

**DIALOGUE ON MIGRATION COOPERATION IN THE
WESTERN MEDITERRANEAN**

**Thematic Panel
« Links between migration and development »**

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With the exception of Libya, a country of immigration, where the rate of foreign residents represents about 20% of the total population and 50% of the active population and Mauritania where the migration phenomenon is relatively less intense, migration has become a societal phenomenon in the other Maghreb countries. In view of the considerable stock of migrants, it has become an essential factor in relations between the two sides of the Western Mediterranean, the southern shore constitutes the main focus (and tends to become an area of transit) and the northern shore the main destination of migratory currents in the region.

A rational treatment of the migration question requires a new approach stressing the links between migration and development. These relations are to be looked at from two levels : that of the host country and the country of origin. It is a bi-directional interaction which does not exclude circular movements.

In the host countries, the contribution of immigration to development resides in the human element. Maghreb nationals participated in the reconstruction of Europe under the “glorious thirty” and continue to cater for the needs of the different economic sectors. What is the size of this contribution ? How did this work force evolve quantitatively and qualitatively and what are the future perspectives ?

In the countries of origin, apart from questions on the factors behind the migration phenomenon (Khachani, 1996, b), this paper will only look at the economic impact of immigration. The contribution of migrants to the development of their countries lies mainly in the transfer of funds and their allocation, what is the nature and determinant factors of these transfers ? How important are these transfers to the economies of the countries of origin ? To what extent do they contribute to the development of the countries of origin ? What role could be assumed by the migrant elite in the

development of their countries of origin ? What forms of cooperation could there be between the sending countries and the receiving countries in order to optimize the migrants' contribution ?

The following will endeavor to clearly explain these relations, the analysis in this document is based on four elements'.

1. A synthesis of the different papers dealing directly or indirectly with the links between migration and development and the quest for statistical data which came up against constraints due to a lack of precision, scarcity or absence of quantified information in some countries of the region.
2. Some organizations were consulted which are directly involved with the investments of immigrants, such as the Office des Tunisiens à l'Etranger en Tunisie – OTE – (Office in Tunis dealing with Tunisians living abroad) and the Hassan II Foundation in Morocco for Moroccans living abroad. On a multilateral level, several IMO documents were consulted, namely the papers on the program for research and migration policies.
3. Opinions were gathered directly from some immigrants investing in Morocco, namely during round table discussions organized by the Hassan II Foundation at the “National Salon of Moroccans living abroad”, in Tangiers and in Casablanca, on 16 – 21 July and 6 – 11 August 2002 respectively.
4. Meeting in Taroudant in Southern Morocco with the representatives of the French association “Migrations and Development” and in Marrakech with a Moroccan NGO bearing the same name.

I – Impact of migration on host economies

In the countries on the northern shore of the Western Mediterranean, the migration issue is sometimes considered in a reductionistic manner by focusing on problems of a public nature, the social aspect, mobility and integration. Immigrants are not

recognized as potential agents for development (Ubercier, MH, and Schneider, H. 1996).

Furthermore, it is recognized that the contribution of Maghreb migration to the host economies is not to be denied, this contribution has not been systematically scrutinized and four aspects can be seen : demography, the labour market, investments, consumption of goods and services, savings...

I-1- Demography and the labour market

I-1-1 - Here it is a question of the contribution of Maghrebi migration in View of the perspectives of demographic deficit in the countries on the northern shore. It is often said that “Europe is suffering from its demography”. Five countries of the Western Mediterranean are particularly affected, with a very low demographic growth.

In 2000, France with 0,50 %, Italy With 0,28%, Spain with 0,97%. Portugal with 0,63% and Malta with 0,61 %. In View of the low fecundity rate in the last few years, “immigration becomes a key component in increasing the population”. (Council of Europe 2001).

This demographic inertia contrasts with the growth in the Maghreb and especially in the three most populated countries. In two decades, from 1980 to 1999, this growth was 45 % for Morocco, 65 % for Algeria and 43 % for Tunisia, this population increase will continue despite demographic transition and the gradual lowering in fecundity rates.

Compared with the situation in the 5 countries of the northern shore, where the population growth within a period of 25 years was just about 2,16%, going down from

166,4 million in 2000 to 170 million inhabitants in 2025 ; whereas for the Maghreb countries the figure would be 54,5%, going up from 75 to 115,9 million inhabitants and that of the 4 sending countries would be 54%, going up from 70 to 107,6 million inhabitants (see appendix, table 1).

The different demographic growth on both sides of the Western Mediterranean could suppose a scenario where the deficit in the active population on the northern shore could be plugged in the decades to come by migration currents from the South (Le Monde 2000). This scenario however depends on several parameters such as the migration policies of the West Mediterranean countries, perspectives of economic growth in the Maghreb countries and technological changes in the North.

I-1-2- Migration offsets the deficit on the labour market in the host countries where there is a specific labour demand because of the cost and flexibility requirements in some sectors, especially those with precarious jobs and/or socially undesirable jobs (in agriculture, the building industry, the service industry).

The same is true of Libya, a host country for immigrants from the other Maghreb countries.

Historically, this foreign labour was concentrated for a long time in sectors where few skills are required. But there seems to be a new trend ; the emergence of an elite amongst the Maghrebi migrants with further skills emerging from the South.

I-1-3- Elitist migration of trained and highly qualified persons is an old phenomenon but with particular features today. The development of this phenomenon can be attributed to factors inherent in the professional, economic, social and political

environment. Some say that there are three forms of intellectual migration in the Maghreb (Moatassime, A, 2000).

- (i) migration for reasons of convenience by diploma holders from privileged families but who return to the country under more promising conditions.
- (ii) migration out of necessity by diploma holders from modest families who find themselves unemployed, some consider their migration as a safety valve as the national labour market could not absorb them.
- (iii) Scientific research migration which could be basically intellectual and which is due to an unfavorable environment often hardly propitious for research of an international quality.

This new migrants' profile, in its 3 forms, coincides with the redeployment in the North of a mode of growth which makes a strong use of brainpower from the South.

The "Baby Boom" generation has reached retirement age and the relative scarcity of specialists in some EU countries, especially in the new information technologies and communications sector, means that these countries launched recruitment campaigns in different countries of the South (Le Monde, 2001). Data on these recruitments are sparse but there are some indicators which point to the importance of this type of exodus, such as the existence in France of associations set up by these senior staff "Federation of Maghrebi Engineers in France", "Association of Doctors of Maghrebi origin in France", "Association of former graduates of the National Polytechnic of Algiers", "Association of Algerian Doctors in France", "Association of Moroccan Computer technicians in France", "Association of Moroccan lawyers in France" and "Knowledge and development" association which regroups Moroccan researchers in different specialities working in various regions in France, Canada and the United States (Khachani, 2001, b).

This “inverse transfer of technology” enables the host countries to increase their scientific potential and is acquiring worrying proportions as it affects not only those diploma holders who cannot find a job but also those who are employable locally.

This drain of skills by drawing away the most dynamic citizens accentuates the imbalances between the two sides of the Mediterranean, this “brain drain” concerns both the countries of the South and of the North for two reasons :

- (i) this elite represents one of the scarcest resources in the Maghreb countries.
- (ii) This elite’s training took up time, a lot of money and considerable State subsidies.

The presence of immigrants in the host countries helps to partly meet the needs of the labour market and the need for scientific staff but there is also an economic contribution.

I-2- Impact of immigration in the economic sphere

More and more Maghrebis are filling out the economic space in the different host countries as entrepreneurs and as self-employed (traders and artisans).

The stereotype of the immigrant “employee” is thus being inversed. The immigrant is now creating jobs.

I-2-1- Immigrant entrepreneurship

The data available for the main host country for Maghrebis, France, (APCE & MRH 2002) reveal the extent of this phenomenon. According to the March 2000

labour survey, France had 1,125 million foreign employees and 121,000 non-waged workers (self-employed company heads, employers and domestic workers). Out of the foreign workers with an entrepreneurial activity, 46 % are Europeans and 44% Maghrebis.

The old clichés which say that the Maghrebis are traders when they are not wage-earners, are outdated. “Ethnic” determinism no longer works, at least for a large number of the new entrepreneurs coming out of immigration who refuse to reproduce the social models experienced by their parents and no longer hesitate to venture into unaccustomed areas. With a relatively high level of education, the new generations are more motivated and more likely to take risks for economic independence. Acquiring French nationality fully played its role in banalising economic sectors, opening the door to almost all the fields of investment.

Apart from economic activities such as restaurants, bakeries, butchers, greengrocers, traders, the Maghrebi stemming from immigration is venturing into the liberal professions such as consultants, architects, lawyers, doctors, accountants and becomes the head of a small or medium sized enterprise (services for enterprises, wholesalers, or industrial activities). Some of them are even at the head of large scale enterprises or start-up (APCE & MRH 2002).

Lastly, a category of Maghrebi entrepreneurs, difficult to say how many, manage businesses in two or even more countries. These are entrepreneurs on both shores.

These entrepreneurs, with their diverse activities, do not yield a complete set of profiles despite a fairly complete typology. The creation of enterprises by persons

stemming from Maghrebi immigration has a double facet, a clear increase in the number of entrepreneurs and better quality enterprises.

Women's contribution to this process should be pointed out. There are more and more women in the economic space of the host countries, self-employed or as entrepreneurs (Khachani 2001 a). According to a FAS survey, these women venture out to "acquire a social status rather than an economic one" (ADRI, 2002).

The reasons for aspiring to a "self-employed" or entrepreneur status are numerous.

- the majority of youngsters in the immigrant population ;
- the perception and attitudes of the immigrant himself, who is a product of "selection" from immigration. To emigrate is difficult and those that do, have a proportion who are particularly enterprising and ready to take risks, Emigration itself is an undertaking subject to certain norms of feasibility ;
- the existence of labour demands in certain sectors of activity, in the building industry and public works, for example ; the evolution of the internal market in terms of renovation and rehabilitation of housing, the multiplication of sub-contracting on large scale building sites, have strongly stimulated the demand for artisanal activities ;
- "cultural" reasons, as confirmed by "specializing" in small businesses by migrants from specific regions in the Maghreb such as Djerba in Tunisia, Kabylie in Algeria and Sous in Morocco. Members of the family were sometimes made to work 18 hours per day 7 days out of 7 and thus were ahead of the local population which could not work at this rhythm ;
- one of the main reasons for the greater trend of Maghrebis to become self-employed or to set up their own business is probably because of discrimination in gaining access to paid employment. The rate for Maghrebis is much higher

than for nationals. In France, according to INSEE data, in 2000, the rate was 9,2 % for native French, 14 % for naturalized French and over 30% for Maghrebis.

Self-employment is often the only way out for many Maghrebis, to escape unemployment and precarious jobs. Self-employment is thus a means of escaping from “bridled wage-earning” (Mouler – Boutang 1997).

I-2-2- Immigration’s other contributions in the economic sphere

- (i) A first contribution is with the impact of immigration on the goods and services market. Immigrants with their families (nearly 19 million consumers in the EU countries, of which over 2,5 million in the Latin countries) constitute an element of the final demand. This growth in end demand for goods and services help to increase labour demand by the enterprises and thus to create jobs which could be available to native seekers.

- (ii) Immigrants are supposed to be thrifty and have relatively good savings which they keep in the financial institutions of the host countries. As seems to be confirmed by several surveys, no matter what channels are used, immigrants only send a portion of their savings to their country of origin. Maghrebis for example tend to follow the savings pattern of the French (savings book, building society savings book, life-insurance) (Garson JP 1994). A revealing indicator of the savings amount involved was the 2001 exceptional increase in money transfers made by Moroccans (+ 60,5 %).

- (iii) It can also be said that immigrants contribute through various taxes to the fiscal authorities and thus to the budget resources of the States in which they live.

II- Impact of migration on the countries of origin

The impact on the Maghreb sending countries is to be reviewed from 3 levels ; the employment market, transfer of income and the allocations of these transfers.

II-1- Migration, a factor for regulating the employment market.

Despite the demographic transition in the Maghreb countries, population growth is still relatively high as already indicated.

This has a direct effect on the volume of the active population and generates considerable additional employment demand which the national markets cannot satisfy. Unemployment thus affects an ever growing population of ever younger diploma holders. Unemployed women, with an ever growing ratio in the population, are the reason for greater female migration in some countries like Morocco.

The various data on the labour market in the Maghreb countries stress the importance of social and political aspects of demography, the challenge of employment is, and will be, at the heart of the development issue in the decades to come.

This pressure on the labour market means a strong drive to emigrate, namely through unregulated channels. This form of migration has flared up considerably between the two sides of the Mediterranean, (Khachani 2000). To attenuate this pressure and

absorb this potential migration to a good extent, the Maghreb economies should head for a strong and sustainable growth, to provide at least 1 million jobs per annum. This job volume would enable a partial resorption of existing under-employment and unemployment and satisfy a major portion of additional job offers (Nadji Safir 1996). Maghrebi migrants could contribute to this growth as investors or providers of funds. Transfers of foreign currency can play an important role in financing this growth.

II-2—Transfers of income

A fundamental factor of the migration issue on the micro and macro-economic levels, the transfers of funds constitute an appreciable source of foreign currency for the finances of the countries of origin.

II-2-1-Definition and evaluation problems

Immigrants' transfers are an ambiguous notion, a reality difficult to portray because of the various means of transfer and difficulty, in mastering all the circuits used. These transfers move along various channels, through formal or "visible" circuits and through informal or "invisible" circuits.

The first are official circuits identified in the balance of payments as "simple transfers". Part of these transfers is effected by social or employers' organizations on behalf of the migrant or his family and involves pensions, retirement pensions, family allowances, medical costs, etc...

The second circuits escape official statistic and include various operations :

- Cash which the immigrant brings with him when he goes home on holiday or sends through a third party. These funds go through informal networks for their collection and dispatch to the countries of origin; these networks are formed through family or commercial ties. Mauritanian immigrants seem to prefer this channel.
- Exchange between compatriots. This mechanism works when the immigrant in the host country buys or pays bills for a compatriot and in exchange his account or that of his family is credited in the national currency in the country of origin. This mechanism is developing because of the non-convertibility of Maghreb currencies and because of foreign exchange controls.
- All the goods brought back by the immigrant when he returns, such as cars, electrical household goods, furnishings, electronic goods, etc...

These products are meant for private use but are also sold in the informal economy in the country of origin through small outlets. This channel is enhanced through geographical proximity and is more developed in Algeria where the “suitcase trade” represents a considerable portion of the transfers.

II-2-2- Volume and amount of transfers

Funds going through official channels thus represent only a portion of these transfers which are an indicator of the emotional attachment of the Maghrebi migrants, especially the initial migrants, to their country of origin. Information available on Morocco from a recently undertaken survey. (Sample of 1239 migrants) indicate that over 9 Moroccan migrants out of 10 (94 %) said they had transferred funds to

Morocco during the 5 years covered by the survey and 60 % said they transferred at least one quarter of their income (INSEA 2000).

Table N°2
Transfers of Maghrebi immigrants living abroad
(in millions of \$)**

Country	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001*
Morocco	2.006	1.990	2.170	1.959	1.827	1.969	1.165	1.893	2.011	1.938	2108	3.262
Algeria	-	274	829	700	1.115	1.294	1.045	1.075	1.080	1.108	-	815
Tunisia	639	570	578	597	688	753	820	765	792	860	795	930
Libya	-446	-408	-390	-323	-307	-268	-328	-232	-247	-198	-	-
Mauritania	14	12	50	2	5	5	4	3	2	2	2	3

Sources: World Bank database

* Provisional figures : for Tunisia (OTE) and for Morocco (Offices des changes)

** Compared with the series in national currencies (see appendices, tables 3 and 4), conversions in \$ give different annual variations because of exchange rate differences between these currencies and the American currency..

If Libya is excluded, a country that emits money transfers and Mauritania with low transfer rates with a clear downward trend which maybe confirms the importance of informal circuits, income from immigration is an important resource for the other 3 Maghreb countries. The importance of these transfers for Maghreb economies can be better appreciated when a comparison is made with certain macro-economic aggregates: the GDP, imports and exports.

Table N°5
Comparison of migrants' money transfers with some aggregates in 2001

Country	Transf/GDP	Transf/Import	Transf/Export
Morocco	9,63%	29,71%	45,83%
Algeria	2,36%*	11,56%*	8,99%*
Tunisia	4,64%	9,74%	14,03%

Sources: Central Bank of Tunisia, Al Maghreb Bank.

World Bank : Report on development in the World 2000 – 2001.

* 1999

In Morocco, in 2001 this manna constituted the main income of current transactions of the balance of payments (21,57%) covering 84% of the commercial deficit (43,641 milliards of Dhs) and was also the main source of foreign currency, exceeding tourism by far (28,8 milliard Dirhams in 2001).

These transfers (see evolution in appendix. Table N° 3) were prompted by a series of factors, namely the successive devaluation of the Dirham, low inflation rates and establishment of banking networks in the host countries.

But 2001 was an exceptional year with transfers attaining nearly 37 milliard Dhs, i.e. an increase of over 60% compared with the previous year, there are two possible explanations for this exceptional increase:

- The Euro effect: Moroccan residents in the EU countries perhaps did not welcome the new currency all that confidently as shown by the volume of transfers before 11th September, in July with nearly 4 milliard Dhs and in August, nearly 4,5 milliard Dhs (record of the year).
- Effect of 11th September, with high fund repatriation levels from outside the Euro zone, the USA (+ 144,1%), Great Britain (+67,3%), Kuwait (+216%) and Qatar (+117,1%). Repatriating these funds was probably meant to ensure better security in the country of origin.

The same phenomenon was seen in Tunisia (appendix, table N° 4) but less intense, as money transfers increased by over 22% in 2001 (against 7% the year before). In Tunisia, transfers as a source of foreign currency, for 1993 – 2000, are classified in third position after tourism and the textile and leather sector. In 2001 they were

overtaken by the mechanical and electrical industries. That same year these transfers represented 8,72% of current receipts of the balance of payments, 31,8 % of the deficit in the trade balance and 57% of receipts from tourism.

As for transfers in kind, these are difficult to assess but are much more important in a country like Algeria where “suitcase trading” is a predominant means of transfer. According to some estimations of the Algerian authorities at the beginning of the 1990, this trade is though to have represented annually the equivalent of over 2,5 milliard \$, which is considerable as it represents between 15 – 20% of the overall volume of imports (Safir N, 1996). If you also consider the importance of informal circuits in the country, then a comparison between transfers and macro-economic aggregates is of little interest.

In Morocco, a spot survey of two of the main foci of emigration, Nador in the North and Tadla in the Centre, assessed these transfers between 30% and 50% of money transfers (GERA, 1994). In Tunisia, figures are available for these transfers (appendix, table N° 5) and represent 24% of all the money transfers in 2001/320 million Dinars).

Statistics are quite rare for Libya, a destination for emigration from the other Maghreb countries. Transfers from Libya in 2001 amounted to 27 million Dinars for Tunisians

and 23 million Dirhams for Moroccans, representing most of the transfers from the Maghreb region, which amounts to over 33 million Dinars for Tunisia and 39,3 million Dirhams for Morocco.

Transfers in Mauritania from immigrants are low partly due to the limited number of these immigrants and their preference for the informal transfer channel.

As this manna is so important, the Maghreb authorities are faced with 2 challenges :

- How to stimulate these money transfers or at least maintain their level despite the trend of the migrants to stay on definitively in Europe ?

- In view of the reticence of foreign investors, how can the migrants' transfers be turned into investments to transfer technology and know-how acquired in the host countries?

These challenges place the migration issue at the heart of the debate on Euro-Mediterranean relations, especially in view of the projected creation of a free trade area.

II-3- Allocating these transfers

Migration from the Maghreb is basically economic migration and the migrant's economic behaviour is typical. Priority is given to satisfying the immigrant's basic needs and that of his family either living with him or which stayed behind. Part of the income is saved and allocated for investment in the country of origin and now more so in the country of residence.

II-3-1-Preferred sectors

Real estate investments are preferred by Maghrebi migrants as confirmed by various surveys on immigrants in Tunisia and Morocco. In the latter country for over 35 years, the conclusions of the different surveys pointed to this preference for the real estate sector.

Real estate predominates for investments by immigrants for obvious reasons, this investment has an emotional value and with a possible return, building a home in the home country means real security for the immigrant.

Once this objective has been achieved it is the issue of profitability, which governs the choice of investing in other sectors. Security of a social nature is accompanied by a search for economic security, thus the sectors chosen are those with the least risk and immediate profitability (trade, real estate, services, etc...).

Other parameters intervene in choosing sectors for investment such as the immigrant's knowledge of the sector and the relations he may have to get into the sector.

INSEA'S survey in Morocco yields interesting information on migrants' investments in Morocco and in the countries of residence, the drive to invest is very strong. Over 70% of the surveyed sample invested in Morocco and over 23% in the country of residence. The main conclusion is that real estate investments lead by far, whether in Morocco or in the country of residence, i.e. 83,7% and 63%. Agriculture lags far behind in Morocco (7,5%) and the rest, 8,8% is spread between the other sectors.

In the countries of residence, investments, apart from real estate, are more appreciable with 37%, with trade in the lead (17,4%) and tourism (6,1%). This emergence of the tertiary sector points out the development of the self-employed status.

The survey also covered the migrants' investment projects (appendix, table n° 7)., 57% had projects in Morocco and 14% in the country of residence. What is interesting is the new configuration of the sectors targeted.

Even though real estate is in the lead, it is much less important in projected ventures. Real estate investment is stronger in Morocco than abroad. The survey says that 2/3 of migrants have already invested in real estate in Morocco but that now they are settling more and more in the countries of immigration.

Agriculture disappears from projects abroad and the tertiary sectors holds the immigrants' attention and became the privileged sector in Morocco, with 44,8% of the projects, with 27,4% for trade, 12,1% for tourism and 5,3% for other services. Industry, despite an improvement in percentage, is not coveted by immigrants. We are talking here of projects and the intention to invest but we cannot say how many of these projects are actually realized.

Out of the 5 Maghreb countries, Tunisia has a database on approved investments for the benefit of Tunisians living abroad (apart from real estate). A breakdown of investments per sector gives interesting information on the sectorial preferences of Tunisian migrants (appendix table N° 8).

Between 1988 and 2001, the services sector attracted the greatest number of investment projects with 5018 projects, followed by industry with 2072 and the agricultural sector with 610 projects. But these are approved investments not yet carried out and the rate of default can be estimated at between 30 and 40%.

Compared with national investment, the contribution of Tunisians living abroad is relatively low. During 1993 – 2001, it was just over 0,4% on a national level ; with 0,5% in industry, 0,4 % in agriculture and less than 0,4% in the services.

The projects carried out are generally not capital intensive, with an average per project of 35.314,5 Dinars. Per sector, this average is 58.131 Dinars in agriculture, 56.533 in industry and 23.780 in the services.

These projects do not generate many jobs. On average, just over 4 jobs and the ratio increases to 8,5 in industry, drops to less than 3 in the services and 2 in agriculture.

II-3-2- Impact of investments on economic repercussions

Investments predominate in real estate, which was often considered as having negligible effects on the local economy. But this needs to be nuanced. In fact, investments in housing are far from having a negligible effect. Better housing conditions provide a better labour force along the same lines as better food and better education for the children. There are also many multiplying effects. This type of

investment has a dynamising effect on the local economies through a proliferation of trades linked to the sector and the emergence of small companies (for building materials, carpentry, forges, etc...). This encourages the creation of direct and indirect jobs.

Migration has had controversial effects in agriculture. As young people left, this led to a decline in the agricultural economy in some areas and to a loosening of bonds between these people and the land. In other cases, the migrants' transfers have had considerable effects and their intervention in the rural milieu made it possible to improve agricultural activity and this in turn often led to an extension of the surface area and modernisation of means of production in family holdings.

Money transfers help to increase the liquidity of the economy and boost the banking system. In Morocco for example, the immigrant's bank deposits in 2000 exceeded 50 milliard Dhs (26,619 milliard Dirhams of which were cheque accounts), i.e. about 40% of the total amount of sight deposits and fixed term deposit of the Moroccan banking system (El Ayachi A, 2001). These savings amount to much less in Tunisia. The contribution of non-residents, in general, to monetary and quasi-monetary resources is below 9% (8,73%).

As for the impact of immigration on the family left behind, the social effects are considerable especially in improving the living standards of the families. For the countries of origin, emigration is a means of ensuring a decent income for the families left behind.

According to a study on the contribution of transfers to reduce poverty in Morocco, these money transfers reduced poverty from 23,2% to 19% of the population, i.e. 1,2

million Moroccans are likely to have escaped poverty thanks to the funds transferred by the immigrants in the form of investments or other transfers (Bouchachen J. 2000).

From another viewpoint, the husband's departure or that of a male head of the family puts the woman in the forefront (the wife, mother, big sister) and she becomes the head of the family.

As for the regional impact of these investments, the creation of projects and urbanization of underprivileged areas enhances economic growth and lessens the isolation of these regions, the absence of basic structures can provoke a haemorrhage of resources towards more developed regions.

This is the case in Morocco in the provinces in the East and the Rif, one of the main foci of Moroccan emigration and with a great lack of basic infrastructures, and the Casablanca region. Funds are drained through the banking system.

Migrants can actively participate in regional development through their participation in local development projects. The experience in Morocco of a French NGO, Migration and Development and another Morocco NGO of the same name (which was used by the first NGO until 1998 before becoming independent) is of particular interest. For the past 15 years these NGOs have been following these development actions in those regions of Morocco from which these migrants originate. At first their action was the electrification of some villages in the Sous regions and a few exchange visits of youngsters. Then the provision of other basic infrastructures such as water supply, roads, schools and health centres. In the course of years these actions were undertaken with over 200 village associations set up with the help of "Migration and Development" to become partners in local development projects. This participative

approach enables local populations to be involved in defining needs, implementing and managing projects.

Since 2000, driven by the same local development objectives and to better settle the populations on their home ground, M & D extended its activities to income generating activities. These were launched together with 150 development actors in the Taroudant province in the Sous region, choosing and preparing economic projects to generate income (See general assessment of achievements in appendix, table N° 9). These actions mobilize numerous partners on both sides of the Mediterranean such as migrants' associations, village associations, NGOs, elected persons and administrations in the country of origin and the host country, sponsors and skills of all kinds working in concert (Letter from M & D, 2002) M & D extended its activity to Algeria in 2000. As the Algerian villagers had similar problems, the members of the Algerian immigrant community which carried on from the villagers' associations, requested the support of M & D to set up similar actions in the country.

In view of the role it played in local development, especially in the South of Morocco, it would be interesting to spread this experience to other Maghreb countries.

III- Emergence of new opportunities, towards new perspectives

The emergence of a Maghrebi immigrant elite seems to offer new cooperation and partnership perspectives between the sending and receiving countries.

Expatriate skills, whether they do return or remain “virtual” and young generations stemming from immigration and being bicultural, whose professional and social insertion increases the potential of initiatives (Ubereier, MH & Schneider, H. 1996)

could become the actors for new links between the countries of origin and the host countries.

In a world where the economy of knowledge becomes the lever for development, the technical and professional skills acquired in the host countries, the great development potential in the Maghreb countries, and perspectives of new activities to generate jobs, are important assets worth exploring.

The achievements are still limited compared with the opportunities in the Maghreb countries. The problem is how to drain this potential in terms of finance and know-how towards their countries of origin? This seems to be an important aim of the migration policy of the Maghreb countries.

This is most crucial as 3 out of the 5 countries concerned are faced with burdensome socio-economic constraints and must face up to specific timeframes for the sake of their economic future (Khachani 2002).

In the rush for globalization, 3 Maghreb countries, Tunisia, Morocco and Algeria signed association agreements with the European Union, in July 95, February 96 and April 2002 respectively. The establishment of a free trade area, the basis of these agreements, implies an acute necessity for upgrading the economic structures in these countries.

One of the main parameters of these agreements is the flow of foreign investments towards the signatory countries of the South. This is where the deficiencies lie and the contribution of the Maghrebi immigrants could be vital.

A scenario could be imagined whereby the immigrant Maghrebi elite could substantially contribute towards investments in their country of origin and become involved in the delocalisation process characterizing the globalization of the world economy. The emergence of this elite, which could merge with the future generations, could thus create new dynamics for private investment in the three Maghreb countries.

In view of the mitigated assessment of their experience when they return, these actors can become entrepreneurs on both shores. Some practices are interesting, like those of Tunisian migrants who retain their legal and regulated status in the host countries (residence permit, social security cover, fiscal regime) and who manage a network of enterprises in Tunisia and in France, they develop highly complex “circulatory patterns”, with repeat and intermittent stays and trips between the two shores.

They are thus residents on both shores. Then there are some young people stemming from Maghrebi immigration who run the subsidiaries of French companies abroad, thus making use of their double culture in environments favourable to them (APCE, MRH 2002).

In Algeria the process of liberalisation and opening-up of the economy, and the privatisation programme announced in 1995 covers 1200 enterprises, implies an appeal to foreign investors. As investments, apart from hydrocarbons, are so important for the country’s development, a greater involvement of Algerians abroad would be of great value to their country’s economy, the creation of a ministerial department in 1996 (State Secretariat for the Minister of Foreign Affairs in charge of the National Community abroad), is part of this policy. This task has now been taken over by a Minister delegated to the Head of the Government who is in charge of the national community living abroad.

In the Maghreb countries, the immigrants' contribution can inject new blood into the development dynamics in their economic and social dimensions. Investments implemented and the jobs they create, would help to stem the tide of emigration candidates and thus help to satisfy at least partly the additional job offers, especially in a situation where the migration policies are becoming ever stricter in the countries of the North.

This scenario should be part of North-South co-development based on a Mediterranean partnership shaped by destiny. For obvious geostrategic reasons, the European Union and especially the Western Mediterranean countries are meant to cooperate with the Maghreb countries to ensure continuous and sustainable growth, thereby creating jobs and lowering migration pressure.

It needs to be pointed out, however, that this potential depends on the quality of the environment in which the immigrant investors are meant to operate. This environment contains a number of variables such as economic, political, social and cultural facets and thus determine the viability of projects to be undertaken (Khachani, 1996 a).

Conclusions of surveys in two Maghreb countries, in Tunisia (OTE, 2000), show that immigrant investors are faced with 3 main constraints: administrative procedures, access to credit and inadequate infrastructures, as well as insufficient information on investment opportunities in the countries of origin (counselling, etc..).

Conclusion

For the Maghreb countries, emigration is at the heart of numerous challenges. As new policies are coming out of various parts of the Mediterranean, migration needs to be

approached in a new way in view of its effects on the economies in the countries of origin. Strong and sustainable growth means mobilizing all potential and both internal and external funds.

An immigrant elite active in various economic domains in the host countries is an asset for the Maghreb countries.

The emotional and cultural attachment of this elite is evidently not enough and must be accompanied by economic incentives to create a favourable environment for investments. This supposes that the various institutions revise their perception of the present and potential role of migrants who are to be considered both in the host countries and in the countries of origin as actors and partners supporting development efforts.

Strengthening of multilateral cooperation is vital, to develop links between migration and development. The modalities of this cooperation are to be defined in concertation with the migration sending and receiving countries.

In the light of perspectives offered by the Maghreb economies, this seems to be the way to turn migration (a consequence of underdevelopment) and the migrant into a factor and an actor for development.

Dialogue on Migration Cooperation in the Western Mediterranean

Thematic Panel

« Links between migration and development »

(Moroccan Association for Studies and Research
on Migrations, Rabat, Morocco)

Summary

With the exception of Libya, a country of immigration, migration has become a societal phenomenon in the Maghreb countries. In view of the considerable stock of migrants, it has become an essential factor in relations between the two sides of the western Mediterranean.

A rational treatment of the migration question requires a new approach stressing the links between migration and development, these relations are to be looked at from two levels: that of the host country and the country of origin. It is a bi-directional interaction, which does not exclude circular movements.

I – Impact of migration on host economies can be viewed from four angles: (i) to offset shortcomings on the labour market in the host countries. (ii) Contribution of this migration in view of demographic deficit perspectives in the Northern shore countries. (iii) Maghreb migration of a trained and highly qualified elite. (iv) Emergence of an immigrant elite of entrepreneurs and self-employed.

II – Impact of migration on the countries of origin on three levels: (i) Migration as a regulating factor of the labour market, (ii) input in terms of money transfers, (iii) allocation of these transfers and preferred sectors of investments.

The impact of these investments and economic repercussions in the Maghreb countries. This impact seems to shift depending on the opportunities in these countries, three of which (Tunisia, Morocco and Algeria) have signed association agreements with the European Union and have a timeframe to determine their economic future.

III – The emergence of a Maghrebi immigrant elite seems to offer new cooperation and partnership perspectives between the sending and receiving countries.

This evolution is still limited in view of the opportunities in the Maghreb countries. The problem is how to drain this potential in terms of finance and know-how towards the countries of origin?

The scenario should be part of North-South co-development based on a Mediterranean partnership shaped by destiny.

In the light of the changes noted and the perspectives in the Maghreb economies, this seems to be the way to turn migration (a consequence of underdevelopment) and the migrant into a factor and an actor for development.

APPENDICES

Table No. 1

*Demographic indicators in the Maghreb
and in the Western Mediterranean countries*

<i>Country</i>	<i>Average annual growth rate of the population 1990 – 2000</i>	<i>Population in 2000 (in millions)</i>	<i>Projection in 2025 (in millions)</i>
Algeria	1,9	30	49,9
Morocco	1,8	29	39,2
Tunisia	1,6	10	13,1
Libya	-	5	8,3
Mauritania	2,8	3	5,4
Total Maghreb		75	115,9
France	0,4	59	63,3
Italy	0,2	58	55,7
Spain	0,2	39	40,0
Portugal	0,1	10	10,6
Malta	-	0,4	0,4
Total 5 West Medi- terranean countries	-	166,4	170
European Union	-	376.4	388,3

Source : World Bank & Eurostat : Euro-Mediterranean statistics, 1 – 2000 & Population Reference Bureau.

Table No. 3

***Evolution of foreign currency transfers of Moroccans living abroad
(in millions of Dirhams)***

Years	Amounts	Variations
1975	2.159,6	38.7
1976	2.417,8	12.0
1977	2.652,1	9.7
1978	3.176,0	19.8
1979	3696,5	16.4
1980	4.147,6	12.2
1981	5.242,0	26.4
1982	5114,5	-2.4
1983	6515,4	27.4
1984	7.680,9	17.9
1985	9.732,2	26.7
1986	12.730,6	30.8
1987	13.267,9	4.2
1988	10.700,4	-19.4
1989	11.344,1	6.0
1990	16.537,2	45.8
1991	17.328,1	4.8
1992	18.530,7	6.9
1993	18.215,9	-1.7
1994	16.814,4	-7.7
1995	16.819,9	0.03
1996	18.873,8	12.2
1997	18.033,4	-4.5
1998	19.200,0	6,5
1999	19.001,5	-1,6
2000	22.961,6	20,8
2001	36.867,7	60,6

Source : Foreign Exchange Office-Morocco

Table No. 4***Evolution of foreign currency transfers of Tunisians living abroad
(in millions of Dinars)***

<i>Years</i>	<i>Amount</i>	<i>Annual variation (in %)</i>
1964*	4.7	
1965	5.0	+6.4
1966	4.0	-20.0
1967	5.8	+45.0
1968	7.7	+32.8
1969	11.4	+48.1
1970	15.2	+33.3
1971	22.7	+49.3
1972	29.5	+30.0
1973	41.2	+39.7
1974	51.6	+25.2
1975	58.7	+13.8
1976	61.9	+5.5
1977	72.2	+16.6
1978	91.7	+27.0
1979	115.4	+25.8
1980	153.0	+32.6
1981	178.3	+16.5
1982	219.6	+23.2
1983	243.8	+11.0
1984	245.9	+0.9
1985	225,8	-8.1
1986	287,1	+27.1
1987	403,0	+40.4
1988	466,6	+15.8
1989	463,0	-0.8
1990	526,0	+13.6
1991	527,0	+0.2
1992	508,0	-3.6
1993	599,5	+18.0
1994	695,7	+16.1
1995	711,8	+2.3
1996	798,3	+12.2
1997	845,9	+6.0
1998	901,9	+6.6
1999	1019,7	+13.1
2000	1091,1	+7.0
2001**	1333,9	+22.3

Source : Central Bank of Tunisia

**** Provisional figures**

Table No. 5
Evolution of transfers in kind in Tunisia
(in millions of Dinars)

1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001*
84	55	101	150	197	166	206	230	226	288	281	320

Source : Central Bank of Tunisia

** Provisional figure*

Table No. 6

Breakdown of investments in Morocco and in countries of residence

<i>Sector</i>	<i>% in Morocco</i>	<i>% abroad</i>
Real estate	83,7	63,0
Industry	1,3	3,7
Trade	4,9	17,4
Tourism	1,4	6,1
Other services	1,1	1,2
Agriculture	7,5	7,3
Misc	0,1	1,3
Total	100	100

Source : INSEA : Moroccans abroad. INSEA. 2000. p. 196-197.

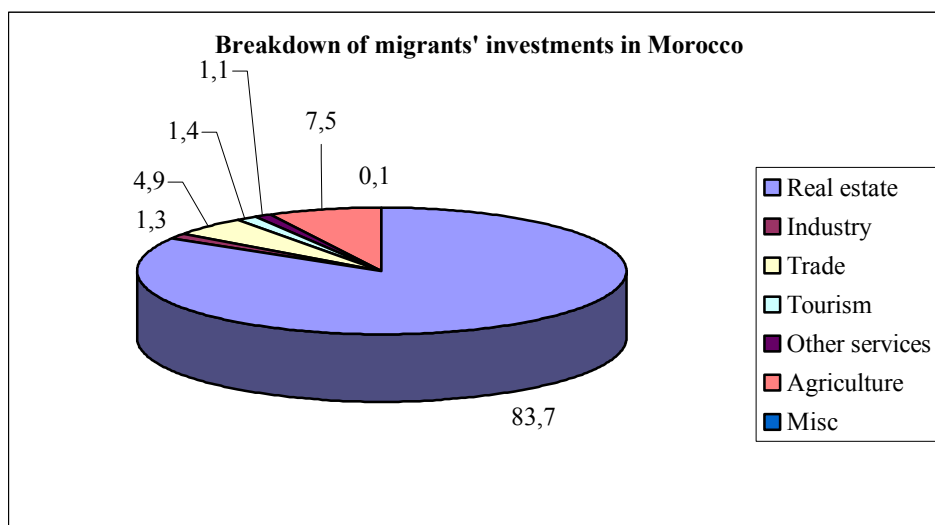


Table No. 7

***Breakdown of investment projects of Moroccan immigrants
(in %)***

<i>Sector</i>	<i>% of projects in Morocco</i>	<i>% of projects abroad</i>
Real estate	35,6	54,2
Industry	7,5	4,5
Trade	27,4	25,1
Tourism	12,1	9,5
Other services	5,3	6,1
Agriculture	10,6	0,0
Misc	1,5	0,6
Total	100	100

Source : INSEA : Moroccans abroad. p. 205

Table No. 8

*Evolution of approved projects for Tunisians living abroad
1988-2001*

<i>Sectors of activity</i>	<i>Agriculture*</i>			<i>Industry**</i>			<i>Services**</i>			<i>Totale</i>					
	<i>years</i>	No. of projects	Investment amounts	Jobs to create	No. of projects	Investment amounts	Jobs to create	No. of projects	Investment amounts	Jobs to create	No. of projects	%	Investment amounts	%	Jobs to create
1988	16	0,868	46	129	6,204	1277	112	2,150	-	257	3,3	9,222	3,4	1323	3,9
1989	8	0,607	30	144	10,693	1964	88	2,854	-	240	3,1	14,154	5,2	1994	5,9
1990	16	1,296	58	224	10,693	2958	327	8,220	-	567	7,4	20,209	7,4	3016	9,0
1991	50	3,107	135	296	17,665	2795	874	13,357	-	1220	15,8	34,129	12,6	2930	8,7
1992	37	2,006	131	103	6,667	694	422	2,960	-	562	7,3	11,633	4,3	825	2,5
1993	76	6,491	297	183	9,700	1246	500	10,100	2520	759	9,9	26,291	9,7	4063	12,1
1994	41	2,459	89	143	9,500	1121	707	14,700	3011	891	11,6	26,659	9,8	4221	12,6
1995	33	2,057	48	151	8,600	1137	917	27,100	4524	1101	14,3	37,757	13,9	5709	17,0
1996	33	1,515	38	149	7,300	789	307	10,300	1255	489	6,3	19,115	7,0	2082	6,2
1997	52	2,079	67	140	7,700	763	153	5,800	708	345	4,5	15,579	5,7	1538	4,6
1998	74	4,051	113	99	8,000	721	150	5,200	569	323	4,2	17,251	6,4	1403	4,2
1999	66	1,778	72	122	6,915	856	152	4,233	606	340	4,4	12,926	4,7	1534	4,6
2000	62	4,001	75	98	4,429	589	141	6,215	663	301	3,9	14,645	5,4	1327	3,9
2001	46	3,145	56	91	3,070	676	168	6,137	865	305	4,0	12,352	4,5	1597	4,8
Total	610	35,460	1255	2,072	117,136	17586	5018	119,326	14721	7700	100	271,922	100	33562	100
%	7,9	13,0	3,7	26,9	43,1	52,4	65,2	43,9	43,9	100	-	100,0	-	100,0	-

Source :OTE/Surveys & statistics department

** APIA : Approved projects*

***API : Authorized projects*

Table No. 9

Projects implemented by Migration & Development

<i>Sector</i>	<i>No. of beneficiary villages</i>	<i>No. of beneficiaries</i>	<i>Global budget in Dhs</i>
Water	55	26.188	5.384.194
Electrification	103	35.731	19.913.500
Women	16	62	2.165.240
Education	52	1.425	6.130.140
Health	164	40.623	624.000
Building sites	50	552	3.375.697
Roads	255	70.000	3.630.000
Economic activities	-	-	12.474.000
Total	695	174.581	53.660.771

Source : Migration and development.