sao Tome												
And Principe	N/A	N/A	N/A	48	N/A	N/A	N/A	4795	1	N/A	6	
Senegal	43700	35188	N/A	2621	11051	167	754	382	781	109	370	
Seychelles	N/A	N/A	1000	210	N/A	N/A	N/A	2	90	N/A	10	
Sierra Leone	N/A	575	5000	5575	577	338	N/A	93	83	124	976	
Somalia	N/A	12174	54000	8350	70	5296	N/A	1	1411	11535	1710	
South Africa	N/A	467	57000	4936	360	2512	712	1793	963	311	1580	
Sudan	N/A	583	N/A	4697	121	1113	N/A	15	452	411	1354	
Swaziland	N/A	N/A	N/A	62	N/A	N/A	N/A	10	12	N/A	8	
Tanzania	N/A	505	6000	1015	48	256	N/A	326	221	406	316	
Togo	6000	914	N/A	11513	59	236	N/A	9	308	130	254	
Tunisia	206300	55213	1000	24260	643	1312	3615	27	4054	797	150	
Uganda	N/A	371	15000	1334	13	167	N/A	7	242	803	250	
Western Sahara	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	6	N/A	N/A	
Zambia	N/A	177	3000	382	10	105	N/A	8	73	104	143	
Zimbabwe	N/A	N/A	21000	528	N/A	N/A	N/A	68	182	N/A	184	
Other/ not stated	63200	24395	34000	167	6191	854	6576	N/A	N/A	888	N/A	

Notes:

- 1) Data provided for Europe and Canada are census population by country of birth. For the United States, the numbers reflect immigrants by country of birth.
- 2) United Kingdom, the Netherlands, and Switzerland.
- 3) More detailed information on countries of birth is not available; non-permanent residents are not included in this total number.
- 4) The most recent official data for each country.
- 5) Central African Republic and Democratic Republic of Congo.

Sources:

Council of Europe (2001); US Department of Justice and Immigration and Naturalization Service (1999); Statistics Canada, Statistic Reference Center – NCR (1996).

TEXTBOX 12.1.

Migration – a reflection of socio-economic dynamics in Africa

Migration in Africa has always been a major socio-economic issue and is inseparable from African's way of life. Travelling to escape poor conditions in the place of origin as well as to "reach" and move beyond the horizon is a permanent feature of African life. The African migratory context is reflected in many ways: nomads migrating in search of pastureland; young men from the countryside setting off to work in the city; women traders seeking the best bargains; highly qualified and educated professionals who are tempted to work overseas; or refugees fleeing a civil war or a natural disaster.

To the north and south of the Sahara, migration is so highly diversified that a myriad of situations, motivations, desires and constraints determines the migration movements of individuals, families and entire peoples.

Whether movements are voluntary or forced, temporary or definitive, Africa's extraordinary migration dynamics have helped to mould societies, cultures and countries. Contrary to common belief, they do not merely reflect misery and its related constraints. Migration flows are shaped by a highly changeable combination of historical, economic, demographic, political or environmental factors within any one country, region or between the continent and overseas destinations.

African migration is far from being limited merely to the South-North axis and to movements stemming from the growing inequality between a prosperous North and a deprived South. Inter-African migration far outstrips the volume of workers or asylum seekers knocking at the doors of industrialized countries. The mosaic of African migration offers a varied picture. In the African context, it is difficult to distinguish between internal and international migration or regular and irregular migration for a number of reasons: the cultures, languages and colonial experiences common to several countries; existing ties with former European powers; established migration networks, which revolve around seasonal or cyclical economic opportunities.

Family solidarity plays a fundamental role in shaping migration. In Africa, migration is still largely a "family affair": even those family members who do not migrate are still deeply involved in the process. A family will do

its best to provide financial assistance to one of its members, generally the eldest son, with a view to placing him in the labour migration circuit. The idea is to recoup the investment in his education, specifically through remittances. This source of revenue is essential to the survival of many families, often providing as much as 80 per cent of their needs. Immigrant wages have grown in importance thanks to the existence of migration networks, which enable older migrants in turn to receive newcomers and help them integrate and find work. Money remittances from migrants are also vital to Africa's economies, contributing considerably to GDP in some African countries.

The origin of migration movements can be attributed as much to migrants' mobility as to survival. Migration for survival is caused by pressures stemming from rapid population growth, poverty, deteriorating economic and employment conditions, or even armed conflict. As a result of crises and insecurity, countries of destination are becoming countries of origin for migrants, and *vice versa*. This transforms many African countries into both host and sending countries of migration flows.

Although each region has its centres of attraction which exert influence far beyond regional boundaries, migration structure is often determined by geographic proximity of the country of destination. South Africa's mining industry, and to a lesser extent that of Zambia, draws labour from the overpopulated bordering countries of Malawi and Mozambique. Commercial agriculture in Côte d'Ivoire cannot operate without labour from Mali and Burkina Faso. Besides, Africa's leading countries of immigration have always demonstrated exemplary solidarity toward immigrants. This social aspect cannot be overshadowed even by the recent outbursts of xenophobia in southern and western Africa.

One of the recent changes to African migration has been a growing feminization, which suggests that traditional social roles have been modified considerably. Whereas men used to leave to search for work, more and more women are now striking out on their own to seek economic independence. Women currently make up half of Africa's migrants. Doctors, domestic workers or businesswomen, they are now migrating not only within borders, but increasingly abroad.

Can we therefore conclude that free movement of people in Africa is about to become a reality? Although the protocols governing some regional cooperation organizations do envision free circulation of people as well as

freedom of establishment and residence, these provisions are only rarely applied. For the time being, only ECOWAS is applying a protocol on the free movement of persons, although it is somewhat vague on the right of residence.

More intense regional cooperation could pave the way for even greater labour and skill mobility and be a driver for sustainable development. In the long run, the prospects of economic integration on the continent could encourage this mobility. Regularization of migration flows for the benefit of African economies and the migrants themselves is a vast project. Decision-makers are very slowly getting to grips with this idea, a long time after African people have made it a reality.

Since the late 1980s, structural adjustment programmes (SAP) have caused social and economic upheavals, sparking the exodus of skilled and highly skilled professionals. Entrenchment of civil servants to downsize the civil service “waterhead” has dealt a blow to households that relied on their civil servants as principal breadwinners. Privatization of state corporations forced the public sector to lay off large numbers of employees; cost recovery (user fees) levied on social services has imposed a burden on households, most of which cannot even meet their basic needs. As in many African countries, employees in the affected sectors predicted a bleak future; they tended to emigrate to seek better opportunities elsewhere. Also, the non-agricultural sector has failed to hire labour since the 1980s, when many public sector workers were entrenched in various countries³, mainly as victims of SAP-driven reforms (Adepoju, 1995).

Salary discrepancies and differences in working conditions between African and developed countries stimulate brain drain. Most African economies have experienced wage freezes, currency devaluation and rampant inflation. These conditions lead skilled people to seek safer countries where remuneration is consistent with qualifications and working experience, and where currencies are less subject to devaluation than in Africa.

The quality of overseas education adds to the weight of brain drain pull factors. Overseas education is considered better than in national institutions, and so students are more likely to emigrate. In migrating overseas for higher education, many Africans have earned similar qualifications

than their western counterparts. Moreover, the growth of transnational corporations has internationalized the market for high-level human resources and increased opportunities for Africans abroad. Overseas employers often prefer professionals educated in reputable institutions.

Another problem is high unemployment among university graduates. Since the end of the 1980s, widespread joblessness has prevailed among university graduates in many countries. While there were only isolated cases of unemployment among degree holders in the 1980s, they have become the norm in the 1990s, putting highly educated and skilled people frequently in desperate situations.

Furthermore, specific circumstances such as political persecution, military coups, repression of educated citizens defying authority and the volatile wave of multi-party politics at the turn of the 1990s precipitated fear and uncertainty, turning emigration into an alternative to domestic problems. Many highly skilled nationals from Burkina Faso, Congo, DRC, Ethiopia, Ghana, Guinea, Kenya, Mali, Nigeria or Uganda emigrated because of traumatic violent circumstances. Many African academics, political activists and other intellectuals whose views were at odds with the political establishment have been long-term immigrants in some developed countries.

Last but not least, emigration has been prompted by population growth, which has resulted in rapid growth of the overall labour force. High fertility rates account for the rapid increase in the number of persons of working age, and the continent’s population grows at an annual rate of nearly 3 per cent. Therefore, migratory pressure in search of jobs within and outside the continent will intensify for the millions of Africans entering the labour market every year.

Consequences

Migration has two main effects in countries of destination: additional manpower, skilled or unskilled, contributes to economic growth and development; however, this may also lead to arise in xenophobia in host societies, especially during economic recession. However, there seem to be no linear linkages from cause to effect as both aspects often occur simultaneously in the same country.

3) Such as Cameroon, Congo, Gabon, Guinea, Senegal, Sierra Leone, Tanzania, Togo and Uganda.

In many cases, countries of destination hardly acknowledge migrants' contribution to development. Today, highly skilled immigrants often bring along an unusual skill mix due to their specific training backgrounds and experience, which is often absent in countries of destination. In some instances, however, brain migration turned out to be a mere "brain waste", whereby skilled people end up in either irrelevant positions or working for much lower wages than their qualifications merit (Salt, 1993). However, highly skilled migrants from developing countries are becoming a more attractive resource for industrial countries as these countries experience demographic shifts characterized by skilled labour force shortages in certain sectors of their economies (see **textbox 12.2.** and **chapter 13**).

TEXTBOX 12.2.

Filling the Labour Market Gaps in the United Kingdom with Help from Africa⁴



Thousands of skilled Africans have left the continent to work in industrialized countries

With a fast-declining population, Western European countries have become increasingly dependent on migrant workers to fill their labour shortfalls in many of their economic and social services sectors. In the United Kingdom alone, up to 1.2 million migrants, many unskilled, will be needed in the next few years to replace workers entering retirement.

4) Adapted in extracts from Selassie and Weiss (2002). "The Brain Drain – Africa's Achilles Heel", *World Markets in Focus 2002*, World Markets Research Centre, London.

However, educated Africans attracted to countries like the United Kingdom by the prospects of earning higher wages and finding better working conditions are often disappointed and frustrated when they arrive because of red tape and local immigration laws.

Thousands of Africans with PhDs, doctorates, degrees, diplomas and certificates currently in developed countries are being excluded from performing the jobs they are trained or qualified for, and are doing manual low paid work instead. The United Kingdom alone hosts several tens of thousand of qualified professionals from Ghana, Kenya, Nigeria or South Africa.

Acknowledging its need for migrant labour, the United Kingdom is currently considering the idea of introducing a work permit system to help deal with skill shortages.

As concerns xenophobia, migrants have been accused of stealing jobs from nationals, abusing public services and social welfare, fuelling crime and insecurity and carrying and spreading diseases. African migrants become victims of racial discrimination not only overseas⁵. In Southern Africa, results of SAMP research show that growing xenophobia and social exclusion impede brain circulation to the three major destinations in Southern Africa (Oucho, 2001a). Some citizens of these countries are unwelcoming towards other Africans and do not distinguish between skilled and unskilled or documented and undocumented immigrants. The SAMP survey revealed that most of their citizens have never lived in other African countries and hence their xenophobia reflects apprehension of foreigners whom they meet for the first time (Oucho, 2001a).

An analysis of the effects of migration on countries of origin is even more complex. Certainly, the emigration of highly skilled nationals in particular leads to a significant loss of skills available for development. Yet, labour migration and brain circulation lead to a more efficient allocation of manpower within the African continent as well as overseas, and decreases social tensions in the countries of origin. Migrants acquire new skills and experience that are useful for their home countries, and transfer significant parts of their earnings. Migrants stimulate trade between their countries of origin and the host countries (Lowell, 2001). Recent studies explore this nexus between migration

5) See intervention of South African Minister Essop Pahad on "Migration, xenophobia and intolerance in Africa", during IOM November 2001 Council session (IOM, 2002a).

and home-country development and inquire about the optimal level of brain drain (Lowell, 2001; Beine *et al.*, 2002; IOM, 2002b). While it is ultimately difficult to determine such an optimal level, a consideration of the risks and potentials makes it possible to formulate general policy challenges.

On the negative side, migration leads to a lack of skilled manpower in key-sectors of national development. In general, the sectors of health, education, and technological development are most severely hit. Consequentially, the development of these sectors lags behind, or is completely suspended. The assumption that other well-qualified nationals can easily replace those lost in brain drain is simplistic because the replacements often lack the necessary experience and exposure to maximize productivity and output. The exodus of skills has forced the most affected African countries to recruit expatriates as replacements. Africa spends an estimated US\$ 4 billion annually on recruiting some 100,000 skilled expatriates (Selassie and Weiss, 2002). Yet, these expatriates are no long-term replacements but often an integral part of the foreign aid package for developing countries and thus do not contribute to sustainable development. Most Africans are indignant about this trend, which they view as another form of foreign domination.

On the social front, long-term migration negatively affects the male/female ratio and leads to disrupted family structures, which, in turn, might affect the growing feminization of migration in Africa.

In 1991, for instance, 10,961 (82,7 per cent) of the 13,239 Botswana nationals registered as residents abroad were males. The population's average sex ratio of 91⁶ illustrates a strong female dominance. Experience from South African mines shows that migrant workers often tend to create new families in the destination country, while maintaining others back home. By staying abroad for long periods of time, the migrant mine workers might lose touch with their families in their homeland, which may lead spouses back home to create new households or become single parents. Census data from Botswana and Lesotho confirm an alarming increase in single female parent households. However, because of its industrial centres, the Southern Africa sub-region is in a somewhat special situation with respect to the household situations described.

The positive effects of migration mainly depend on the backward linkage of migrants to their home country, naturally including remittances and the transfers of knowledge and technology.

The return of migrants who have acquired new skills and knowledge abroad can be considered a form of knowledge transfer. In as much as the application of knowledge depends on the availability of technology, knowledge transfer is necessarily accompanied by a technology transfer. Even in case the migrants do not return home, however, they can still contribute to the development of their home countries. While staying abroad, they might promote cooperation between universities, technological research centres and business associations of the home and host countries. Internet- and satellite-based information technology greatly enhances this cooperation potential.

In this light, migration can contribute to development in countries of origin. A crucial policy challenge of the future is to involve the skilled members of the African diaspora in innovative forms of cooperation and knowledge transfer to promote the expansion and sustainability of key-sectors for national development.

A special issue of *Africa Insight* on brain drain, asked the pertinent question whether "the outflow of skilled people [will] kill the African renaissance?" While underlining the potential danger of brain drain for the development process on the continent, especially when the lost skills can never be recovered, the authors McDonald and Crush emphasize the importance of brain circulation to propel African development as it involves redistribution of human resources within the continent. If this redistribution is done rationally, it could attract highly skilled emigrants to return back home from overseas in a chain reaction (McDonald and Crush, 2000).

6) For every 100 female residents, there are 91 male residents.

TEXTBOX 12.3.

Dealing with Migration Issues in Morocco

In 2001, an estimated 2.5 million Moroccans resided overseas, representing almost 10 per cent of Morocco's total population.

Morocco's international migration patterns continue to be predominantly oriented towards the European Union (EU). But since the late 1980s, final destinations have been diversifying with Moroccan migrants now living in Algeria, Burkina Faso, Canada, Libya, the United States, the Arab Gulf countries and Senegal.

There are two major groups of receiving countries in the EU:

- Belgium, France, Germany, and the Netherlands feature among the long-established destinations. Family reunification, the feminization of migration as well as social mobility and improved integration (such as through naturalization in the host country) have characterized the Moroccan population in these countries since the 1960s.
- Italy and Spain are two of the most recent EU destinations. Since the early 1990s, the number of Moroccan migrants in both countries has increased dramatically. A dominant feature of Moroccan migration to these countries is the increasing number of irregular migrants.

International migration has important repercussions for Morocco's economy. One of its most important aspects is migrant remittances. Today, remittances are having an unprecedented impact on the country's economy. In 2001, there was an increase of 57.5 per cent in the amount

received in 2000. In 2001, remittances totalled some 36 billion Moroccan Dirhams (some US\$ 3.3 billion). Remittances represent a considerable proportion of GDP and contribute to readjusting Morocco's balance of trade deficit (**table 1**); they also constitute one of the main generators of foreign currencies together with tourism. However, this recent significant growth in remittances can be put down to the devaluation by 5 per cent of the Moroccan Dirham in April 2001. Also, September 11 and the transition to the Euro, may have had a psychological impact on the saving behaviour of Moroccan migrants.

An examination of the origin of migrant remittances reveals growing diversity in the destination countries of Moroccan migrants and the strong links with family and communities back home maintained by the diaspora in these countries (**table 2**).

Despite the growing focus on irregular immigration into Spain and Italy, as well as campaigns to regularize irregular migrants in both these countries, the thorny issue of undocumented migration from Morocco remains largely untackled. Since the mid-1990s, Morocco has increasingly become a transit country for migrants from Sub-Saharan Africa (including Malians, Burkinabés or Ghanaians) *en route* to Europe. Hundreds of people die every year braving the dangerous crossings of the Strait of Gibraltar to Spain's mainland or the Atlantic Ocean to reach the Canary Islands, in unseaworthy vessels. These deaths in *pateras* (small boats) are a subject of concern to Moroccan authorities and are receiving more and more attention in Moroccan and European media.

In August 2001, King Mohammed VI presented a series of new guidelines for his Government, including migration. He announced the establishment of a global, coherent

TABLE 1.

Morocco - migrants' remittances and balance of trade deficit*, 1996 to 2001

	1996	1997	1998	1999	2000	2001
Total remittances	18 873.8	21 033.4	19 310.9	19 001.5	22 961.6	36 162.8
Trade balance deficit	-24 599.5	-23 655.5	-30 068.0	-32 314.0	-43 310.1	-43 420.0
As % of the trade balance deficit	76.7	88.9	64.2	58.8	53	83.3

Note:

* in million Moroccan Dirhams

Source:

Office des changes

and integrated new policy to be responsive to the country's migrant community. It favours the emergence of new dynamic migrant elites in politics, science, technology, culture and sport. New mechanisms are directed towards strengthening the positive impact of migrant remittances in terms of productive investments and national development.

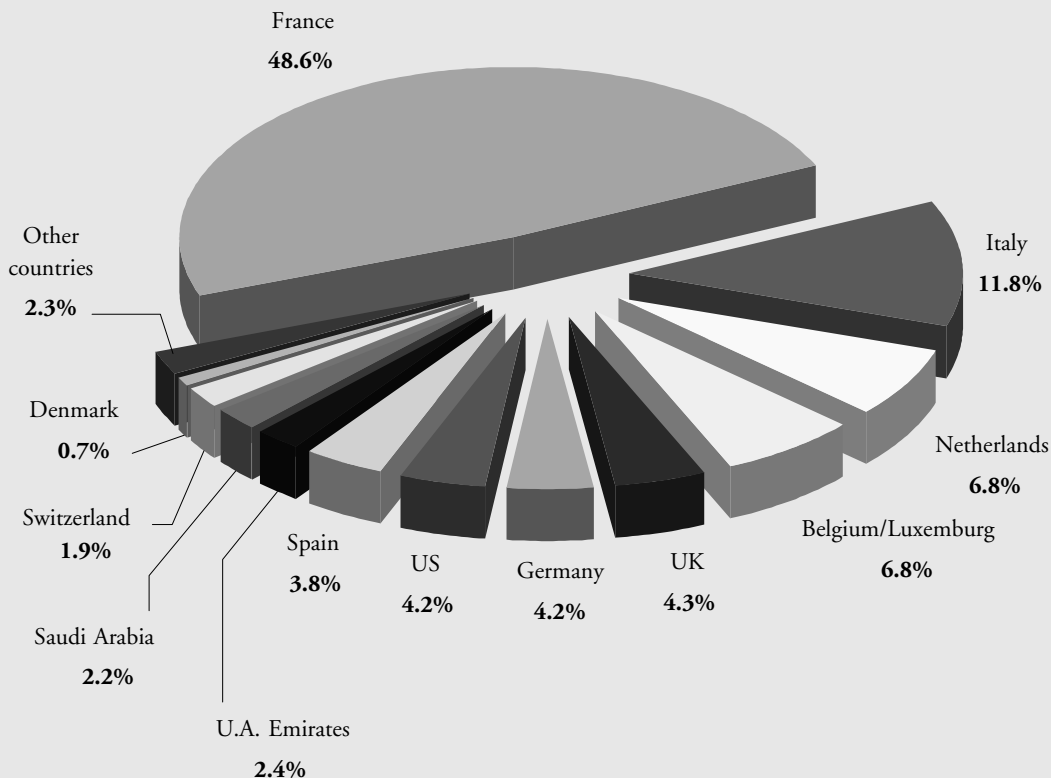
Two public foundations are involved in migration management issues: the Mohammed V Foundation deals with the summer return of Moroccan migrants to the country (*opérations de transit*); the Hassan II Foundation covers the settlement of legal and administrative disputes involving Moroccan migrants abroad. The ongoing work of both foundations is one of Morocco's top priorities. Furthermore, the Hassan II Foundation plans to work towards enhancing the cultural influence of Morocco in host countries. The

specific objective is to favour the emergence of partnerships between migrant associations and host communities.

Morocco's migrant community is also being encouraged to become more closely involved in the cultural, social, and economic development of Morocco. To help reach this goal, IOM and the Hassan II Foundation created a project titled "Observatory on the Moroccan Community Living Abroad". The Observatory's task is to strengthen Morocco's capacity to document migration trends and to establish an integrated research system to collect and disseminate information on Moroccans abroad.

TABLE 2

Geographical origin of Moroccan migrant's remittances (2000)



Source:
Office des changes

Migrant Remittances

One of the most promising outcomes of labour-related migration for countries of origin is migrants' remittances. The term can be defined as the portion of an international migrant's earnings sent back from the host country to the country of origin (Puri and Ritzema, 1999). It is necessary to distinguish official remittances that are transferred via official bank channels and are, therefore, recorded in the country's statistics, from unofficial (often referred to as informal) remittances that are sent back via private money courier systems, friends or relatives or carried home by the migrants themselves.

Throughout the last decade, more and more attention has been paid to the potential of migrants' remittances to contribute to the development of countries of origin. Various studies have been undertaken to estimate the scale and nature of remittances, and investigate their impact on development in countries of origin. Generally, research is confronted with a lack of sufficient and reliable data. African data are especially scarce, which is why most studies focus on other regions, such as the Middle East, Latin America or South-East Asia. Still, given that these studies describe general determinants of remittances and possible ways of enhancing their development efficiency, many findings apply to the African continent.

TABLE 12.2.

Annual remittances to selected African countries (in million US\$)

Country/Year	1975	1980	1985	1995	1999 (estimate)
Egypt, Arab Rep.	2696.00	3496.20	3742.60	3279.00	3772.40
Morocco	1053.69	967.16	2006.35	1969.50	1938.11
Nigeria	12.80	10.07	10.01	803.55	1301.06
Tunisia	318.55	270.82	551.04	679.88	761.24
Senegal	74.78	55.05	90.83	86.49	92.78
Mali	59.40	67.00	106.92	112.11	83.81
Benin	77.00	38.06	88.77	92.43	72.81
Cape Verde	40.06	20.76	56.03	103.95	68.53
Burkina Faso	150.27	125.88	139.67	88.73	66.74
Cameroon	11.00	46.70	60.60	28.24	..
Ghana	0.50	0.40	6.00	17.30	30.70
Niger	5.88	2.10	13.06	6.34	7.24
Madagascar	0.38	4.57	4.48	8.95	7.19
Lesotho	0.79	0.69
Togo	9.93	15.41	26.87	15.02	0.03
TOTAL	4510.24	5120.18	6903.23	7292.28	8203.33

Source:

World Bank (2001).

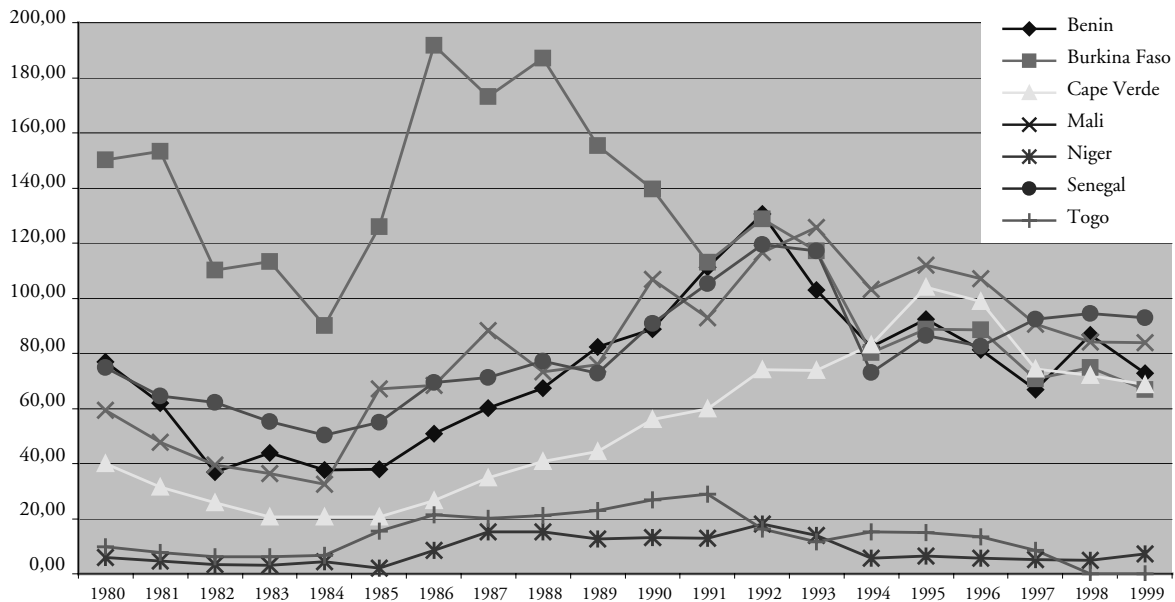
The Economic Importance of Remittances

The balance of payments statistics of the International Monetary Fund, one of the major data sources of official remittances, reveals a significant global increase of migrants' transfers from US\$ 43 billion in 1980 to over US\$ 70 billion in 1995. A similar tendency can be observed in most African countries (**table 12.2.**). In the cases of Cape Verde, Cameroon, Ghana, Madagascar, Mali, Morocco, Senegal, Togo and Tunisia, the amount of annual official remittances increased by almost 100 per cent.

At the same time, a country-specific, year-by-year analysis displays the high volatility and subsequent unpredictability of the transfers. The standard deviation from the annual averages of the years 1980 to 1999 spans 17 per cent in the case of Egypt to over 50 per cent in the cases of Cameroon, Cape Verde, Niger, and Togo. In Botswana, Ghana, Lesotho, and Nigeria, it even exceeds 100 per cent. Reasons for this volatility are extremely diverse and generally reflect the structure of the diaspora, the economic developments in the respective countries of destination, and the political environment in the countries of origin. Still, it is safe to say that developing countries' economies cannot currently rely on a steady flow of migrants' financial transfers (**table 12.3.**).

TABLE 12.3.

Volatility of annual official remittances from 1980 to 1999 (in million US\$)



Source:

Calculations on the basis of World Bank (2001)

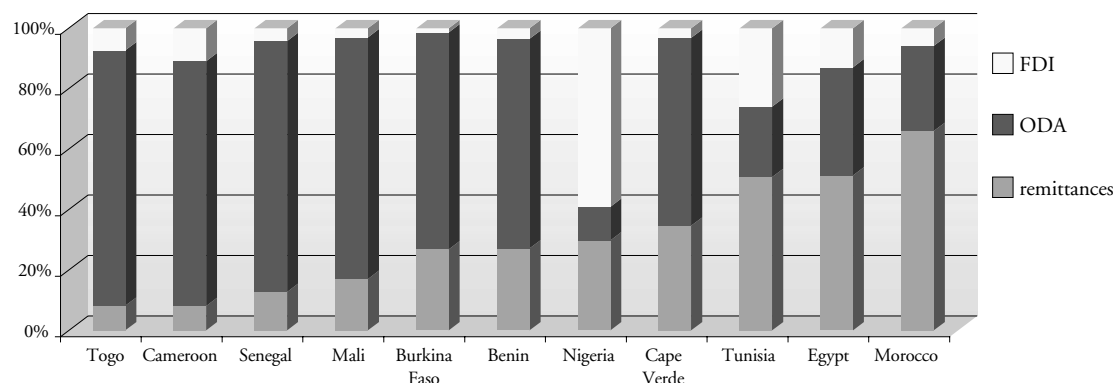
Nonetheless, official remittances do represent considerable financial inflows in many developing countries, and are, therefore, an economic reality that should not be neglected. In Benin, their average of the years 1980 to 1999 amounts to 4.5 per cent of gross domestic product (GDP), in Burkina Faso to 5.8 per cent, and in Cape Verde to 13.5 per cent. Moreover, a comparison of the annual inflows of official development aid (ODA), foreign direct investment (FDI), and official remittances reveals that with the exception of Nigeria and Cameroon remittances account for considerably more of financial inflows than FDI⁷ (table 12.4.). Given that the economic environment in most developing countries is not conducive to attracting FDI, remittances could play a major role in further developing the countries' economies.

Remittances are even more important if informal remittances are taken into account. Admittedly, given the current lack of reliable data, it is difficult to draw any far-reaching conclusions. However, studies on Sudan, Egypt, and several South-East Asian countries estimate that the informal remittances double, and in some cases even triple the total amount of migrants' financial transfers (Lowell, 2001; Puri and Ritzema, 1999). A major reason to transfer money through informal channels is the still inadequately developed banking systems in countries of origin. Thus it is safe to assume that informal remittances are very important in Africa.

7) In Nigeria, the oil boom during the 1980s triggered the high inflow of foreign capital. In Tunisia, the relatively big share of foreign direct investment is due to the expansion of the tourism sector.

TABLE 12.4.

Financial inflows - ODA, FDI, and official remittances (average of the years 1980 to 1999)



Source:

Calculations on the basis of World Bank (2001)

Determinants

The amount transferred home depends on the migrant's personal and family situation, i.e., the total amount earned, the amount saved, as well as the number of dependants back home. These factors differ in every individual case and hinder easy generalizations.

Nevertheless, two general tendencies can be distinguished: firstly, the better educated migrants will be less likely to remit (Lowell, 2001); secondly, the higher earning migrants tend to transfer a smaller share of their income (Puri and Ritzema, 1999). In other words, highly-educated migrants tend to be more independent from their relatives back home, and migrants with high salaries tend to save or invest significant parts of their financial resources in the respective host countries.

Since better educated migrants often earn better salaries, migrants can be generally divided into two groups for the purpose of studying remittance patterns: highly educated, well-paid migrants who tend to keep most of their savings in the host country; relatively under-educated migrants who earn less but tend to transfer home a larger percentage of their earnings. Therefore, migrants moving within unskilled or semi-skilled labour migration flows play a different role with respect to remittances than those migrating on the account of brain drain.

A study of the remittances patterns among the two groups requires analysis of the factors that would increase the likelihood of money transfers.

Well-educated and well-remunerated migrants tend to factor the political, economic and financial situation in their home country into their decision to remit. Political stability, the macro-economic environment, legal mechanisms to prevent fraud and corruption, and credible investment opportunities – these factors constitute the framework necessary to attract the portion of savings which is not used to support families or relatives. Additionally, if the inflation rate is higher than the interest rate, depositing money on bank accounts results in a loss in real terms. Unless the interest rate is favourable, commercial banks will not manage to attract savings and many of the highly skilled, well-paid migrants will continue to keep their savings in foreign bank accounts or invest in host countries.

Migrants' savings abroad represent enormous potential for additional remittances. Even if the economic environment of the home country cannot compete with that of the host country, and even if the interest rate in the home country is lower than in the host country, remittances can still be attracted provided investments in the home country are not overly risky, and as long as the real interest rate is not negative. Unlike foreign investors who base their decision mainly on rational criteria of a cost-benefit-

calculation, migrants usually preserve emotional links to their home country, and so their decision is based not only on objective criteria, but also on subjective factors such as prestige as well as a desire to help development in their home country.

In the case of lower-paid, under-educated migrants, a few factors need to be outlined. In most cases, these migrants do not have the option of keeping their savings in the host countries, mainly because of the dependency of relatives in their country of origin. Instead, they try to find the most favourable way to transfer their earnings back home either through official or informal channels. The choice is determined by exchange rates, bank charges for transfers, the development of the banking system in the country of origin, and the real interest rate, determined by the inflation rate in the home country. While studies show that one factor alone cannot explain the ratio of informally transferred remittances, the interplay of the above-mentioned factors clearly influences the amount of informal transfers.

Athukorola (1993)⁸ investigates the relationship between the informal remittance ratio and three macro-economic indicators: the real deposit rate⁹, the financial intermediation ratio¹⁰, and the black market premium¹¹. He shows that more money is transmitted informally in countries with a comparably high black market premium, an underdeveloped financial sector and a low real interest rate. To put it simply, migrants will tend to use informal channels if they lose considerable sums of money through the use of official channels. Indeed, many officially transferred remittances simply get lost en route owing to bank fees and exchange rates, especially in countries of origin where local currency is overvalued. Many of these countries do

not allow savings deposits on foreign currency accounts and their banks frequently lack provision for this. Also, a migrant will prefer unofficial exchange channels, such as the black market, if he can make a profit. As a consequence, informal channels that circumvent losses and offer earnings are used more frequently, and the share of informally remitted financial resources is growing.

In sum, external as well as internal factors impact on the stability of remittances. A migrant's willingness to remit money is directly influenced by a country's macro-economic management and performance, its banking and investment climate, and the physical reliability of remittances' transfers. Conversely, the frequency of remittances will be directly determined by a migrant's professional situation: job stability, personal situation in the country of destination, number of dependants to sustain abroad, etc.

Impact

Most remittances are sent back to support the migrants' families. Thus, the most obvious impact of remittances is to increase the income of the migrants' households in the countries of origin. Yet, remittances also impact the macro-economic environment, since they increase the total purchasing power of a given economy. As obvious and simple as this relation appears, careful analysis is required in order to obtain the whole picture of possible effects. In particular, remittances do not necessarily have positive effects on socio-economic development in countries of origin.

Let us consider a few negative consequences. Firstly, remittances generate dependency among migrants' households as well as in the economy generally, especially if they represent a main source of foreign currency in the country of origin. As remittances can be highly volatile, countries might suddenly find themselves without financial assets that contributed to national development as well as household income.

8) Quoted in Puri and Ritzema (1999). Although Athukorola's study related to South-East Asia, it contains interesting information also applicable to an African context.

9) The real deposit rate is mainly determined by the inflation in a given country, that is the increase of costs of living. The higher the inflation, the lower the real gains of savings (the real interest rate) for a given nominal interest rate.

10) The financial intermediation rate shows the financial development of an economy. Money is "the oil in the motor of the economy", a basis for efficient allocation. The lower the amount of money that circulates in an economy given a fixed inflation rate, the less efficient are the market allocations. The intermediation rate is expressed by the ratio between the available amount of money in an economy (M2) and the total GDP: M2/GDP. Generally, the higher the rate, the higher the economic activities in a country.

11) Indicates the additional earnings if foreign currency is exchanged on the black market: black market exchange rate x 100 / official exchange rate.

The volatility of remittances can be illustrated by the example of Burkina Faso. Here, the total amount of official remittances dropped down by from US\$ 187 million in 1988 to US\$ 112 million in 1991, and continued to decrease to US\$ 67 million in 1999, which is a total decrease of two thirds¹². In the meantime, the annual average growth rate of the GDP decreased from approximately 5 per cent in the years 1980-1988, to -3 per cent in the years 1989-1994, and only slowly increased again to reach the average of 1.7 per cent until 1999. In 1980, remittances represented 8.8 per cent of GDP, dropping sharply to 2.6 per cent in 1999. While this drop in remittances alone cannot explain this decrease in economic growth, it was an important contributory factor.

Obviously, a drop in remittances does not only affect national economies but also the individuals who depend on money transfers from abroad. Transfers from family members often constitute more than 50 per cent of household income used for consumption; less money means that consumption has to be reduced drastically.

Remittances can also trigger an increase in local income divergences, depending on how migrant families use the received money. Generally, remittances contribute to the subsistence of the respective households. Yet, they are often used to buy import goods such as washing machines or television sets, or more importantly food that is not locally produced (Lowell, 2001). In this case, the demand for local goods drops while the imports increase. Subsequently, local production is hit badly and local income and wages drop. Thus, the poor get even poorer while those who are better off get even better access to imported luxury goods.

However, remittances can aid local development if translated into additional demand for local/national products. In this case, local productivity and consequentially local wages increase, and income differences slowly decrease. If there is a supporting economic framework, multiplier-effects boost economic activities. Moreover, at the macro-economic level, the total amount of money available

12) Interestingly enough, the total amount of remittances increased during the political uncertainties of the first part of the 1980s. Especially during the period of the Sankara government 1983-1987, fighting against foreign economic domination, the inflow increased in a major way. After the assassination of former President Thomas Sankara in 1987, however, the remittances decreased sharply, and never reached their previous level although the political situation of the country stabilised during the 1990s.

increases without affecting the inflation rate¹³, the balance of payments improves, and the national currency becomes stronger. This mechanism, however, is only activated by greater demand for productive goods. The purchase of real estate and land does not increase local productivity.

Additionally, remittance transfer and savings mechanisms in the home country are equally important. Earnings sent from abroad only influence economic development if they access the national financial system. As long as remittances are informally transmitted and “kept in the kitchen drawer”, they will not contribute to local or national development. Savings can only create multiplier effects if they are accessible to other economic actors.

Management

How can the positive effects of remittances be encouraged while preventing or, at least, limiting possible negative consequences? First of all, the ratio of officially transferred financial resources should be enhanced in order to increase the development efficiency of remittances. Additionally, the significant resources of the diaspora that are currently invested or saved abroad should be mobilized. African countries can encourage official transfers and mobilize new resources by providing a favourable exchange rate, the option to use foreign bank accounts in the country of origin, and especially bank accounts that guarantee a positive real interest rate. The most important precondition, however, is to develop efficient official transfer mechanisms that offer services at acceptable rates.

The experiences of three banks in Paris - the *Banque de l'Habitat du Sénégal*, the *Banque de l'Habitat du Mali*, and the lately opened *Banque des Ivoiriens de France* - demonstrate the potential of innovative official transfer mechanisms. By offering a special transfer scheme to Côte d'Ivoire, Mali and Senegal, the banks currently undertake more than 400 transfers a day, with significantly lower fees than private money courier services (Enogo, 2002). In 1999, for instance, more than US\$ 24 million were officially transferred to Senegal via this scheme, representing approximately 26 per cent of the total official remittances to Senegal that year.

13) Given the low capital-intensity of production in most African countries, additional financial resources can be expected to trigger an important growth of productivity, and thus the inflation rate will not increase.

Secondly, remittances should be channelled into under-developed rural areas as multiplier effects are significantly higher there. This is mainly because the consumption rate there is higher. Hence, additional financial resources translate almost entirely into additional demand.

Thirdly, the production could be enhanced significantly through the pooling of remittances and creation of platforms for economic activities such as local credit cooperatives or special investment schemes. It is neither possible nor desirable to channel remittances transferred for family subsistence in the country of origin into investments; however, incentives could be offered to the migrants and their families to keep the “surplus money”, remaining after the daily expenses are covered, on official bank accounts in order to make them accessible to other economic actors. Moreover, it is also possible to create incentives for productive investments. Currently, the residual financial resources of migrants’ families are mainly invested in unproductive assets such as real estate, land, and imported luxury goods because these investments appear to be safe. As soon as local credit cooperatives prove that investments in productive activities yield revenues, carry little risk and trigger multiplier effects, general investment behaviour is likely to change. However, local credit cooperatives are not the only productive channel for remittances in Africa. Secure bank deposits in foreign or local currency at favourable rates would certainly represent an attractive alternative to labour migrants and have beneficial effects on the home country economy.

The issue of micro-finance institutions, and especially the ability of credit cooperatives to strengthen development has been discussed in more detail by a number of studies (Krahn and Schmidt, 1995; ILO, 2000). Such grassroots cooperatives are still rare in African countries. Nonetheless, some research has found evidence of the use of channelled remittances at the community level in Africa. Over the years, migrants’ associations, or more correctly migrants-cum-non-migrants network associations, such as “home improvement unions” in Nigeria and “social welfare associations” in Kenya and other countries (Oucho, 1996) generate “pooled” remittances from the community members’ contributions.

Experience has shown that cooperatives can successfully contribute to development if fraud and corruption are successfully combated and if the established partnerships are envisioned and designed to be long-lasting. The government needs to provide the necessary legal framework and appropriate economic incentives. Simultaneously, an efficient system to transfer financial assets is required.

In summary, the efficient use of remittances for local development should be based on a partnership involving associations of the African diaspora, local community associations, financial institutions in both countries of origin and countries of destination and, finally, the governments of the respective countries of origin. Such a partnership would facilitate an increase in the ratio of officially remitted financial assets as well as attracting further resources of the African diaspora. This partnership would also make transfers less volatile and countries of origin less dependent.

TEXTBOX 12.4.

The migration context in Tunisia

Tunisia’s expatriate community currently represents almost 8 per cent of the country’s total population. From a mere 15,000 people in 1954, the figure had reached 689,108 in 2001 and was distributed in the following regions: 589,075 (84.5%) in Europe; 91,347 (13%) in the other Maghreb and Arab States; 16,333 (2.5%) in the United States and Canada. In Europe, Tunisians reside mainly in France (65%), Italy, Germany and Belgium.

Owing to economic, demographic and social factors, Tunisian migration initially took the form of individual and collective labour migration. Since 1973-74, however, it has become more family-oriented (family reunification) and seasonal for a small number of qualified workers who meet labour market requirements in the countries of destination.

The composition of Tunisian emigration has also changed since the 1980s, with the emergence of new migrant generations. Consequently children under the age of 16 and women now make up 25 per cent and 23 per cent of total Tunisian migration, respectively. This is the result of a combination of family reunions, marriages and births in countries of residence. Similarly, the number of Tunisian scientists and researchers abroad has grown markedly, especially in Europe and North America. The recently established register of such persons contains 4,800 names.

Because Tunisians resident abroad are an integral part of the national community, Tunisia, under the leadership of President Ben Ali, has been collaborating closely with host countries to safeguard their rights and enhance living and residence conditions.

Accordingly, Tunisia has adopted a global strategy for Tunisians abroad. There are three basic objectives: to protect and safeguard their interests; to preserve their cultural identity and consolidate links with Tunisia; and to encourage the participation of Tunisian migrants in national development.

The Tunisian Government has enacted laws and taken appropriate steps to respond to the expectations and concerns of its citizens, and to protect their rights. Accordingly, 12 bilateral social security agreements have been concluded, 8 with states of the European Union; other agreements are currently being negotiated. In addition, special programmes will inform expatriate Tunisians of the country's achievements and existing investment opportunities beyond the incentives and other benefits available to them in various sectors.

Tunisia is also paying special attention to young, second and third-generation Tunisians abroad. The aim is to preserve their identity and consolidate integration in the host countries so that these people may become vehicles for dialogue and cooperation between those countries and Tunisia. Tunisia's migration policy devotes constant attention to Tunisian women and families resident abroad through the following measures: creating socio-cultural entities in many European countries and in North America; and stepping up the presence of social counsellors and social workers in the host countries.

This policy is being implemented principally by the Office for Tunisians Abroad (OTE) under the supervision of the Ministry for Social Affairs. Since its creation in 1988, the OTE has been operating in both Tunisia and host countries through a technical and administrative network made up of 17 regional delegations located in high-immigration areas; 58 social counsellors; 10 social workers operating out of the various consulates and diplomatic missions abroad; and 16 "*Espaces Femme et Deuxième Génération*" (Women and Second- Generation Forums) in the main European and North American cities with large numbers of resident Tunisian families. A programme is underway in host countries to bolster the structures of Tunisian community associations abroad, which currently include 383 associations and 428 welfare societies.

Furthermore, the Ministry of Vocational Training and Employment and the Tunisian Agency for Technical Cooperation are playing a pivotal role in managing migration flows of skilled and unskilled Tunisian workers.

A new migration management policy has been implemented to select and orient candidates for emigration in order to ease the admission and social and professional integration of Tunisian workers in host countries. In this regard, Tunisia signed a bilateral cooperation agreement with Italy in 2000. A networked database covering the sectors and profiles of the 5,000 Tunisian candidates for emigration provides an interesting example of how to facilitate the recruitment process as well as how to match and jointly manage employment supply and demand between country of origin and host country.

Moreover, Tunisia was the first country on the southern Mediterranean shore to conclude an association agreement with the European Union in 1995 as part of its strategy. Although the main purpose is to establish a free trade area by 2008, the agreement also includes a social section, which is in itself a significant achievement for Tunisia. This section is a key frame of reference for protecting and strengthening the rights of Tunisians resident in European Union states. The agreement also established a working party, which met for the first time in Brussels in April 2001. The working party is also responsible for following up the social cooperation part of the agreement, which aims at establishing a social dialogue between Tunisia and the European Union with a view to making progress on the movement of workers, equal treatment, and the social integration of nationals of both parties.

The Migration and Development Nexus

Migration can contribute significantly to the development of African countries. According to some authors and based on evidence and political interests, migrants urgently need to be viewed and understood as a development resource.

The authors of a recent IOM study on the migration-development nexus provide a series of reasons as to why this reinforcement is necessary (IOM, 2002b):

- remittances by migrants are likely to be double the size of aid and may be at least as effective in targeting the poor in both conflict-ridden and stable developing countries;
- migrant diasporas are engaged in a variety of transnational practices, such as relief, investment, cultural exchange, political advocacy, with direct effects on international development cooperation;

- both private and public sectors in developed countries recognize their immediate and long-term dependence on immigrant labour with an ever more complex skills mixture¹⁴;
- policies for development cooperation, humanitarian relief, migration and refugee protection are internally inconsistent and occasionally mutually contradictory.

Some of these trends and concerns could be addressed by viewing migrant diasporas, composed by unskilled, semi-skilled and highly skilled migrants, as a development resource and by seeking links between aid and migrants' transnational practices.

In order to fully unfold migration-development potential, two main challenges need to be addressed by African countries: the establishment of orderly migration flows to facilitate efficient management; and the implementation of viable strategies linking migration and development.

Migration Management in Africa

In the past, migration management was not a priority on the policy agenda of many African countries. However, most of the continent's sub-regional groupings now contain treaties and protocols facilitating economic integration and cooperation in a variety of areas. These instruments range from education and training to trade, transport, communications and also migration. Conversely, the prominence of migration issues on regional groupings' agendas is also beginning to have a positive impact on legislation and policy in individual countries¹⁵.

With respect to the free movement of people, many economic groupings (ECOWAS, EAC, COMESA and SADC) have attained the first stage but are reluctant to proceed to the next controversial stage of the "right of residence and establishment". In the SADC, major immigration countries strongly oppose this stage, arguing, among other things, that economic disparity among the member states is likely to generate floods of immigrants. The COMESA treaty underlines "free movement of skilled labour and services", yet this is far from being implemented. Even

ECOWAS with a much longer experience in regional integration has found it difficult to convince its Member States to transcend the visa-free entry stage to the right of residence and establishment before finally eliminating national boundaries (Adepoju, 2002).

Still, SADC countries, for example, recently initiated a process aimed at carefully developing a regional migration regime while circumventing gridlock situations. The "Migration Dialogue for Southern Africa" (MIDSA) involves all SADC Member States and was set up after previous SADC efforts failed to develop and establish a regional protocol on the movement of people (see also **textbox 8.2**).

A pan-African approach to migration management would ensure greater orderliness and predictability in movements of people, serving and balancing the interests of the sending and receiving countries and migrants alike (Ghosh, 2000). The establishment of the African Economic Community (AEC) is heading into this direction; article 43 addresses "free movement of persons, rights of residence and establishment". Yet, if sub-regional institutions cannot agree on free movement and its implications, how can a pan-African organization be expected to succeed? Regional arrangements should probably be established before a common African solution can be envisioned.

Strategies to Link Migration and Development

Building on efficient migration management, regional and international strategies linking migration and development should be introduced.

In as much as the causes and effects of migration are complex, the linkages between migration and development are not as simple as they may appear. Large cross-border movements can be a response to the ever-increasing gaps in living standards and income between countries; this often means a loss of human capital where it is most needed for development. At the same time, emigration from Africa can help to alleviate imbalances, including population pressures; furthermore, the mobilization of human and financial resources abroad can become an additional force of origin country development (IOM, 2000).

Cooperation between countries of destination, transit and origin is required to fully appreciate and develop the positive benefits of migration and reduce potential divergences of interest from all countries involved. Recognizing

14) See also **chapter 13**.

15) An assessment of national legislative and policy frameworks covering migration and related management, and their linkages with actions undertaken at regional level, would appear to be an interesting area for policy-oriented research in Africa.

common migration interests, governments are increasingly negotiating strategies supporting both the sustainable development of sending countries and the labour needs of receiving countries – while giving due regard to migrants’ rights. These kinds of negotiated arrangements are based on integrated policy approaches that link migration to development cooperation, trade and investment, as well as demographic and social development at the regional, national and international levels (IOM, 2000). For instance, the Cotonou Agreement between the EU and the group of Africa-Caribbean-Pacific countries (ACP) covers some of these elements and represents a promising basis for common migration management (see **textbox 14.1**).

Meaningful management of labour-related migration and remittances to harness their targeted contribution to development efforts could have a potentially enormous positive impact on African countries at national, community and family levels. The present problem, however, is that the linkages between brain drain, labour migration and remittances and their impact on development are only fragmentarily understood and favoured by governments in many of the continent’s countries.

Undoubtedly, brain drain has deprived African countries of many of the well-educated and skilled nationals they invested in for years. Brain drain problems cannot simply be solved by replacing emigrants with younger generations. Instead, it is necessary to develop innovative forms of emigrant return and contribution as well as strategies for better sharing of knowledge, skills and experience with non-migrants in view of national development priorities. Definitive return of skilled migrants does not appear to be viable as long as socio-economic and political conditions in African countries continue to deteriorate.

In its 2001 programme of action, the New Partnership for African Development (NEPAD) plans to reverse the brain drain by “building critical human resources for Africa’s development” and to “develop strategies for utilising the (...) know-how and skills of Africans in the diaspora for the development of Africa”. It shows that African leaders have started to acknowledge the importance of this issue.

IOM’s programme “Migration for Development in Africa” (MIDA) represents a dynamic response to the migration-related objectives of NEPAD. It aims at building partnerships between host countries and countries of origin that foster positive effects of migration for both while limiting the negative effects of the brain drain (see also **textboxes 12.5** and **15.1**).

TEXTBOX 12.5.

A Migrant’s Story – Happy to be back in the Democratic Republic of the Congo



In the summer of 2002, 33 academics and professionals from the Democratic Republic of the Congo and from Burundi who were living and working in Belgium, decided to join the IOM Migration for Development in Africa Programme (MIDA). The programme aims at transferring the skills and resources from the diaspora to support development on the African continent.

One participant in the programme was Professor Edouard Malambu, who lectures physics at the University of Brussels. Professor Malambu returned to Kinshasa for two months where he lectured at Kinshasa University. “The university currently houses between 20,000 and

A DRC academic working in Belgium returns home on a teaching visit



30,000 students. But it suffers from a chronic lack of qualified staff and resources. This establishment had a reputation for excellence, but so many things have gone wrong. But still, when I heard that IOM offered the possibility for Congolese academics to complete temporary assignments at Kinshasa University, I jumped on it! This programme works because there are many Congolese in the diaspora who are committed to the development of their country. Not all are ready to leave the country where they have studied and built their lives, but most are ready to give some of their time to try and plug the brain drain”.

Seven Congolese academics returned over the summer of 2002: some to teach mechanical and electrical engineering, and others to teach environmental sciences. One returnee, a medical doctor, taught physiotherapy at Kinshasa’s Institut Supérieur des Techniques Médicales.

According to MIDA programme coordinator Margaret Kabamba, many Congolese professionals currently living and working in Belgium have expressed a strong interest in joining the programme: “They feel that after having spent many years abroad, they should share some of their knowledge and time with students and other colleagues who, up to now, have felt somewhat forgotten”.

MIDA participants who return to the DRC to teach on temporary assignments receive a Euro 1,200 grant, payable in two instalments.

The Congolese Minister of Labour and Social Affairs, Marie-Ange Lukiana Mufwankolo met the first returnees. She praised their dedication and said more African professionals should follow their example. “MIDA can help revert the devastating effects of the brain drain, which each year deprives Africa of thousands of its best and brightest. Our country desperately needs those competencies. We are fully prepared to receive more MIDA candidates, even for shorter periods of time”, she said.

MIDA is also addressing the need for qualified human resources in neighbouring Burundi and Rwanda. The programme seeks to build synergies and partnerships between governments, civil society, universities and the private sector.

As a first step, MIDA identifies skills and resources in the diaspora before matching those skills and resources with requirements in African countries. Then, the programme organizes the temporary return of qualified professionals. Another approach to containing the brain drain is to organize the “virtual” return of skills by employing modern information technology. IOM will work with the *Agence Universitaire de la Francophonie* and with the African Virtual University (AVU), a “university without walls”, which uses modern information and communication technologies to provide direct access to some of the best learning resources abroad.

Set up by the World Bank and launched in 1997, AVU has provided students and professionals in 17 African countries with over 3,000 hours of interactive instruction in English and French. More than 24,000 students have completed semester-long courses in technology, engineering, business and the sciences. Over 3,500 professionals have attended executive and professional management seminars on topics such as strategy and innovation, entrepreneurship and e-commerce.

MIDA builds on and expands IOM's Return and Reintegration of Qualified African Nationals Programme (RQAN), which was launched in 1993. RQAN helped more than 2,000 experienced nationals return home to contribute to national development.

Conclusions

Over the next decades, Africa will continue to experience large-scale population movements, especially outwards. Labour-related migration will continue to provide a way to escape poverty or other forms of hardship at home; however, it also provides a way for educated, skilled and qualified persons to expand their career potential in today's increasingly globalized world. Nonetheless, migration and its linkage to development should not be considered solely from the economic point of view. Migration cannot be reduced to an economic act and migrants viewed only as labourers. Other social, cultural and political aspects also have to be taken into account – conflict and human rights abuse associated with poor governance have become key factors in compelling much current migration in Africa. It is no coincidence that conflict-ridden countries often experience severe economic difficulties (IOM, 2002b).

This chapter has demonstrated that migration can be both costly and beneficial for African countries. The main cost is the significant loss of human capital and subsequent manpower gaps in key-sectors for national development. However, migration contributes to balancing economic growth within Africa, and enhances knowledge and technology transfers from developed countries. In particular, remittances from the African diaspora contribute in major ways to the cumulative national purchasing power as well as to individual household income. However, remittances are poorly managed and unpredictable at present. Migration management approaches in Africa should include viable schemes for converting remittances into productive assets,

including the following: better remittance services in order to reduce leakages and waste in the transfer process; the guarantee that migrant workers have the right to choose the preferred channels for remittance transfer; and, ultimately, the provision of market conforming investment opportunities aimed at increasing the development potential of remittances.

Linking migration and development means building a partnership between countries of origin and host countries, and between the associations of the diaspora and local private sector initiatives. Governments of both sending and receiving countries should formulate and implement migration policies that enable different categories of African migrants to improve their professional options while contributing to development back home. There is growing international consensus on the usefulness of constructive migration policy cooperation to address the demographic requirements of certain developed countries and the imperfect functioning of their complex labour markets, as well as the development imperatives of countries in Africa (IOM, 2002a).

TEXTBOX 12.6.

A Migrant's Story – “You're a Big Girl Now”, from Sudan to the United States



Resettlement in the US brought a new life for one of the “Lost Girls” of the Sudan

“Now you are a big girl, don't forget to take care of yourself and learn how to pray.” These were the last words spoken by her mother when she was six years old. Her family had fled Sudan three years earlier and was living in Ethiopia. It was the first day of school and her mother had dropped her off at kindergarten. She remembers the moment well. Three hours later, the town was in flames and Aduai was on the run - without her family - part of a mass exodus of refugee children who had fled Sudan's civil war, and were now fleeing Ethiopia for the very same reasons.

“I did not realize until I was 14 that my mother had said something important to me,” Aduai says.

She had left Sudan with her family intact: her mother, two brothers and a sister. She would have three peaceful years in exile. The war in Sudan restarted in 1983, the year before she was born. By 1987, it had intensified and the mass exodus began, mostly to Ethiopia. Aduai's father was on the front line when her family decided they should leave. That same year, some 25,000 - 30,000 refugees, mostly young unaccompanied boys and thousands of girls, straggled into Ethiopia, starving and traumatized. Their parents and siblings were killed and their homes destroyed. The boys were put in camps, and lived communally; the girls were dispersed into foster families. Three years later, a rebel group overthrew the Ethiopian government and rebel soldiers attacked the refugees. Separated from her family, Aduai fled. Staying one step ahead of the bullets, she reached the Gilo River, which had swollen with rain. She had to make a choice - jump into the crocodile-infested river or be shot. For those who crossed back into Sudan there would be no peace. The twice-exiled group was soon attacked again. They continued to flee south to Kenya.

In Kenya, there were the same living conditions for unaccompanied minors as in Ethiopia: most boys lived in groups, and the youngest boys and unaccompanied girls went into foster families. Aduai managed some semblance of family and was registered on the ration card of a male cousin. Again, she was lucky. The ration card would change her life. Because of their age and number, and their communal living arrangements, the boys remained a cohesive identifiable unit. They were compelling cases for resettlement. Dubbed the “Lost Boys”, the US Government soon felt obliged to act. A few lucky girls, 89 to be exact, went with them to Kakuma to be resettled to the United States, because of some family bond to a brother, a cousin, or a male relative in that group.

The girls without relatives were required to live with foster families in the camps. Girls are assets as they can work and later marry, bringing a “bride price” to their guardians. According to researchers, forced marriage was high on the list of “Lost Girl” concerns. Out of the 33 girls between the ages of 14 and 17, research showed that 28 were living “moderately to severely abusive” situations; 17 were prevented from attending school; 12 had experienced some form of sexual abuse.

Aduai was one of the lucky ones

Today, she is a young 18-year old woman, whose experiences set her apart from the American teenagers around her. Her classmates did not know much about the war in Sudan when she first arrived in her adopted hometown of Boston. “If you have never been in war, you will never know the smell or the taste of it”, she says. “Most of my friends here are innocent.”

Innocence aside, they share many of the same anxieties such as what will they do in life. Aduai sobers quickly when envisioning her future. “I want to do something with people like me”, she says. “When I look back and see young girls like me in Sudan, it bothers me. It bothers me all the time.” Her desire to work with refugee girls is well within her reach. She speaks five languages: Dinka, Swahili, Arabic, Spanish and English, and has great wisdom for someone her age.

Her message to the other 88 Sudanese girls: “Take this opportunity to do something good in life. Don't waste it.”

She relates her experience to her Second World War studies in school. “I am everything. I am Jewish, Muslim, and Christian. Religion is being used as a tool for hate. Two million are dead in Sudan. Two hundred years from now people will think, ‘why did they do it?’. There is no point in killing people for religion.”

Aduai also confides, “Like Dr. Martin Luther King, Jr., I have a dream”. Her dream is not only for peace in Sudan, but for the creation of a Sudanese girls' school. She even has a more modest dream, in case the former proves too ambitious, to give at least two or three girls a chance at a better life through scholarship. “I don't care where they come from. We never had educated women in Sudan”. In every statement, education is emphasized and tolerance is her message.

Like the American teenagers around her, college weighs heavily on her mind. She is preparing for entrance exams and would like to go to school in Boston, Washington, DC or North Carolina - Boston, to remain near her foster parents, former Peace Corps volunteers; Washington, DC, "because that is where important things happen"; and North Carolina, because her adopted US grandmother lives there. But she is not sure she will be able to enroll in the fall. She works after school at a local pharmacy and is worried about the money she will need for her education.

Recently, Aduci received two great surprises. She found out that one of her brothers is alive and living in a refugee camp near Dadaab, Kenya. And a few months ago, Aduci's uncle called with more good news and a telephone number. Aduci's mother was located in Uganda. "I called her, but I didn't think it was her. We spoke in Dinka, and it was hard because I don't ever speak in Dinka anymore. I was like, is this my mom? I didn't think so, until she said those words to me. They were the last words she said to me, and they are the only thing I remember. Then, I knew it was my mom."

"Now you are a big girl, don't forget to take care of yourself and learn how to pray".