



**Economic Commission for Africa
Office for North Africa**

**International Migration and
Development
in North Africa**



2007

ECA-NA/PUB/01

International Migration and Development in North Africa

2007

The views expressed in this document are those of the author and do not necessarily reflect the views of UNECA-NA.

TABLE OF CONTENTS

	Page
PREFACE	i
INTRODUCTION	iii
<u>CHAPTER ONE</u> LINKAGES BETWEEN MIGRATION AND DEVELOPMENT IN NORTH AFRICA	1
Introduction	1
I. Financial Transfers	3
I-1- Transfers of income	4
I-2- Problems of definition and assessment	5
1-3- Volume and importance of transfers	7
A- Volume of transfers	7
B- Incentives to transfer	13
C- The transfers in comparison with some aggregates	15
D- International comparisons	17
E- Channels of transfers	19
II. Transfers Allocations	24
II-1- Privileged sectors	24
II-2- The choice of the sectors	27
II-3- The economic impact of remittances	28
III. Elitist migration or “reverse transfer of technology”	32
III-1- Assessment of the emigration of competencies	32
III-2- Determinants of the emigration of competencies	34
III-3- Impact of the emigration of competencies	40
IV. Immigrant entrepreneurs	42
IV-1- Causes of self – employed and entrepreneurs development	43
IV-2- Assessment of immigrant entrepreneurs	45
V. Conclusions and recommendations	49

CHAPTER TWO PLAN OF ACTION FOR A POSITIVE IMPACT OF MIGRATION IN NORTH AFRICA: REMITTANCES AND EXPATRIATE COMPETENCIES

I.	General Conclusions.....	56
II.	General Recommendations.....	57
III.	Recommendations of the Working Group 1 : Remittances	60
IV.	Recommendations of the Working Group 2 : Expatriate Competencies.....	63

TABLES

Table N°1	North Africa Migration	3
Table N° 2	Transfers received by the North African countries between 1996 and 2004 (Million US\$).....	7
Table N° 3	Financial transfers of Algerians living in France and in the Maghreb between 1998 and 2001 (US\$).....	8
Table N°4	Part of the income transferred to Morocco in % of migrants.....	12
Table N° 5	Transfers sent from Libya 1996-2004 (in million US\$).....	13
Table N°6	Comparison of official transfers with some aggregates (2000 and 2004)	15
Table N° 7	Comparison of transfers with Public Aid to Development (1990-2002)	17
Table N° 8	Main remittances receiving countries	18
Table N° 9	30 first developing countries with highest remittances per capita, 2002	19
Table N° 10	Transfer agencies and companies in North African countries (2004)	21
Table N° 11	Allocations of transfers in 4 countries of North Africa (%).....	24
Table N°12	Investments made by Tunisians living abroad (1991-2002)	25
Table N°13	Use of savings per region (in %), in urban and rural environments, Egypt.....	26
Table N°14	Distribution of Tunisian skills abroad.....	34
Table N° 15	Socio-professional categories according to origin and citizenship	45
Table N° 16	Self-employed and entrepreneurs of North African origin in Italy (October 1st, 2002)	47

GRAPHS

- Remittances Sent by Moroccans Living Abroad.....	10
- Remittances sent by Moroccans Living Abroad by modalities of transfer	21
- Distribution of the investments made by Moroccan Migrants	25

PREFACE

Migration, as an issue to be addressed with utmost urgency, emerged on the international agenda early this century as evidenced by the High-level Dialogue on international migration and development organised during the September 2006 regular session of the United Nations General Assembly. This long-hoped-for event marked, without any doubt, a real change in the way migration was perceived, by focusing more attention on the interrelationship between development and migration.

According to Peter Sutherland, the Secretary-General's Special Representative for Migration (June 2006) ... *the passion generated by migration and its challenges for policy-making has pushed too many otherwise cool-headed stakeholders onto the defensive. We need to change that because migration engenders progress and innovation. The determination and courage to leave one's family and country behind are the same values which have continued to drive entrepreneurs and innovators throughout history. The world of today is being shaped by the immigration industry.*

The approach of the ECA Office for North Africa falls fully within this perspective. We no longer want to confine the focus to those aspects which might give migration a bad name. We'd rather look at what positive contribution migration can make to the development of our region by way of its men and women.

The countries of North Africa have a substantial number of expatriates whose remittances continue to grow and to constitute a significant source of foreign currency. That community of expatriates also includes elite immigrants who have invested in various economic spaces, particularly in Europe, the Arab World and North America after many years of brain-drain. The empirical evidence, supported by many studies, demonstrates the undisputable contribution that individual migrants as well as their networks are making to the economic and social development of their countries of origin. Some of them are not only potential investors and entrepreneurs but have also gained in their host countries professional expertise which can and should be harnessed for development.

What purpose are these remittances serving? Are we making the best possible use of them in support of the economic and social development of individual beneficiaries and countries of origin alike? Should that not be the case, then how to improve the impact of such remittances? What role can the financial system play in this regard? How can migrants be encouraged to participate in national development, or better still, in the development of their regions within the

context of decentralization? Can the brain-drain be reversed through temporary returnee programmes, the sharing of experiences and cooperation between receiving countries and countries of origin, so that they all can benefit from expatriate competencies? At this time of the knowledge economy in which unprecedented progress is being made in information and communications technologies (ICTs), could such skills not henceforth be merely considered as “relocated” national intellectual resources to be used in education and training programmes, research and innovation as well as knowledge creation?

To address these issues, the ECA Office for North Africa organized on 19 and 20 March 2007 in Morocco an expert workshop on International Migration and Development. The main outcome of the workshop is compiled in this publication which describes the interface between development and migration in the North African context and proposes the best ways of promoting potential convergence between the two areas which have now come to the fore of global concern.

The contribution of international migration to the national development of countries in the subregion should be accorded due priority and attention. I strongly hope that this publication will help to generate constructive debate around this issue and to the emerging of new migration policies which will better mainstream in development the tremendous potential constituted by the intellectual or financial resources of North Africa’s migrants, men as well as women.

Ms. Karima Bounemra Ben Soltane, Director,
ECA Office for North Africa

INTRODUCTION

While international migration does not feature prominently in the original framework of national, regional and international development agendas, it has been recently the subject of considerable attention from the international community. Acknowledging the need to deal with the challenges and opportunities that migration presents to origin, destination and transit countries, the United Nations General Assembly decided to organize a High Level Dialogue on International Migration and Development during its 61st Session¹. The High Level Dialogue was organised to discuss the multidimensional aspects of international migration and development in order to identify appropriate ways and means to maximize their development benefits and minimize their negative impacts².

The United Nations High-Level Dialogue on International Migration and Development (HLD) held in September 2006³ underscored that international migration has substantial positive impacts on social and economic development. It also recognized that international migration will increase in future both in scope and complexity, therefore it was crucial for the international community and Member States to focus on maximizing its benefits while minimizing the risks associated with it. They agreed that international migration could be a positive force for development provided that it was supported by the right set of policies.

By the analysis of the linkages between migration and development, the HLD acknowledged that remittances were the most tangible benefit of international migration and that their volume has increased markedly in recent years. The World Bank estimates that, at the world level, remittance transfers more than doubled over the past decade, rising from US\$102 billion in 1995 to an estimated US\$232 billion in 2005, \$US 167 billion of which went to developing countries. Because remittances are also transferred through informal channels, the volume of remittances may be much higher as shown by econometric analysis and available household surveys that suggest informal flows representing at least 50 percent of recorded flows⁴.

¹ United Nations, General Assembly Resolutions 58/208, 59/241 and 60/227 (www.un.org)

² United Nations (2005), Resolution 60/227 (www.un.org)

³ United Nations (2006), *Summary of the High Level Dialogue on International Migration and Development*, GA Resolution A/61/515 (www.un.org)

⁴ World Bank (2006), *Global Economic Prospects 2006* (<http://www.worldbank.org/>)

However, while remittances benefited millions of families of migrants and the economy in general, the HLD underscored that it was necessary to increase and improve their development impact by adopting adequate measures to reduce the costs of transfer, increase their benefits on the sending areas and reduce their negative impacts both at micro and macro levels. The relevance of gender issues was also highlighted especially in view of recent increases in migrating women.

At the same time as developing countries are gaining important financial resources from migration, they are also losing human capital, which is increasingly qualified. In fact, these last years have seen a huge increase in the migration of competencies from developing to developed countries. In OECD countries qualified migrants over 25 years increased from 12 millions in 1990 to 20 millions in 2000. The HLD agreed that migrant communities had a significant potential to contribute to development through transfers of know-how, skills, technology, expertise and new ways of thinking to their countries of origin. However, despite this potential, the outflow of highly skilled workers was a negative outcome that needed to be addressed by adequate measures so as to minimize its negative consequences on developing countries.

The issue of international migration and development is of particular importance for North - African countries (Algeria, Egypt, Libya, Mauritania, Morocco, Sudan and Tunisia) because they have important communities living outside. Remittances represent for these countries important sources of income, and the migration of skilled human capital from the region, an increasing phenomenon, has been identified by all Member States and the private sector as one of the constraints to national and local development. Attention has been drawn to the increasing rate of skilled workers migrating outside the region, draining away scarce resources. Estimates indicate that between 15% and 18 % of Algerian, Moroccan and Tunisian migrants living to OECD countries hold a university degree; this rate is higher for Egyptians (51%).

In the region, there is an increasing awareness that migration can contribute to development. To better take advantage of migration outcomes, governments have recently adopted measures to improve data collection, stimulate remittances flows and their utilization in productive investments, and strengthen linkages with their Diasporas. Legal and institutional measures have also been taken to better integrate migration in local and national development policies and strategies. However, achievements have been limited compared to the opportunities offered by migration especially in view of the tremendous challenges faced by the region to reach high, sustained and employment creating growth.

Consistent with these needs and as a follow up to the High Level Dialogue, ECA North Africa Office has organized an Ad-hoc Expert Group Meeting on Migration and Development in North Africa that was held in Rabat (Morocco) from 19 to 20 March 2007. The Meeting put a special emphasis on the linkages between development and two migration outcomes namely remittances and highly skilled Diasporas.

Invited experts were expected to identify innovative and concrete measures that could be adopted by North Africa Member States, the private sector, migrant's representatives, financial sector institutions, universities, and all other relevant stakeholders, including through partnerships, so as to make remittances and North Africa skilled Diasporas more responsive to the development needs of both, their countries and the sub-region as a whole.

During the meeting, experts assessed the development potential of the remittances and skilled Diasporas in North Africa; exchanged their respective experiences and approaches; identified the challenges to be addressed by different stakeholders; and adopted a « North Africa Plan of Action for a Positive Impact of Migration in North Africa: Remittances and Expatriate Competencies».

This publication contains the results of the Expert Group Meeting:

- Chapter One is the Background Document that was prepared for the meeting by M. Mohamed Khachani⁵. It provides a regional overview of and updated data on the issues of migration and development in North Africa with a special emphasis on remittances and expatriate competencies.

- Chapter Two contains the “Plan of Action” adopted by the meeting, a set of measures to be implemented by different constituencies so as to strengthen the positive impact of migration on North Africa countries. The Expert Group Meeting Report and all the papers prepared by the experts are on the Office's website: www.uneca-na.org.

ECA North Africa Office wishes that this publication will contribute in focusing the attention of public and private sectors decision-makers to the positive outcomes of migration and in increasing Diasporas' awareness of their potential and the existing opportunities to make development a reality in North Africa.

⁵ Consultant : Professeur de l'Enseignement Supérieur, Faculté des Sciences Juridiques, Economiques et Sociales- Agdal- Université Mohammed V Rabat (Maroc); Président de l'Association Marocaine d'Etudes et de Recherches sur les Migrations. khachani@iam.net.ma

CHAPTER ONE

LINKAGES BETWEEN MIGRATION AND DEVELOPMENT IN NORTH AFRICA

M. Mohamed Khachani⁶

INTRODUCTION

North Africa⁷ represents an important migration basin. During the first half of the 20th century, North Africa was a place of immigration taking in quite considerable migrant flows from some European countries. Since then however, North Africa has become a place of emigration, mainly to countries of the European Union and the Gulf States. European countries represent a privileged destination for North Africans and Gulf countries for Egyptians and Sudanese. But this latest destination is becoming more important for the Maghreb people as well following the measures taken in Europe within the context of the convention applying the Schengen Agreements signed in June 1990 (introduction of visas, strict checks at boarders, very selective system for issuing work permits, etc.).

These measures reduced legal emigration but they led to the development of illegal emigration and now illegal networks have taken over legal circuits. This form of emigration attracts the more and more young people who have an academic level even at university level or a vocational training degree.

Considering the important volume of immigration (both legal and illegal) and the emergence of qualified people investing different spaces, the migration issue is becoming a critical one in the relationships between North Africa and receiving countries. This “Diaspora” living abroad creates a system of very tight human, economic and cultural links with the home country. Its economic dimension, given its development impact, is of particular interest.

⁶ The views expressed in this document are those of the author and do not necessarily reflect the views of UNECA-NA.

⁷ For the Economic Commission for Africa, North Africa covers Algeria, Egypt, Libya, Mauritania, Morocco, Sudan and Tunisia.

The link between migration and development has become a major issue within the migration debate. The sending and receiving countries of transfers as well as the international organisations are showing a particular interest in these funds, their evolution and their allocations. This interest aims at optimizing their usage as financial support to development and at preventing their usage for criminal purposes such as money laundering, drug trafficking and terrorism⁸.

During a meeting in March 2004, the G7 Ministries of Finance indicated their wish to work for the reduction of transfer costs and the draining of transfers in the official channels. Three years later, the G8 in Sea Island expressed the same concerns by insisting on the role that could be played by international financial organisations (World Bank and IMF) in this field. It is significant in this respect that the report of the World Bank of 2006 focuses on the “Economic consequences of migration transfers”.

It is in this context that the Economic Commission for Africa has decided to organize an Expert Group Meeting with the objective to identify concrete and innovative measures that could be undertaken by members States, the private sector, organisations of migrants, the financial sector, universities and other stakeholders as to insert remittances and highly qualified diasporas in the North Africa development process.

In this respect, this study aims at analyzing the issue of transfers and assessing the importance of the North Africa Diaspora as to estimate the financial and human capital potential of migration. It is on this basis that recommendations would be made as to optimize the development potential of migration.

The study of the linkages between migration and development has to be undertaken at two levels: the first level is related to income transfers with their specific aspects: allocation of these transfers as well as the impact of these transfers on the different socio-economic sectors; the second level is related to the know-how transfer with its specific priorities: the evaluation of the know-how potential and the conditions of its participation in the development of the respective countries.

⁸ In this respect, the G7 and the European Union presidency had created a FATF work commission (Financial Action Task Force on Money Laundering). The work commission gathered 29 countries. Currently and mainly following the events of September 11th, 200 countries have signed the FATF Action Plan.

I. FINANCIAL TRANSFERS

Before analyzing the issue of remittances, there is a need to assess the importance of the actors. Available data highlight the importance of migration in countries like Morocco and Egypt. In these two countries, migration has become a societal phenomena and even a culture. According to investigations led in countries such as Morocco, the tendency to emigrate remains very high⁹.

Table N°1 North Africa Migration

Origin / Year	European Countries	Arab Countries	Other Countries	Total
Algeria 1995	991,796	66,398	14,052	1,072,26
Egypt 2002	463,000	1,912,729	388,000	2,736,729
Morocco 2004	2,616,871	282,772	189,447	3,089,090
Tunisia 2003	695,765	116,926	30,513	843,204

Source: CARIM: Mediterranean migrations. 2005 Report - European University Institute & European Commission - p 373

This important migration stock is an indicator of the relevance of the issue of remittances sent from the different receiving countries. However, it must be highlighted that to address the transfer issue some methodological aspects need clarification.

⁹ According to a 2004 investigation, 37% of young people aged 18-24 wish to emigrate whatever the conditions are; 25% would like to leave for in good conditions. These rates amount to 36% and 29% respectively for the 25 and 34 years categories. Cf. "La Maroc possible, Rapport du cinquantenaire, Dar Annachr, Casablanca, 2006. The CERED investigation among teenagers in Marrakech semi-urban and rural areas shows that 68% of boys and 46.2% of girls in the semi-urban area are ready to emigrate. These proportions represent 59% and 37% respectively in the rural area. Cf. Filali, H, « Socialisation extra-familiale de l'adolescent(e) » p. 257 in. Ajbilou, A. (dir) « *L'adolescence en question: Analyse des résultats de l'enquête sur les adolescents dans les milieux semi-urbain et rural de Marrakech* », CERED, Rabat, 2004, pp 235-263.

I.1. Transfers of income

Remittances have an important impact on both micro and macro-economic levels as they represent a good source of foreign currencies for north African countries. The total income of the migrant can include different elements:

- Direct income: mainly salaries or wages earned thanks to a professional activity of the immigrant to which must be added the potential contribution of the spouse. As far as this contribution is concerned, we should point out that the rate of female activity is different from one country to another, this rate being higher in countries of recent immigration (Italy, Spain and the Gulf States) where female immigration is young, individual and autonomous. In the traditional receiving countries it is the new female generation that is entering the labour market.

- Indirect income includes:

* Family allowances given to the immigrant. This is because in countries that applies modern labour law (in Europe and in North America mainly), the immigrant is granted the same labour rights as local workers when he lives with his family in the receiving country.

* Non contributory allowances, including social security, medical and social grants and unemployment aid.

In the other receiving countries (case of oil-producing countries), the law guarantees these allowances to the immigrants in very limited cases.

How is this income used by the immigrants and what is their saving propensity? In this respect, it must be pointed out that the ability of immigrants to save depends mainly on two factors: (i) the general living conditions in the receiving country (ii) the level of integration of the migrant and his adhesion to the dominant mode of consumption. Finally, the saving propensity depends on the objectives set by the immigrant in his/her migration project while the perspectives of the immigrant represent a decisive factor in the use of the available income. Overall, the migration project is an economic project based on the gathering of a maximum saving which “for the immigrant, it is not the remainder between income and consumption but, on the very contrary, it is the element that has to be maximized. The behavior of saving is an active and not a residual behavior”.

I. 2. Problems of definition and assessment

The remittances of immigrants remain an ambiguous notion, difficult to define because of the diversity of transfer practices and the lack of control of all the circuits used for that purpose. The forms taken to send them are numerous and there are “visible” official circuits and “invisible” unofficial circuits:

- The first ones are the official circuits and are taken into account in the balance of payments as “transfers without counterpart”. Some transfers are made by social or employers’ institutions for the benefit of the immigrant or the family, such as annuities, pensions, family allowances, medical expenses, etc.

- The second ones escape from official statistics and include several operations¹⁰ :

* Liquid assets taken in by the immigrant when coming to the home country on holidays or that is sent through a third party. These flows use informal networks of money gathering and transfer to home countries, made of family and commercial networks. When they are not deposited in the bank, these transfers supply foreign currencies to the parallel exchange market.

* Compensations between compatriots, a mechanism that takes place when the immigrant pays in the home country purchases or invoices for a compatriot. In return, his account in his origin country or the account of his family is credited in national money. This form of transfer is used due to the fact that currencies of the origin countries are not convertible and foreign exchange is controlled.

* Then we have all tangible assets that are brought in the home country by the immigrant when he comes back for a stay, like for instance cars, jewels, domestic appliances, furnishings, electronic material, etc. These products are aimed either for personal consumption or for resell in the informal economy (small trade).

In Algeria, the “suitcase trade”, even if reducing due to the relative opening of the Algerian economy, remains significant. According to some estimates by the Algerian authorities at the beginning of the nineties, this trade would have

¹⁰ According to the World Bank, unofficial transfers represent 50% of official transfers, that is to say a total of 250 billion US\$ for developing countries.

represented the equivalent of more than US\$ 2.5 billion annually. This is a considerable amount since it represents between 15 and 20% of the total volume of imports¹¹. In Morocco, a survey covering two main centres of emigration (Nador in the North and Tadla in the Centre) estimates these transfers between 30% and 50% of financial transfers¹². Another investigation undertaken by CERED¹³ indicates that 20% of families receive transfers in kind: the absence of some goods in the national market and the prestige of foreign goods are the reasons behind the fact that cars belonging to migrants, during summer holidays, are overloaded with products for family use but also for resell. The examples of Torino souk in Khouribga and the car market in El Broj, two markets supplied by a network of migrants living in Italy, reveal the scope of these tangible transfers. In Egypt, between 1976 and 1983, 60% of transfers have been made in kind when the government authorized importations of goods by Egyptian working abroad¹⁴. In Tunisia, transfers in kind include equipments purchased for the realization of economic projects (transport projects or small building companies)¹⁵.

Generally speaking and according to a study by the EIB (European Investment Bank) on North African migrants living in Europe, the rate of unofficial transfers reached in 2004, 34% in Morocco, 20% in Tunisia, 57% in Algeria, 56% in Egypt and could reach 80% in Sudan¹⁶. According to other estimates, these transfers that often fall outside official statistics represent huge amounts in several countries, ranging from 10 to 50 percent of the total amount of transfers¹⁷.

¹¹ Cf. Safir Nadji: «Migratory Dynamics in the Maghreb». IOM /UNFPA - Policy Workshop on Emigration Dynamics in the Arab Region, Geneva, Switzerland, October 7th-8th, 1996

¹² GERA: «Localised Study on the Impact of Transfers by Moroccans Residing Abroad ». Final report. Faculty of Arts. Rabat 1994

¹³ See CERED, 1996 - International Migration. Acts of the seminary on international migrations (study series), Rabat, Morocco

¹⁴ El Sakka M.I.T., 1987 - «Migrant Remittances and the Balance of Payments: The Egyptian Case, *Population Studies* (Cairo), vol.13, pp. 87-103. Quoted in Yves Charbit: «Transfers, returns and development, data, concepts and issues» POPINTER.2007

¹⁵ Bel Haj Zekri: Savings Remittances and Investments: case of Tunisia. In intensive thematic section: Migrants' remittances and investments in home countries. CARIM Florence, January 24th-26th, 2007.

¹⁶ See Mohamed El Amine Fares: Transfers of Migrant Workers to the Arab Region: Features and Effects. ESCWA/SDD/2006/WG.1/5

¹⁷ OECD: International Fund Transfers of Emigrants and their Role in the Development. DELSA/ELSA/MI, 2005

So, official transfers represent only a part of total transfers. Normally, these transfers are posted in three headings in the balances of payments:

- Worker remittances for current transfers of workers living in foreign countries for a period of more than one year
- Employees' compensations of workers living for a period of less than one year and who are often seasonal and temporary workers
- Worker remittances representing the funds that are taken in or out by the migrant himself.

In 2005, the volume of these official transfers all over the world reached US\$ 232 billion of which US\$ 167 billion were sent to developing countries. What is the part of North Africa in these transfers?

I.3. Volume and extent of transfers

Being one of the main centers of emigration, North Africa is also one of the main regions receiving remittances.

A. Volume of transfers

Remittances have followed the following trend between 1996 and 2004.

Table N° 2: **Transfers received by the North African countries between 1996 and 2004 (Million US\$)**

Year	Mauritania	Morocco	Algeria	Tunisia	Egypt	Sudan
1996	4.00	2165.48	-	735.56	3107.00	220.20
1997	3.00	1892.81	-	684.51	3297.00	416.40
1998	2.00	2010.64	-	718.35	3370.00	686.50
1999	2.00	1938.11	-	761.24	3235.30	664.10
2000	2.00	2160.96	-	795.95	2852.00	638.20
2001	3.00	3260.92	-	927.22	2911.4	730.40
2002	-	2877.15	-	1070.52	2893.1	970.19
2003	-	3613.92		1250.33	2960.9	1218.36
2004	-	4220.84	2460.00	1431.59	3340.7	1401.23

Source: IMF: Balance of Payment Statistics database and browser; ECORYS: Study on improving the efficiency of worker's remittances in Mediterranean countries (Page 32); CARIM: Migrants' remittances and investments in home countries. Robert Schuman Centre for advanced studies. Florence, 24th-26th January 2007.

This table should be read taking into account the following facts:

- IMF statistics are sometimes different from the receiving countries. On one hand, it may be due to the nomenclature chosen to post these funds and on the other to the naturalizations of migrants according to which a Moroccan migrant, for example, naturalized in France becomes a Frenchman but remains a Moroccan as far as Moroccan statistics are concerned.

- The shortcomings of statistics in Algeria and Mauritania. In Mauritania, migration remains quite low due to the demographic size of the country, which has direct consequences on the volume of transfers. The downward trend registered is probably due to the predominance of unofficial circuits. The difficulties to assess volume transfers in Algeria are due to the predominance of unofficial channels and to the “suitcase trade”. But with the reduction of the gap between the official exchange rate and the one of the parallel market as well as the opening of the Algerian economy, unofficial transfers tend to decrease. The suitcase trade tends to be replaced by the “container trade”. In the case of Algeria, information is available on transfers by Algerians living in France and in the Maghreb:

Table N° 3 Financial transfers of Algerians living in France and in the Maghreb between 1998 and 2001 (US\$)

Country/Year	1998	1999	2000	2001
France	281,949,082	136,029,937	124,069,354	157,632,398
Of which:				
-Savings on salary	1,158,111	1,383,898	597,878	1,653,977
-Pensions and annuities	3,376,351	33,915,637	15,830,556	49,691,955
-Money orders	247,074,620	100,730,402	107,640,920	106,286,466
Tunisia	136,772	190,713	43,070	72,095
Of which:				
-Savings on salary	127,233	188,978	19,819	24,193
-Pensions and annuities	9,539	1,735	23251	47,902
Morocco	10,981	2,869	4,359	10,964
Of which:				
-Savings on salary	9,973	2,215	123	838
-Pensions and annuities	1008	654	4236	10126
Exchange operations when entering the country	4,584,492	6,830,475	7,233,503	6,061,113
Grand total	286,681,327	143,053,994	131,350,286	163,776,570

Source: Bank of Algeria- year 2002

- Transfers depend of course on the volume of migration but also on the level of salaries in the receiving countries. For example, the volume of migrations in Egypt is equivalent to the Maghreb countries but the transfers received by these countries are two and a half higher than the ones received by Egypt.

- Transfers from Arab countries are generally lower than the ones from Western countries because of the level of salaries but also because of the US\$ exchange rate, US\$ being the currency of these countries. For example, the average transfer per Egyptian migrant reaches US\$ 808 in Arab countries and amounts to US\$ 1683 in other receiving countries¹⁸. However, the UAE¹⁹ represent an exceptional case because this country is ranked among the countries belonging to the higher bracket in terms of transfers per capita with an average per migrant ranging between \$ 3,000 and 4,000. The UAE is thus ranked among a group of countries with high levels of salaries such as the United States, Great Britain and Germany. In Morocco, this statement is to be nuanced as transfers per capita are higher in the Gulf States where the higher average is registered by the UAE (10,180 Euros on average)²⁰ followed by Bahrain (5,114 Euros) and Saudi Arabia (2,627 Euros) whereas the average in France is not more than 1,496 Euros; 1,324 Euros in Italy and 1,241 Euros in Germany²¹. This level of transfers is due to a strong presence of Moroccan executives in different sectors of the administration and in the private sector.

- The trends of transfers show differentiations among countries of the region. If in Mauritania the low number of transfers is explained, as we said, by the poor volume of migration and probably the extent of unofficial channels, in Morocco as well as in Tunisia and Sudan, transfers tend to grow steadily. This statement contrasts with the case of Egypt where transfers decreased by 14.7% from 1990 to 2003.

- In these different countries, the effect of September 11th has been felt. Transfers increased by 51% in Morocco (60% according to Moroccan data), 16.5% in Tunisia (20% according to Tunisian data), 14.42% in Sudan and strangely by a little bit more than 2% only in Egypt. This exceptional increase in transfers was aimed at seeking a better security for this savings in the home country.

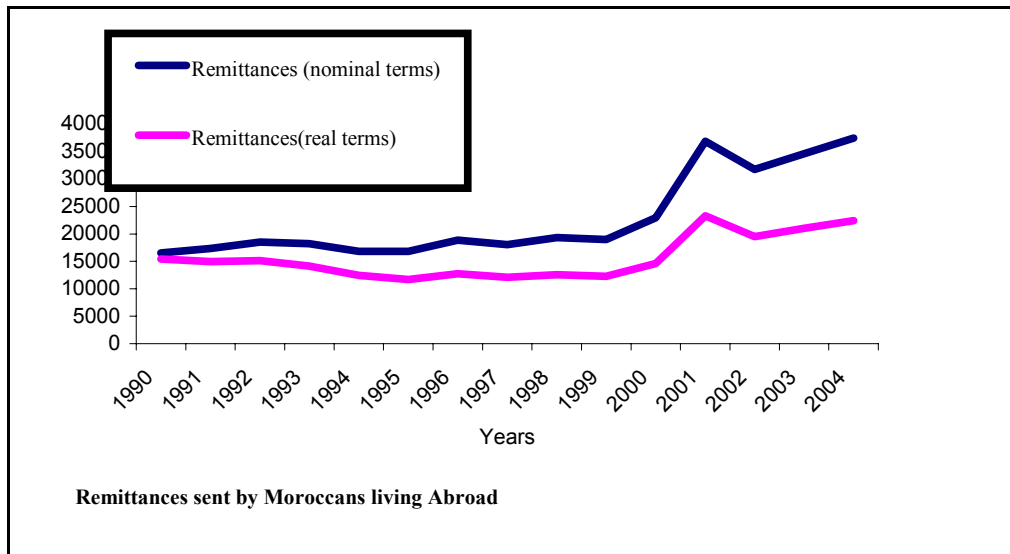
¹⁸ Mohamed El Amine Fares : Transfers of Migrant Workers to the Arab Region, op.cit.

¹⁹ United Arab Emirates

²⁰ 1 Euro = 11 Dirhams approximately

²¹ These figures are calculated based on an approximate number of legal migrants in these countries where the proportion of illegal migrants is quite high

- This upward trend is particularly important in Morocco where the volume of official transfers (in nominal value) has been multiplied by more than 27.5 in 32 years, rising from 1,557.2 million Dirhams to 42,900 million Dirhams between 1974 and 2006. This upward trend is mitigated if we consider monetary erosion. In fact in real terms remittances of Moroccans Residing Abroad (MRA) have evolved as follows:



All these transfers are a good indicator of the emotional attachment migrants have for their home country. Studies undertaken in France, the main receiving country for Maghreb emigration, as well as in their countries of origin revealed the “financial behaviour” of migrants from the Maghreb.

One of the main conclusions of these studies is the “strong transfer propensity” of North African migrants. Compared to other groups of immigrants who have been interviewed (Italians, Spaniards, Portuguese, Yugoslavs and Turks), the share of North Africans is always higher than the average. In fact, this conclusion supports the hypothesis according to which the saving capacity of immigrants decreases with the level of

integration in the receiving country as illustrated by the case of Spanish and Italians, two communities that have long been integrated in the receiving country²².

Among the Maghreb countries, the regularity of transfers is confirmed, except for Algerians.

Moreover, “transfer propensity” seems to be higher among emigrants from rural origin because of a traditional saving behaviour, the sobriety of their consumption mode and their attachment to their region of origin. This attitude is more flexible with young people and migrants of urban origin. These factors seem also to affect the choice of investments.

In the Gulf States, saving propensity is inhibited by the level of salaries that is much lower than in European countries. However and considering the type of migration which remains a temporary migration²³, a saving effort is made by the migrants in order to transfer the maximum of their income to their home country.

In Morocco, an investigation carried out by the National Institute of Statistic and Applied Economy/INSEA (Institut National de Statistique et d’Economie Appliquée) among a sample of 1,239 migrants, has shown that more than 9 Moroccan migrants out of 10 (94%) had transferred funds to Morocco during the five years covered by the investigation and approximately 60% declared they had transferred at least a quarter of their annual income²⁴.

²² Lebon, A. 1984: "The Use of Funds Transferred by Migrants in their Home Country". International Migration Magazine - Geneva 1984

²³ In oil-producing countries, migrants are not recognised as such but as “wafidines”, that is to say those who come from abroad and are supposed to leave the country after a limited stay. This status combined to the absence of a modern labour law remove some advantages from North African migrants in terms of social security and other services granted to nationals.

²⁴ INSEA: Moroccans Residing Abroad. A Socioeconomic Investigation. El Maarif El Jadida Printing House. 2000.

Table N°4 Part of the income transferred to Morocco in % of migrants

Part of transferred income	% of migrants
None	0.3
Less than quarter	40.3
From a quarter to a third	24.8
More than a third to half	18.1
More than half	15.5
Other	1.0
Total	100.0

Source: INSEA Investigation 2000, p. 165

Compared to the investigation carried out by the National Foundation of Political Sciences (Fondation Nationale des Sciences Politiques), the percentage of those who transfer funds has slightly increased since it was 89% in 1975. It is undeniable that the saving and transfer propensity among migrants from the Maghreb and among Moroccans in particular, is high. This propensity is significantly high among illegal migrants as well as temporary and seasonal workers. Moreover “low level of education is closely related to high level of transfers”. It is very likely that this behavior has not much changed considering the difficulties met by this profile of salaried people to be integrated in the receiving societies²⁵. It must be indicated in this respect that, unlike the lessons learned from standard economic theory, for the migrant, the residual function is consumption and not saving because the migrant first determines the amount of money that must be saved: the “saving objective” has to be reached before the rest that is dedicated for consumption and this is in order to meet short-term economic objectives set from the very beginning (house, car, land, etc).

²⁵ Khachani Mohamed : Moroccans from Abroad: the Migratory Issue Put to the Test of the Euro-Moroccan Partnership. Publications of the Moroccan Association of Study and Research on Migrations. Rabat. 200. P 178.

Moreover, mention should be made that Libya is the only sending remittances country of the region as it is a country of immigration:

Table N° 5 Transfers sent from Libya 1996-2004 (in million US\$)

Year	1996	1997	1998	1999	2000	2001	2002	2003	2004
Transfer amounts	271.52	192.03	207.88	213.02	445.00	675.00	684.00	644.00	755.00

Source: IMF: Balance of payment statistics database and browser. 2006

However, despite the relatively low volume of transfers, other North Africa countries are also sending remittances countries. Amounts transferred in 2004 reached US\$ 13 million in Egypt, 19 million in Tunisia and 42 million in Morocco, which represented in the last two cases less than 0.1% of GDP²⁶.

B. Incentives

These financial flows have been stimulated by several factors among which we find on the economic policy and the establishment of institutional structures. In the Maghreb countries, successive devaluations have boosted these transfers and even led to exceptional increase in Morocco, in 1986 (+30%) and in 1990 (+48%) and in Tunisia, in 1987 (+40%).

Another incentive to send remittances is the inflation rates registered in the countries of the region particularly in Morocco and Tunisia, following policies of structural adjustment. These rates remain among the lowest in developing countries.

Money transfer companies, the bank sector and the post office also played an important role in the draining of these funds. The importance of each channel varies from one country to another.

Besides, transfers seem also to be stimulated by the implementation of institutional arrangements in the countries of the sub region. In Tunisia, the creation of the

²⁶ Philippe Fargues: Introductory Report, in CARIM: Migrants' remittances and investments in home countries. Robert Schuman Centre for advanced studies. Florence, January 24th-26th, 2007.

Office des Travailleurs Tunisiens à l'Etranger, de l'Emploi et de la Formation Professionnelle, OTTEEF (Office of Tunisian Workers Abroad, of Employment and Vocational Training) dates back to 1966. This initiative is supported by other measures such as advantages granted to Tunisian living abroad, the creation of a coordination commission between the Office of Tunisians Abroad and representatives of expatriated Tunisian businessmen, a series of symposia, seminaries and other awareness meetings for Tunisians living abroad, etc.

In Morocco, the Emigration Office (Ministry of Employment and Social Services) was created in 1968. This institutional system was improved during the nineties. The creation of the "Ministry in charge of the Affairs of the Moroccan Community Abroad" dates back to 1990. This initiative was supported by the creation of the Hassan II Foundation for Moroccans Residing Abroad. The ministerial department was transformed into a State Ministry attached to the Ministry of Foreign Affairs and Co-Operation, in charge of the Moroccan Community Abroad. Several initiatives have been undertaken by the public authorities as well as the civil society to organise meetings aimed at discussing the different aspects of the migration-development issue.

In Algeria, the nineties represented a turning point in the attitude of the authorities towards the migration issue. This change of attitude is due to the fact that the country became aware of the potentialities held by the Algerian immigration whereas the country was suffering a period of economic crisis mainly due to the sharp fall in oil price in 1986. Thus, as of January 1996, Algeria decided to create a State Ministry attached to the Ministry of Foreign Affairs, in charge of the national community abroad. To strengthen its prerogatives and to coordinate the work of the various national institutions involved in the management of the national community abroad, Algeria decided, in 2002, to link this State Ministry to the Head of the Government. This initiative has been supported by other measures such as the organisation of meetings like the "National Conference of the Algerian Community Abroad" (May 12th-14th, 1995) or the "Forum of Algerian Investors Living Abroad" (2nd meeting in Algiers from June 26th to 29th, 1995). In Egypt, the migration issue is entrusted to the Ministry of Employment and Immigration. This whole array of measures led to a better contribution of migrants to the economic development of their home country particularly through the promotion of money transfers.

C. The transfers in comparison with some aggregates

The economic importance of the transfers for the receiving countries can be better assessed when they are compared to some macroeconomic aggregates such as the gross domestic product, imports and exports.

Table N°6 Comparison of official transfers with some aggregates (2000 and 2004)

Country	Transfers/GDP		Transfers/Import		Transfers/Export (FOB)	
	2000	2004	2000	2004	2000	2004
Morocco	6.5	8.4	18.7	23.9	29.5	43.3
Algeria	-	0.6 (2002)*	-	12.0	-	6.1
Tunisia	4.1	4.9	9.3	10.8	13.6	14.3
Egypt	3.3	3.4	17.5	16.9	40.4	27.2
Sudan	4.9	6.4	41.1	34.4	35.3	37.1

Source: *www.worldbank.org: World Development Indicators Database, August 2003. The other data are from the Manual of Statistics of UNCTAD 2003 (www.unctad.org) & Mohamed El Amine Fares: Transfers of Migrant Workers to the Arab Region, op.cit.

In Algeria, which has the highest GDP of the region after Egypt (respectively US\$ 65,995 million and 82,427 against 44,491 in Morocco; 24,282 in Tunisia and 1,128 in Mauritania), the importance gained by hydrocarbons in the economy and the existence of organised unofficial networks to send remittances, explain the relatively low share of remittances compared to these aggregates. However, remittances represent the second source of foreign currency after hydrocarbons.

Egypt shows a downward trend as remittances, which represented in 1993-94 the equivalent of 104.5% of exports, represented only 27.3% in 2005-2006. Moreover, compared to oil income, transfers that represented 196.9% in 1993-94, saw their proportion decrease by 49.2% in 2005-2006. Compared to tourism revenues, transfers represented during the same period 196.1% and 69.6% respectively²⁷.

²⁷ Heba Nassar: Remittances Flows and Trends: The Egyptian Case. In CARIM: Migrants' remittances and investments in countries of origin. Robert Schumann Centre for advanced studies. Florence, January 24th-26th, 2007.

In Morocco, remittances are vital for the economy. In 2005, they represented the main source of foreign currency, followed by tourism (conceived as a strategic economic sector with the objective to reach 10 million tourists in 2010). Transfers exceeded all foreign investments and private loans in Morocco (28,014.3 million Dirhams). They also represented the main current transactions revenue of the balance of payments, covering thus more than 47% of the deficit of the balance of trade (85,936.2 million Dirhams). These transfers, 40,737.7 million Dirhams in 2005, represented almost the equivalent of the 4 first export items in the balance of trade:

- Clothing (17,899.0 million MAD)
- Phosphoric acid (7,641.4 million MAD)
- Hosiery articles (6,847.2 million MAD)
- Electronic components (5,492.1 million MAD).

It is undisputable that in Morocco the main source of wealth is represented by the exportation of the workforce, either physical or intellectual. But mention should also be made that one of the main components of transfers is social transfers.

In Tunisia, for the period 1993-2005, remittances as source of foreign currency were classified third after the tourism and the textile and leather sectors. They represented 4% of GDP, more than 10% of current revenues and more than 20% of national saving. They contribute largely in reducing the external debt, up to more than 50% for the 1993-1999 period and 69.7% for the 2001-2005 period²⁸.

Available information about two countries, Morocco and Egypt, enable to assess the importance of these transfers compared with public aid to development.

²⁸ See Bel Haj Zekri: Savings Remittances and Investments: case of Tunisia. Op.cit.

Table N° 7 Comparison of transfers with Public Aid to Development (PAD)
(1990-2002)

	1990-1994	1996-1999	2000-2002
Morocco			
-PAD annual average	860	581	525
-Transfers /PAD	231%	345%	527%
Egypt			
-PAD annual average	3 822	1930	1290
-Transfers /PAD	124%	174%	223%

Source: World Bank: World Development Indicators 2004

In Egypt, remittances bring to the country as much resources as tourism, oil and Suez Canal revenues²⁹. There are multiple examples that indicate the weight of transfers in the balance of payments. But, unquestionably, it is in Morocco where transfers have more impact on the national economy. Remittances represented the main source of foreign currency, equal to the revenues from tourism (42 billion Dirhams) whereas it only represented half of these revenues in 1971, even exceeding all foreign investments and private loans in Morocco (33.1 billion Dirhams). In 2001, remittances represented the main revenue of current transactions in the balance of payments, that is to say 21.57% (against 10% in 1971), covering 84% of the trade deficit (MAD 43,641 billion). Remittances represented the equivalent of more than 45% of exports against 4% in 1970. It would be interesting to compare these transfers with the main items in the balance of trade.

D. International Comparisons

Compared to other emigration countries and to a global volume of remittances equivalent to US\$ 225.8 billion at a global level in 2005 (according to the United Nations statistics), Morocco and Egypt occupy the tenth and fifteenth positions respectively. But if we exclude European countries known as being immigration countries, they reach the fifth and tenth positions respectively, behind India (US\$ 21.7 billion), China (US\$ 21.3 billion), Mexico (US\$ 18.1 billion) and the Philippines (US\$ 11.6 billion) in the case of Morocco. In addition to Morocco,

²⁹ Stalker P., 2001 – International migration – Oxford, New international publications, 114 p

other countries arrive ahead of Egypt like Serbia-Montenegro, Pakistan, Brazil and Bangladesh. It is important to say, in this respect, that France, Spain, Belgium, Germany and the United Kingdom arrive ahead of Morocco as remittances receiving countries.

Table N° 8 Main remittances receiving countries

Country	Fund transfers (in billion US dollars)	Cumulative percentage of the world total		Fund transfers (in billion US dollars)	Cumulative percentage of the world total
India	21.7	9.6	Pakistan	3.9	55.0
China	21.3	19.0	Brazil	3.6	56.6
Mexico	18.1	27.1	Bangladesh	3.4	58.1
France	12.7	32.7	Egypt	3.3	59.6
Philippines	11.6	37.8	Portugal	3.2	61.0
Spain	6.9	40.9	Vietnam	3.2	62.4
Belgium	6.8	43.9	Colombia	3.2	63.8
Germany	6.5	46.8	USA	3.0	65.1
United Kingdom	6.4	49.6	Nigeria	2.8	66.4
Morocco	4.2	51.5	Others	75.9	33.6
Serbia and Montenegro	4.1	53.3	Total	225.8	100.0

Source: Report of the Secretary General of United Nations 2006

Another way to assess the importance of transfers consists in looking at the amounts received per capita at the international level. The first country of the region, Tunisia, comes in the 25th position (US\$ 114) followed by Morocco (US\$ 111) positioned 29th. Several countries arrive ahead of both countries but most of them are small countries like Tonga, Barbados, Jamaica, the West Bank and Gaza, Malta, Cape Verde, Cyprus, El Salvador, etc. This ratio amounts to US\$ 46.9 in Egypt and US\$ 42.1 in Sudan.

Table N° 9 30 first developing countries with highest remittances per capita, 2002

COUNTRY	Transfers of funds per person	COUNTRY	Transfers of funds per person	COUNTRY	Transfers of funds per person
Israel	583	Dominican Republic	289	Korea	159
Tonga	563	Slovenia	288	Belize	154
Barbados	512	Cyprus	280	Mauritius	139
Jamaica	510	Macedonia, ex-Yug. Rep.	278	Czech Republic	132
Jordan	431	Latvia	270	Tunisia	114
West Bank and Gaza	344	Bosnia-Herzegovina	234	Mexico	114
Malta	332	Albania	229	Chinese Taipei	113
Cape Verde	321	Vanuatu	209	Ecuador	112
Croatia	320	Guatemala	174	Morocco	111
El Salvador	317	Guiana	167	Honduras	109

Source: IMF, Statistic Directory of the Balance of Payments 2003; World Bank, World Development Indicators 2003.

Note: “Remittances” refer to “employees’ compensations”, “workers’ remittances”, and other “current transfers in other sectors”.

E. Channels of transfers

The most famous international money transfer companies are Western Union and Money Gram. These companies, which are financial institutions and not bank institutions, are authorized to carry out bank operations provided that the money is not credited on a current account from which money can be withdrawn by check. The company most present all over the world is still Western Union: in 2002, they had more than 170,000 offices all over the world representing 26% of the world market share³⁰.

³⁰ OECD: International money transfers of emigrants and their role in the development .Op.cit.

The banks that have implemented money transfer mechanisms request the remittances sender to own a current account in the host country and, on the other side, the beneficiary to hold an account in a home country bank. The main obstacles encountered by the population willing to use this mechanism are the legal status (illegal immigrants cannot open bank accounts), the poor extension of banking services in the home countries, the lack of information that banks can be used to send remittances and the poor quality of the bank infrastructure in the country of origin of the migrant.

In North African, these transfers are stimulated by the presence of bank networks and money transfer companies serving as intermediaries. In Morocco, the use of the bank system is predominant to the detriment of the post office, which share has been steadily decreasing. Western Union signed an agreement with the Post Administration to ensure these transfers; and Money Gram signed the same agreement with the Banque Populaire and the Banque Commerciale du Maroc. In Tunisia, transfers going through bank networks represent 60% of all transfers against 40% for post offices. In Algeria, transfers go through several channels: the post office, which network includes more than 3,000 offices set up in nearly all districts of the country; Western Union, which makes use the post network since 2000; and banks in which foreign currency accounts has been authorized 1992³¹. In Egypt, the bank system includes some 3,000 agencies, the most important network of the region, which contrasts with a quite poor presence of transfer companies with only 89 agencies.

The presence of a bank network in the receiving countries represents an incentive that stimulates formal transfers of remittances. Morocco distinguishes itself in this respect by a quite extensive bank network operating in different receiving countries of its emigrants.

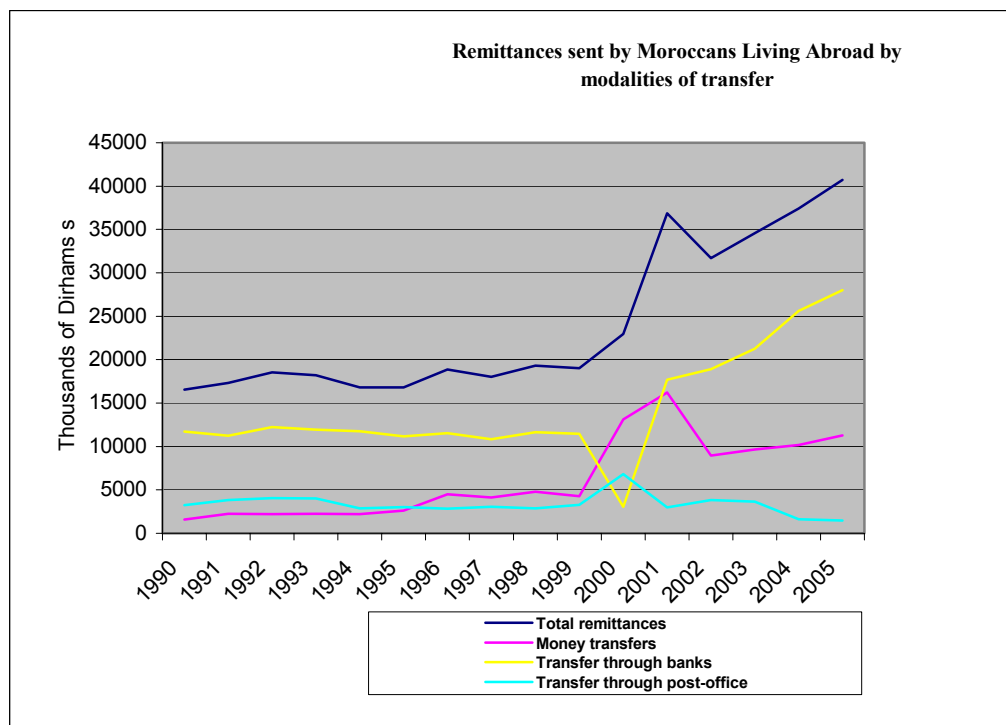
³¹ Nasr Eddine Hammouda & Musette Mohamed Saib: Economic and Socio-cultural Impact of Emigration on the Development of Algeria. In International Symposium: Impact of migration on the Moroccan Society. Organized by the Moroccan Association of Study and Research on Migrations and GTZ/Goethe Institute, Tangiers September 15th-16th, 2006

Table N° 10 Transfer agencies and companies in North African countries (2004)

	Morocco	Algeria	Tunisia	Egypt
Bank agencies	1,882	1,160	2,500	3,000
Money transfer companies' agencies	1,700	800	1420	89
Total	3,582	1,960	3,920	3,089

Source: FREMIP: Study on improving the efficiency of worker's remittances in Mediterranean countries commended by European Investment Bank. FIF/Reg/2005. March 2006.

In Morocco, detailed information on transfer modalities shows the following trend:



This trend was determined by the advantages and drawbacks of the different methods of transfer. Bank transfers remain the privileged method attracting approximately 69% of flows in 2005. The fall registered in 2001 was compensated by transfers in banknotes because remittances have not been deposited in the banks in the receiving countries.

Advantages and drawbacks of the different methods of transfer

Methods of transfers	Advantages	Drawbacks
Bank transfers	- Rapidity and security	- Expensive ³² – The beneficiary must have a bank account – Poor extension of bank network in rural areas
Money orders	- Low cost - Simplicity	- Sometimes very long time frame
Transfer companies	- Simplicity – Security – Extreme rapidity – Very extensive network	- Very expensive
Intermediaries	- Simplicity- Very low cost - Transaction confidentiality	- Variable time frame - Risk of misuse

The cost of these transfers varies according to the channel used, the amount, the country and the system: normal or express. However, the most rapid but most expensive system remains Western Union.

³² Transfer costs applied by the BMCE BANK, for example, are the following:

- 1.5% on the amount transferred with a minimum of 50 Dirhams
- Charge: 30.00 Dirhams
- Postage: 10.00 Dirhams
- Telex cost: 35.00 Dirham
- VAT: 7% on the total amount

As a matter of conclusion, it must be underlined that, considering the importance of remittances, North Africa decision-makers are faced with 2 challenges:

- How can we boost financial transfers or at least maintain their level despite the trend of migrants to settle permanently in Europe in the case of the three Maghreb countries and the restrictions put on migration by most traditional receiving countries?
- How can remittances be diverted from informal channels to formal ones?
 - Increasing sensitization?
 - Introduce different interest rates and, if possible, exchange rates?
- Faced with foreign investors' reluctance to invest in North Africa, how transform these transfers into investments that convey technology and know-how gained in the receiving country?

These challenges put migration at the heart of the debate over the relationships between Europe and North Africa, especially if we take into account the creation of the Free Trade Zone in which four countries are currently committed namely Tunisia, Morocco, Egypt and Algeria.

II. ALLOCATION OF TRANSFERS

II.1. Privileged sectors

In fact, the preferred investment remains the purchase or the building of a house. In the Maghreb countries, the purchase of a car remains an essential objective as well. These are the two main symbols of social success for the immigrant as well as for the family. According to a study by the EIB (European Bank of Investment), allocations of transfers are distributed as follows in 4 countries of North Africa.

Table N° 11 Allocations of transfers in 4 countries of North Africa (%)

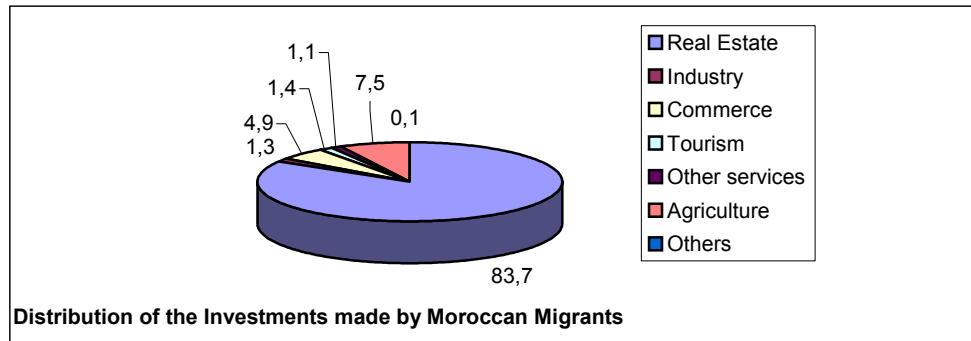
Allocation	Morocco	Algeria	Tunisia	Egypt
Daily needs of the family	46	45	-	43
Education expenses	31	13	23	12
Housing expenses	16	23	34	18
Investment	5	8	18	15
Others	2	11	25	12

Source: FEMIP, Op. cit.

The importance of the investment in “the stone” is confirmed by several investigations carried out particularly in Tunisia and Morocco. In this country, for more than 35 years, conclusions drawn from different investigations undertaken on this issue have highlighted the predominance of real estate investments³³. The investigation carried out in 2000 by the INSEA confirms also this conclusion³⁴.

³³ Belguendouz, A: “The General Context of the Moroccan Emigration Linked to the Problem of Real Estate in Morocco for the Moroccan Community Abroad”. CGI Study. Rabat 1991.

³⁴ INSEA: Moroccans Residing Abroad: a Socioeconomic Investigation. INSEA. 2000. P.196.



In Tunisia, despite a larger scope of sectors, housing occupies also the first place as concluded by the study carried out by the Office of Tunisians Abroad and the League of Arab States. Three main allocations have been underlined: 14% of funds transferred are allocated to consumption expenses (food, clothes, etc.), 23% have been used in other types of expenses (wedding, house renovation, pilgrim, etc.) and 63% have been allocated to the purchase of goods. In this type of expenses, housing occupies the first place with 38.3%³⁵. Except for real estate, it is in Tunisia where we have the most detailed data on migrants' investments:

Table N°12 Investments made by Tunisians living abroad (1991-2002)

Sector	Agriculture			Industry			Services		
	Number	Investment	Jobs	Number	Investment	Jobs	Number	Investment	Jobs
1991	50	2,071	135	296	11,777	2,795	874	8,905	-
1992	37	1,337	131	103	4,445	694	422	1,973	-
1993	76	4,327	297	183	6,467	1,246	500	6,733	2,520
1994	41	1,639	89	143	6,333	1,121	707	9,800	3,011
1995	33	1,371	48	151	5,733	1,137	917	18,067	4,524
1996	33	1,010	38	149	4,867	789	307	6,867	1,255
1997	52	1,386	67	140	5,133	763	153	3,867	708
1998	74	2,701	113	99	5,333	721	150	3,467	569
1999	66	1,185	72	122	4,610	856	152	2,822	606
2000	62	2,667	75	98	2,953	589	141	4,143	663
2001	46	2,097	56	91	2,047	676	168	4,091	865
2002	172	97,471,793	1,121	1,575	59,697	11,387	4,491	70,735	14,721

Source: Agency for the Promotion of Industry and Agriculture (APIA)

³⁵ Touiti- Ben Hamida : " Return and Reinsertion of Tunisian Migrant Workers: Main Trends and Impact on the Home Country". In: Le migrazioni maghrebine. Cacucci Editore, Bari 1995.

In Algeria, it is difficult to assess the impact of funds transferred by migrants due to the lack of information and the extent of “invisible” circuits. According to Nadji Safir, it is however important to insist on “their orientation, in priority, towards non productive projects and as a consequence, their poor impact on the economic growth factors, much needed by economies suffering crisis”³⁶.

The importance of investment in housing is perceptible in Egypt as well. An investigation led among migrants coming back to Egypt shows that the part allocated to housing in the rural area is slightly higher than in the urban area, that is to say 50.10% and 42.66%, respectively. Rural Egyptians seem to be highly motivated to replace the traditional clay housings by modern brick houses. The share deposited in banks is higher in the urban environment since bank agencies and the provision of bank services to the population are more available but this is probably due to religious reasons as well. The tenth of savings is allocated to economic projects such as the purchase of agricultural equipment, cars, stores and land³⁷. However, mention should be made that one third of migrants do not save any money.

Table N°13: Use of savings per region (in %)*, in urban and rural environments, Egypt

	Urban	Rural	Sample total
Economic projects	12.54	7.58	10.08
Bank	15.27	3.06	9.13
Investment companies	3.76	0.96	2.35
Gold and jewels	3.87	3.07	3.47
Housing	42.66	50.10	46.10
Others	8.49	8.23	8.33
No saving	30.43	35.59	33

Source: Mc Cormick, Barry and Jackline Wahba³⁸, * More than one answer is allowed.

³⁶ Nadji S, 1994: "Development Co-Operation: the case of Morocco, Algeria, Mauritania, Senegal, Mali, Niger and Burkina-Faso". In "Migration and Development Co-Operation" - Demographic Studies, N° 28 European Council 1994

³⁷ Mc Cormick, Barry and Jackeline Wahba: Return International Migration and Geographical Inequality. The case of Egypt quoted in Wahba Nassqar, op.cit.

³⁸ Quoted in Heba Nassar, .ci

II.2. The choice of the sectors

Considering what was said before, the overall economic impact of immigration in terms of productive investment is poor. Investments are made according to a microeconomic logic within local contexts in sectors like housing, real estate, trade and other services. However and due to a long stay in a blooming corporate culture for those living in Europe or in America; and as confirmed by some investigations, immigrants are beginning to invest in new economic sectors.

Real estate remains the dominant sector for the investments made by immigrants. The reasons for this choice seem clear. This investment has an affective value and when thinking about returning, the building of a house in the home country represents for the immigrant a solid security. In this respect, we should point out that investment in housing is often operated by emigrants living in bad conditions. Indeed, a study by the National Institute of Demographic Studies (Institut National des Etudes Démographiques) in France highlighted for the Moroccan population in France that “the worse the living conditions are for the immigrant, the higher the transferred funds to Morocco are and the more probability that the money will be invested in a house”. On average, 40% of immigrants have a house. This rate amounts to 81% for those living in homes, 51% for those who rent private dilapidated housing and only 25% for property owners³⁹.

When the goal of owning a house is reached, the other choices of investment sectors are conditioned by the profitability criterion. To the concern for a security of social type adds a security of economic type. Invested sectors are thus those with less risk and with immediate profitability (trade, real estate, services, etc.). Other parameters may intervene in the choice of invested sectors such as the knowledge of the sector and the relationships that the emigrant may have to easily enter the sector.

³⁹ INED: Immigrant Population in France in 1992. Paris 1992.

The small share of investments made in the industrial sector is probably due to the following objective reasons:

- The industrial sector requires huge amounts of capital that cannot be raised by the immigrant in general. Thus, to avoid bank harassment, the immigrant invests in sectors that require limited financing⁴⁰.
- The inappropriate entrepreneurial profile of the immigrant, mainly first migrants, who very often do not have the technical qualifications allowing them to venture into branches they do not master very well or do not master at all.
- Despite the efforts made, institutional mechanisms of assistance do not seem to have compensated for these shortcomings.

II.3. The economic impact of remittances

It is often assumed that investments made by immigrants do not have a great impact on local economic conditions. However, this assertion is to be balanced as the impact of the investment in housing is not negligible.

First of all, better housing conditions result in better reproduction of the workforce, as well as in better diet and better education for the children. Then, multiplying consequences of the sector are numerous. This type of investment brings energy to local economies through the proliferation of activities linked to the construction sector and the constitution of small enterprises (building materials, carpentry, ironworks, etc.), which lead to the promotion of direct and indirect job creation. Moreover, investment in the construction sector has speeded up the urbanization process. This phenomenon has deeply affected the regions of origin as well as most remote rural areas.

The urbanization process has also generated notable socio-economic changes such as the expansion of new mode of consumption, intensive monetization of the local exchanges, new relationships within the communities. The emigrant gains a new social status and in the rural environment becomes a notable from whom advice is sought by the family circle.

⁴⁰ See Hassan II Foundation for Moroccans Residing Abroad: Moroccans from Abroad & Development. For a new investment dynamics, Rabat 2005.

However, while investments made in real estate help reduce the housing deficit in the origin countries, some negative effects have been noticed such as land speculation that comes together with this type of investments. It is also assumed that transfers promote consumption and not development. This idea must be mitigated inasmuch as consumption increases demand, which has a positive effect on the economic activity.

In the agricultural sector, migration has had contradictory effects. If the departure of young people leads to the decline of the agricultural economy in some regions and sometimes a weakening of the relationships between these individuals and land, in other cases, transfers can have significant effects. Indeed, the intervention of migrants in the rural environment enabled improvement of agricultural activities with an extension of the surface area and the modernization of the production means in family farms. In several cases, immigrants became avant-garde agents in the spreading of technical innovation. In Tunisia for example, and thanks to authorizations of customs exemption for the importation of agricultural equipments, immigrants contributed, through the renting system, to the development of the mechanization of agricultural works, particularly in the North West and the Centre West⁴¹. In Egypt, the same phenomenon is observed as transfers helped improve the exploitation of land and the purchase of agricultural equipments.

Concerning the impact of migration on the family who stayed in the country, social effects are significant particularly when it comes to the level of education of children and the reduction of poverty. A study on the impact of these transfers and investments made by migrants on the standard of living of Moroccan households brought out that 1.2 million Moroccans escape from poverty thanks to remittances sent by those residing abroad⁴². In Egypt, according to a research led in 1986-87 among 1,000 rural households in three villages of Minya, the number of households who were living in poverty decreased by 9.8% when the income of the household included transfers⁴³.

⁴¹ Belhadj Zekri. A, 1996: "Emigration, Space and Investment in Tunisia". Communication presented during the fourth international meeting on North African migratory flows. Oujda May 29th-30th, 1996.

⁴² Bouchachen Jamal, 2000 : "Impact of Transfers Made by Persons Residing Abroad on the Reduction of Poverty: Case of Morocco" Symposium organised by the "International Association for Official Statistics": Statistics, development and human rights. Montreux, September 4th-8th, 2000.

⁴³ See Adams Richard: The Effects of International Remittances on Poverty, Inequality and Development in Rural Egypt. Research Report 86. Washington DC, IFRI quoted in Heba Nassar , op.cit

Moreover, the exile of the husband or the male family support increases the importance of the woman (the wife, the mother, the eldest sister, etc). In fact, she becomes the head of family. According to an investigation carried out in Morocco, the phenomenon is more visible in the city (1 case out of 3) than in the countryside (1 case out of 6) where the system of enlarged family and traditions limits the probability for the woman to take the control that often falls to the father or another male member of the family⁴⁴.

As for the regional impact of investments, the absence of structures in some regions may lead to a concentration of remittances in more developed regions. The Moroccan case is edifying in this respect: the 1993 distribution per community of deposits and credits indicates that the Eastern provinces as well as the Rif, two main centers of the Moroccan emigration, represent 16.58% of deposits but benefit from only 2.18% of credits. As a matter of comparison, Casablanca represents 34.11% of deposits and captures 61.96% of credits⁴⁵. Due to the lack of appropriate structures, the development of these generating migratory flows areas cannot be triggered only by the available remittances.

Remittances are helpful in increasing the liquidity of the economy and to boost the bank system. The case of Morocco is edifying in this regard. In 2005, deposits by Moroccan migrants reached 87.8 billion Dirhams, showing an increase of 7.5% and representing 23.7% of total deposits⁴⁶. Those deposits were composed of 54.5% short term deposits and of 41.9% long term deposits. Deposits in foreign currencies and in convertible Dirhams amounted to barely 4.3% of total deposits by Moroccan migrants⁴⁷. This situation proves well that Moroccan banks are highly dependent on migrants' deposits.

⁴⁴ Eurostat: Attraction and Repulsion Factors at the Origin of International Migratory Flows. National Report - Morocco, prepared by Fadlollah.A, Berrada.A, and Khachani.M 2000.

⁴⁵ Bank Al Maghrib Report 1993

⁴⁶ It must be reminded that the exchange regulations allow Moroccans Residing Abroad to hold two types of accounts with Moroccan banks: one account with convertible Dirhams (input in foreign currencies denominated in MAD) and one account in foreign currency. The revenues of deposit accounts that are generated are exempted from tax. In 1993, a circular of the foreign exchange office (N° 1607) pointed out that the initial deposit must equal or be higher than the exchange value in foreign currencies of MAD 100,000. This constraint has been cancelled by another circular in 1995. Since then, the opening of an account takes place freely upon simple request by those interested, whatever the amount in foreign currency given as initial deposit. In case Moroccans Residing Abroad wished to re-export the whole or only a part of the currencies repatriated with an exchange value higher than MAD 50,000; they must file a declaration with Customs at the boarders.

⁴⁷ Besides, it must be said that the MRA hold 20% of the capital of regional mutual banks.

As a matter of conclusion, it must be stated that, despite a low decline, remittances are mainly invested in housing, which is still considered the safer and relatively faster investment. In some countries, this investment has led to the existence of “phantom neighborhoods”. However, while a diversification process is beginning to emerge due to the new migrant profile, this is still limited in size and importance as it is mainly represented by small and micro projects in few countries (Tunisia and Morocco). It is at this level that measures need to be taken in order to focus the investment and facilitate the process as to maximize both the investment return and the utilization of the know how.

It is important to recall that the fortune of the migrants is not measured in monetary terms only. The skills and know-how they add up also play a critical role in the transfer of technologies and institutional knowledge. They also inspire new ways of thinking at both social and political levels.

If at the beginning of the migration flow, foreign active population was mostly integrated by a large proportion of low skilled workers, a traditional feature of the immigration sociology, a qualitative change is starting to happen: emigration is attracting the more and more people with a higher profile as well.

III. ELITIST IMMIGRATION OR "REVERSE TRANSFER OF TECHNOLOGY"

The “brain drain” expression has been used for the first time in English. The very first study on the issue appeared in 1968 but many others have been carried out afterwards. Then the expression “brain drain” has been removed and replaced by the emigration of qualified persons “because brains do not drain but skills do leave for elsewhere”. Thus, it is really a matter of emigration of qualified people. The notion of “brain drain” remained used until 1974 with the resolution of the United Nations Organisation for Trade and Development that created a new notion: “Reverse Transfer of Technology”. The issue tackled was not about brains and skills anymore but about the effects of this emigration on the economy.

The literature on “brain drain” dates back to the sixties. Literature concerning “mobility of talents” is quite recent. International institutions currently make reference to mobility of qualified workers, highly qualified workers, or of “global talents” as well (ILO). Currently, it is undisputable that a true battle is taking place at the global level to attract talents, the best ones in all fields. OECD countries counted 12 million very qualified migrants in 1993, aged 25 or more, while in 2000 they were nearly 20 million⁴⁸. According to a report by the ILO, nearly 400,000 scientists and engineers from developing countries work in the field of research and development in industrialized countries (against 1.2 million of their colleagues who stayed in the country of origin)⁴⁹.

III.1. Assessing the emigration of qualified people

In North Africa, immigrants, particularly those from the first generation, had in general a poor educational profile: high illiteracy rate, lack of qualifications and resources mainly based on selling their workforce. But this poor profile does not exclude that an elite has emerged in the receiving countries, coming from emigration, and who carries out activities, not related to their workforce, invading various economic and scientific spaces. This elitist migration began in oil-producing countries with the first emigration waves. Egyptian, Sudanese executives as well as from the Maghreb started occupying various economic and scientific areas in these countries.

⁴⁸ A/60/871

⁴⁹ L’ECONOMISTE N°1819 of July 26th, 2004

In Europe, the emergence of these elite seems to open new prospects of cooperation and partnership with the receiving countries. The formation of migrant elite in the receiving societies is a phenomenon in progress and which is likely to be strengthened in the coming years. These immigrant entrepreneurs may become the actors of a new type of relationships between the origin countries and the receiving countries.

In a world where the economy of knowledge becomes the lever of development, technical and professional skills gained in the receiving country, the huge potential of development in North Africa, the prospects of creating new activities generating employment, all represent important assets that deserve to be highlighted.

The migration of qualified persons is a phenomenon which is increasing in North Africa. However, if we have more or less reliable statistical data on the volume of migrants in general, the assessment of the scientific and financial elite remains a difficult task, this phenomenon being especially difficult to measure.

But it is unquestionable that the migration of highly qualified persons has sharply speeded up these recent years. According to the OECD estimates, 15% to 18% of migrants coming from Algeria, Morocco and Tunisia and living in the OECD countries have a university level, this rate being higher for Egypt (51%). In Algeria, many institutes and universities have been steadily emptying. For example, 70% of teachers of the Mathematics Institute of the University of Algiers went back to the country where they had studied. As far as they are concerned, many companies, exasperated by the number of their employees who fail to come back when sent for training, have decided to request from migrants the reimbursement of tuition fees as well as living expenses they invested for their training abroad⁵⁰. The Forum of Employers and the Association of Algerian Economists estimates⁵¹ indicate that more than 40,000 Algerian researchers have left Algeria since the nineties⁵².

⁵⁰ Khelfaoui Mohcine : “Emigration of Scientists in Algeria: Origin and Progress”. Symposium organised by the Moroccan Association of Study and Research on Migrations on the theme: “South-North Migration: The Issue of the Emigration of Qualified Persons” – April 27th-28th, 2001.

⁵¹ “El Watan” newspaper, October 3rd, 2006

⁵² Estimate considered alarmist by some researchers because the number of teachers and researchers of the Algerian University in total is estimated at less than 30,000 persons. The aim is to reach a number of 36,000 in the year 2010, according to official data from the Ministry of Higher Education and Scientific Research (2005). Nasreddine Hammouda & Musette, op.cité. See also on the Algerian case – Khelfaoui H., 2001, Emigration of Scientists in Algeria: Origin and Progress, in AMERM,

In Tunisia, the Office of Tunisians Abroad has data on Tunisian qualified migrants as well as on their distribution by specialty and region.

Table N°14 Distribution of Tunisian skills abroad

Regions /Specialties	Europe	America	Arab Countries	Africa	Asia	Total
Teachers/Researchers	755	521	26	16	07	1,568
Engineers/Architects	567	430	250	24	03	1,274
Doctors/Pharmacists	561	85	88	11	02	747
Computer Scientists	324	29	12	03	-	368
Lawyers	46	08	31	-	-	85
Businessmen	913	62	102	20	02	1,099
Other Senior Executives	868	364	410	63	07	1,712
Grand Total	4,034	1,499	1,162	137	21	6,853

Source: Office of Tunisians Abroad - Register of Tunisian qualified persons abroad. December 2006

III.2. Determinants of the emigration of competencies

The emigration of qualified people is the result of a combination of several factors. The logics that explain this emigration is both, endogenous and exogenous (push and pull factors)⁵³.

(i) Endogenous “push” factors are of different nature and do not have the same intensity in all the countries. Besides economic factors that are among the main reasons of migration in all its forms, other factors prompt more qualified people to expatriate themselves. These are:

acts of the symposium of the AMERM on “South-North Migration: The Issue of the Emigration of Qualified Persons” – Rabat, April 27th-28th, 2001.

⁵³ Ahmed Zekri: “South-North Elitist Emigration or Brain Drain: the Case of Morocco”. In international symposium organised by the Moroccan Association of Study and Research on Migrations on the theme: “South-North Migration: The Issue of the Emigration of Qualified Persons” - April 26th-27th, 2001. Faculty of Law, Agdal, Rabat.

- Political: The lack of democratic mechanisms ensuring equality of opportunities for all citizens. The mechanisms of “social promotion” not being based on merit (meritocracy), they do not provide all citizens with the same opportunities.
- Professional: the inability of the national economy to meet the wishes of those who get a high level of qualification.
- Social: total or partial unemployment often attributable to an inadequacy between education, employment and scientific and technological policies.
- The lack of bridges between universities and the economy is worsened by the failure of the entrepreneurial system, which is characterized by a lack of interest to research and development and a low level of technical capacities. In Morocco, if we exclude large industrial groups such as OCP, ONA, etc.... that carry out a research within the context of their development strategies and which tend to develop relationships with universities, small- and medium-sized companies (representing more than 95% of the Moroccan industrial base) are not much interested by research and are not very much innovative⁵⁴.
- The low budget allocated to research: in general. In Morocco, total expenses allocated to research are estimated by the Observatory of the Moroccan Economy International Competitiveness (Observatoire de la Compétitivité Internationale de l’Economie Marocaine - OCIEM) at less than 0.3% of GDP, much lower than the rates registered in developed countries (2.8% in Japan, 2.4% in the United States, 2% in the EU countries) and even lower than those registered in Tunisia and Algeria (nearly 1%) or in other countries with an intermediate level of development, like India (1%) and South Korea (2%).
- Other factors can be added to these shortcomings, such as the lack of intellectual stimulation facilities (laboratories, libraries, professional associations) and bureaucratic apathy (rigid hierarchical structures in companies and public institutions).

⁵⁴ According to an investigation carried out by the Ministry of Industry, Trade and Craft Industry within a sample of 250 industrial units, 50% have obsolete productive structures and as regards the number of executives, out of 100 employees, barely 5 on average hold a senior executive position and 6 a management position.

(ii) But the incubation of the emigration project is often triggered by exogenous factors. As we said before, the phenomenon is intensified by an international demand for qualified workforce. Globalization plays an important role in speeding up the emigration of the elite. Indeed, the opening-up of economies and markets has significant consequences on labour organisation. The restructuring of productive systems going along with this process leads to an increasing need in highly qualified personnel. In these new organizational configurations, innovation plays a key role and requires “the existence of a large breeding ground” of scientific skills⁵⁵. In that context, aggressive policies have been adopted like the “Green Card” in Germany, Canadian policies or the recent French “chosen immigration”. These policies result in the proliferation of recruitment companies and the multiplication of websites specialized in “head hunting”.

Other exogenous factors of professional type push this elite to pass from the latent stage to the act of emigrating. Among these factors we can include for example an attractive environment in developed countries with favorable working and living conditions such as:

- The search for excellence in an environment favorable to the development of capacities;
- Organizational flexibility;
- A competitive spirit;
- Prospects of job promotion and access to opportunities;
- Sectoral attractions linked to the new ICT professions.

These factors of professional type are supported by other more personal such as:

- Salary incentives, promotion systems and opened opportunities,
- Efficient social security systems,
- Possibilities to help their families and to have access to a large choice of studies for their children.

However, we have to admit that despite the importance for the receiving countries, the migration of qualified people is provoking reactions. In Germany, for example, the “Green Card” was a source of concern for German trade unions who were worried

⁵⁵ Cf. Jamal Bouiyou: “Scientific and Technical Networks and Technological Transfer. “Some Elements of Analysis through the Moroccan Experience”. Quoted in AMERM symposium

about the fact that these recruitments made in the international market of specialists, less paid in their home country, may lead to a fall in salaries⁵⁶.

In general, the pay of migrant executives is lower than the one of their counterparts in the receiving countries. They are often paid by recruiting companies that deduct, by way of commission, part of their salaries to their own benefit. Available data for the United States, based on an investigation led by the Professor Paul Ong (University of California in Los Angeles-UCLA), reveal that foreign immigrant engineers earned salaries lower by 30% compared to their American counterparts.

However, it is undeniable that the emigration of the elite can also be the fact of students in receiving countries. If we take into account the Moroccan case, and according to available data, more than 13% of the 34,430 Moroccan students continuing their studies abroad in 1997⁵⁷, did not return to Morocco. They form part of this global volume of foreign students who, according to the estimates of the UNESCO (1997), amount to 1.5 million distributed over nearly fifty countries but whose preferred destinations remain the United States (29% of total) and France (11% of total)⁵⁸.

In France, the first community of foreign students, which reached 221,567 persons in 2002-2003, was mostly represented by people from the Maghreb area⁵⁹. Very often, these students make a “one-way trip”⁶⁰. A large number of foreign researchers holding a doctorate or more, work in the National Centre of Scientific Research (Centre National de la Recherche Scientifique – CNRS). The Maghreb countries have more than 1,600 researchers working in this institution. To these

⁵⁶ REPORTER of January 4th-10th, 2001

⁵⁷ Statistical directory of UNESCO, 1997

⁵⁸ Germany (146,000 foreign students) is followed by the United Kingdom (129,000 in 1993-1994), the Russian Federation (73,000 in 1994-1995), Japan with 51,000 then Australia with 42,000; Canada with 35,000; Belgium with 35,000 and Switzerland with 25,000 for the year 1993-1994.

⁵⁹ See Abdelkader Latrèche: International Migration of Students: the Case of Students from the Maghreb in France. Thesis of 3rd cycle Paris I 1999.

⁶⁰ Moroccans are the first North African community; they represent 16% of foreign students in the universities, 26% in engineering schools and 11% in schools of commerce, management and accounting. For more details see: Fayolle Sarah: Migration of the Moroccan Academic Elite to France: A One-Way Trip? Social Sciences Master Thesis, René Descartes University, Paris 5, 2005

elite, we must add those working in universities and other specialized institutions⁶¹. Egyptian and Sudanese students, driven by the same linguistic and historical affinities, tend to choose the United Kingdom and the United States.

These qualified people trained abroad or in their own country are more and more lusted after by developed countries. The assessment of the recruitments of these skills is more difficult as traditional channels of recruitment tend to be supplanted by the net, which makes searching for needed talents where they are, in a quite rapid time limit and with a lower cost. According to a study carried out by STEPSTONE, a specialised site, the number of online CVs in the world increased from 25,000 in 1994 to 7.65 million in 2000 and probably 14 million in 2002⁶².

This trend is further sustained by the fierce competition among Northern countries. Having deficits on the same labour market segments, these countries adjust their efforts of recruitment towards some developing countries that have implemented efficient and costly educational systems.

In this respect, the Action Plan prepared by the European Commission plans to put a special emphasis on the most consensual migrating populations: first, the “brains” or highly qualified workers who prefer the United States, Canada or Australia to Europe; then the seasonal workforce, not very qualified, that would not enter in competition with European jobseekers. This Action Plan intends to grant “very qualified” foreigners, including students holding a “Doctorate”, a “residence permit coupled with a work permit” that will enable the beneficiary to circulate freely in the whole Union. It is a sort of European “green card”. “It is an essential measure to attract the qualified people we need”, explained Franco Frattini. Today, 54% of highly qualified foreigners go to the United States whereas 84% of not very qualified immigrants come to Europe⁶³.

⁶¹ Among these researchers, some reach levels of excellence in high-tech research which is the case of Malek Ghallab (called Mr. Robot) from the Laboratoire d'Analyse et d'Architecture des Systèmes, LAAS (Laboratory of Analysis and Architecture of Systems) who has been managing since 1995, the research group in robotics and artificial intelligence, a unit of the CNRS gathering 360 researchers and 26 associated laboratories. Cf. The 100 that Make Toulouse Move In L'EXPRESS N° 2525 from November 25th, to December 1st, 1999.

⁶² La Vie Economique of 14/9/2001.

⁶³ Le Figaro of December 23rd, 2005.

The branches where the largest deficit exists creating a war of talents are the Information and Communication Technologies (ICT). Recruiters of the entire world are battling for these specialists. A report by the SOPEMI (2001) indicates that the deficit in these specialties reaches 850,000 technicians in the United States and two million in Europe. In this continent, the deficit is relatively more important in Germany where it amounts to nearly 75,000 specialists in 2000 and should reach 250,000 computer scientists in the medium term⁶⁴.

Regulations on immigration are softened, while more restrictive immigration policies are adjusted according to the needs of the market in highly qualified people. The United States organize recruitments through a system of H-1B visas reserved to qualified migrants. The number of visas proposed was 110,000 in 1999 and should reach 195,000 in 2002⁶⁵.

In Great Britain, the authorities plan to increase by 500 Pounds (725 Euros) the entry right imposed to the 900,000 foreigners who migrate each year to the United Kingdom to work, study or join members of their families. To avoid hindering the migration of talents because of this entry right increase, the authorities are considering relaxing this requirement for the categories of immigrants they wish to attract on the British territory. Finally, they may also relax the rules to which employers who recruit immigrants are submitted to.

In France, the situation of the market labour is open to foreign computer scientists looking for residence permit. The new policy prepared by this country insists on the recruitment of qualified people, that is to say “chosen migration” according to the terminology of the Minister of the Interior.

⁶⁴ Thus, some German companies have specialised in the research and recruitment of foreign specialists. We can quote as an example the company INTERSHOP in Jena, in the ex-GDR, where recruitments are made in different countries “We take all those we can have and we hunt in the entire world”. Cf. REPORTER from January 4th to 10th, 2001.

⁶⁵ In this country, they claim they are able to welcome world elite seeking the “American dream” as stated by a leading article of the newspaper USA TODAY (1975): “We take what the world can offer us of best”. Result: 80% of researchers working in this country are from foreign origin. This is more like a real “brain trade”.

Considering this trend, the Diaspora of knowledge is becoming increasingly important as shown by the setting-up of associations of specialists such as the Federation of North African Engineers in France, the Association of Doctors of Maghreb Origin in France, the France Maghreb Culture Exchange Association, the Association of Old Students of the National Polytechnic School of Alger, the Association of Algerian Doctors in France, the Association of Moroccan Computer Scientists in France (nearly 200 members), “the Moroccan Association of Biologists in France”, “the Moroccan Association of Biologists in the United States”, the “Moroccan Academic Research Scientists” (USA), the “Network of Moroccan Intellectuals in Europe”, the association “Knowledge and Development” that includes talents belonging to different spaces of knowledge (200 members) and the Association of Tunisians of Great Schools, an international network with more than 3,000 members.

III.3. Impact of the emigration of competencies

Today, the intellectual capital is undeniably a major asset for the development of a country. The emigration of trained and highly qualified assets enables the receiving country to increase its scientific potential. This “reverse transfer of technology” which is taking place is a concern not only for Southern countries but also for Northern countries. This drain of talents accentuates the gap between rich and developing countries. The cost of this emigration for issuing countries is penalizing at three levels:

1 - This exodus of talents is reducing the availability of qualified workforce that is deeply needed by North Africa countries to ensure sustainable and autonomous development, undertake the restructuring of their economies and contribute to their upgrading. The origin countries also lose one of their most rare resources. This brain drain that attracts the most dynamic citizens, participates in digging the gap between the North and the South. The brain drain of some countries represents the brain gain of others. This loss in human capital caused by the emigration of qualified workers reduces productivity and thus the income per capita and slows down ipso facto the growth of origin countries.

2 - Training a qualified workforce is expensive. According to available data, the investment made for the training of an emigrated African professional is estimated at US\$ 184,000 by the UNCTAD, “a true reversed debt”⁶⁶. The loss of 20,000 professionals each year in Africa equals the loss of some US\$ 4 billion⁶⁷. Poor countries are thus financing the training of their qualified migrants but do not receive any compensation for this investment in human capital.

In Morocco, an engineer of the National Institute of Post and Telecommunications, whose whole 2001 class left the country, cost to the State nearly one million Dirhams for two years of training. We should add to this amount all the expenses linked to the training before entering the Institute. In other words, an appreciable volume of budgetary expenditures related to education and training is actually used to finance the technological development of countries benefiting from this form of emigration.

3- Most qualified workers (scientists, executives, businessmen) being also those contributing to public funds through tax, countries of departure lose thus a significant source of income which result could be re-distributed⁶⁸.

4- Finally, issuing countries find themselves obliged to pay a fortune for foreign experts to replace their own qualified nationals gone elsewhere. North African countries are faced with a true paradox: they assist to the emigration of their grey matter while paying huge amounts for international experts. This situation is all the more serious when companies in sending countries lack executives and competencies.

This phenomenon is becoming increasingly worrying as it is affecting not only the unemployed holders of a diploma but also those who could be employed locally (the case of computer scientists). These talents, when they do not return to the country and when they do not work, in the receiving country, neither in laboratories nor in research centers, are very often found as economic operators.

⁶⁶ In this respect, the UN estimates that each time a doctor trained in Malawi works in the United Kingdom, it enables this country to save 15,000 Euros. EL PAIS of August 16th, 2004

⁶⁷ See Papa Sow: Migrations in Africa in the South of Sahara In: African Immigration: “Europe is looking for Solutions”. Afkar - Ideas N° 10 / IEMED Barcelona, Spring 2006

⁶⁸ In Letitia Van Eeckhout: Public debate: Immigration. Odile Jacob. French documentation, 2007, p 78

In conclusion, we can assert that the brain drain is an increasing phenomenon, affecting deeply and negatively the sending countries. To reduce this outflow will require taking active measures by the sending countries. However, their impact would be limited as they will have little effect on the “pull factors” in the receiving countries. Being a very complex issue, several international and regional meetings were held to address it. Two main ideas have emerged from these encounters: (i) The compensation principle stated by the economist Baghwati during the 70s is not workable; (ii) It is more pragmatic to look for ways to involve these competencies in the development of the sending countries by adopting the circular migration model.

IV. IMMIGRANT ENTREPRENEURS

Indeed, more and more immigrants are entering the receiving countries economic space as entrepreneurs and self-employed (shopkeepers and craftsmen), thus contributing to the economic growth of the receiving country.

Concerning the immigrants who are entrepreneurs, available data reveal the importance taken by this phenomenon. According to the labour survey of March 2000, France had 1,125 million salaried foreigners and 121,000 non salaried (self employed, employers and family helpers). Among the foreigners who are entrepreneurs, 46% are Europeans and 44% are from the Maghreb⁶⁹.

Prejudices according to which migrants from the Maghreb are in general salaried or shopkeepers have now disappeared. The “ethnic” determinism does not exist anymore, at least for a great part of new immigrant entrepreneurs. These refusing the reproduction of the social models of their parents do not hesitate anymore to enter new fields and new sectors. With a level of education that may be higher than the high school diploma, the new generations are more motivated and tend more to take risks by investing. The acquisition of the nationality is also helping in making most economic sectors a commonplace, opening access to nearly all investment fields.

⁶⁹ APCE *Agence Pour la Création d'Entreprises* (Agency for Company Start-Up) & the MRH Magazine, *Maghreb Ressources Humaines* (Maghreb Human Resources): “Start-up of companies by entrepreneurs coming from immigration: the example of entrepreneurs from the Maghreb”. Focus Collection. April 2002.

Thus, in addition to the economic activities of proximity (restaurants, bakeries, butchers, groceries,...) immigrants from Maghreb countries are also entering the liberal professions (consultants, architects, lawyers, doctors, accountants,...), are becoming managers of small - and medium-sized companies (services to companies, wholesale or industrial activities). Some of them even manage great companies or start-ups⁷⁰. Finally, we can find a category of entrepreneurs, difficult to quantify, who manage companies in two or even more countries. These are entrepreneurs from both sides (receiving and sending countries)

The activities of these entrepreneurs are so various that even the most complete typology will not be able to cover all the profiles. The start-up companies of the immigrants are included in a double trend: a net increase in the number of entrepreneurs and a net qualitative change of these companies.

Women's contribution in this process must be pointed out. Indeed, women from the Maghreb immigration are more and more present in the economic space of receiving countries, as self-employed and entrepreneurs⁷¹. According to a study by the FAS, migrant women are becoming entrepreneurs to "accede to a social status more than for a purely economic status"⁷².

IV.1. Causes of self-employed and entrepreneurs development

These are various:

- The greater proportion of young people in the immigrant population
- The mentality of the immigrant, who is the result of a "selection", operated by the immigration: emigrating is a difficult decision and among those who crossed the line, we find a proportion of individuals particularly enterprising and ready to take risks. Emigration itself is a project submitted to certain standards of feasibility.

⁷⁰ Idem

⁷¹ Khachani Mohamed, 2001: "The North African Immigrant Woman in the Economic Space of the Receiving Countries". Contribution to the XXIVth Congress of the International Union for the Scientific Study of the Population, El Salvador -Brazil. August 18th-24th, 2001

⁷² ADRI: "Migrant Women and Company Creation, an Input to the French Economy". Migration Study, January 2002.

- The existence of a demand for some sectors of activity: in the building and public works sector, the progress of the internal market for housing renovation and restoration, the multiplication of “cascade” subcontracting on large building sites, all have strongly boosted the demand in craft activities.
- “Cultural” reasons: There is a “specialization” in small trade of migrants coming from some regions of the Maghreb, like Souss in Morocco and Djerba in Tunisia. By making their family work sometimes up to 18 hours a day and 7 days a week, they took advantage on the local population who cannot work to this rhythm.
- In fact, one of the main reasons explaining the greater propensity of people from the Maghreb to be self-employed or to create their own company lies in the discriminations they suffer when having access to a salaried job. Unemployment rates affecting people from the Maghreb are very high and are very much higher than the rates affecting nationals.

Being self - employed or an entrepreneur is thus often the only possible solution for several North Africans to escape from unemployment and precarious jobs. Self-employment seems to be a mean to escape from “bad working conditions”⁷³. This hypothesis seems to be validated by a trend to create a company seven times more often among job-seekers than among employed persons, as confirmed by a study dating back to 1994, but which remains actual (108 per 10,000 against 15 per 10,000). Jobseekers represent on their own 46% of company creators in 1994⁷⁴. This option is not possible for North African migrants living in the Gulf States, strongly represented by Egyptians and Sudanese, because of the constraints to investment and mainly to the obligation to be sponsored by a “kafil” (a sponsor)⁷⁵.

⁷³ Moulrier-Boutang Y.: “A contemporary form of restrained employment” In: CERC Association: “Immigration, Employment and Unemployment: An Empirical and Theoretical Statement”. The files of CERC - Association n°3 1997

⁷⁴ Bonneau and Francoz: “Company Creators” in Social Data, INSEE. 1996, pp174-180

⁷⁵ Khachani Mohamed: Moroccan Migration in Oil-Producing Countries: the cases of Saudi Arabia, United Arab Emirates and Libya. Hassan II Foundation. Publication in progress

IV.2. Assessment of immigrant entrepreneurship

Available data for France⁷⁶ indicate that if, at the national level, the total number of shopkeepers, craftsmen and company managers is stagnating, the number of those with a foreign nationality increased by 50% from 60,000 to 90,000, between 1982 and 1990. An investigation carried out in 1994 indicates that the propensity to create a company is two to three times higher for foreigners than French people: it is 18 per 10,000 French adults, it amounts to 49 per 10,000 for nationals of European countries and to 47 per 10,000 for foreigners not nationals of the European Union⁷⁷. This propensity to create a company is higher than the one of nationals in nearly all sectors of the economy and more particularly in trade, building and industry.

As far as migrants from the Maghreb are concerned, even if the first generation of immigrants had generally a poor profile, we observe the emergence in what in France is called the “*bourgeoisie*”⁷⁸, a category of immigrants having activities other than salaried workers and who are entering several economic domains. The table below gives an idea of the importance in France of these elite from the Maghreb.

Table N° 15 Socio-professional categories according to origin and citizenship

Socio-professional category	Moroccans			Algerians			Tunisians		
	Foreigners	French	TOTAL	Foreigners	French	TOTAL	Foreigners	French	TOTAL
10 Farmers	1859	273	2132	298	174	472	269	49	318
21 Craftsmen	4190	2355	6545	5429	2619	8048	2687	1568	4255
22 Shopkeepers	5689	3719	9408	8758	3532	12290	2580	2662	5242
23 Company managers	432	637	1069	506	326	832	215	533	748
31 Liberal professions	547	2223	2770	1352	1251	2603	430	1913	2343
32 Executives, intellectuals	2431	5253	7684	4225	4485	8710	1204	2315	3519
36 Company executives	2860	4840	7700	3711	3909	7620	1367	3189	4556
41 Education, health, public function	5067	9330	14397	7637	8962	16599	1497	3402	4899
Total active persons	213293	112917	326210	228495	117901	346396	71989	51544	123533

Source: INSEE: RGP, 1999

⁷⁶ CERC-Association: “Immigration, Employment and Unemployment”. Op.cit.

⁷⁷ Bonneau and Francoz, op.cit

⁷⁸ Beur: name given to the people from the Maghreb. Instead of “bourgeoisie”

If the privileged sectors of first generation migrants remain small commerce, catering and craft industries, we can observe a larger array of economic fields being invested by the immigrants. North Africans residing in Europe are managing companies of import-export, transport, tourism, computing, advertising and cleaning services. Others manage industrial companies (small- and medium-sized industries) in the following branches: clothing industry, food, carpentry, painting, building materials, metallurgy, etc..⁷⁹

Immigrant entrepreneurs in France who came from Maghreb countries have entered exclusive circles. In an article with a revealing title: “Pluri-ethnic France Who Wins”, L’Événement of Thursday gives us some examples of these managerial talents from the Maghreb working in France⁸⁰.

- Mr. Cheese from the “land of cheese” is of Algerian origin, Belkacem Boussouar. Son of an immigrant who arrived in France at the age of 5. At 46, he is the head of the National Association of Farmer Cheese Producers with 25,000 members, “guarantors of tradition”. He participated in the creation of an International Centre of Training on Cheese Technologies near Digne and when traveling abroad, he defends the reputation of the French cheese.
- Lotfi Belhacine, from Tunisian origin, is the boss of the airline company “Air Liberté”. “He probably worked more for the democratization of the air flight than many politicians”. Despite the failure of the company, the initiative is a symbol of an emerging immigrant entrepreneurship. The company closed down in February 6th, 2003. The destiny of Air Liberté is the same as Air Littoral, small companies cannot confront the power of Air France.
- Boualem Haddouche from Algerian origin created Micro-Puce, a chain of computer distribution. He has been appointed “entrepreneur of the year” by Le Nouvel Economiste.

⁷⁹ Ministry of Employment: Directory of Moroccan Businessmen and Shopkeepers Living Abroad. Ministry of Employment - July 1990.

⁸⁰ L’Événement of Thursday N° 614 from August 8th to 14th, 1996.

All these actors and others are entering “this French middle and pluri-ethnic class which will continue to grow inescapably”. In Italy, the proportion of self-employed and entrepreneurs registered an important growth. People from outside the European Union are owners of more than 156,000 units and North Africans of 37,100 units; distributed in the three sectors of agriculture, industry and services.

Table N° 16 Self-employed and entrepreneurs of North African origin in Italy (October 1st, 2002)

	Agriculture, breeding and fishing		Industry		Services		Of which trade		Hotel business and catering		Total	
	v.a.	% per sector	v.a.	% per sector	v.a.	% per sector	v.a.	% per sector	v.a.	% per sector	v.a.	v.a.
Egypt	42	1	2,158	38.9	2,832	51.0	1,180	21.2	692	12.5	701	5,554
Morocco	77	0.4	3,003	14.1	17,733	83.4	16,642	78.3	181	0.9	256	21,261
Tunisia	274	4.6	3,236	54.1	2,114	35.4	1,300	21.8	237	4.0	240	5,977
Libya	240	7.1	764	22.6	2,019	59.7	1,281	37.9	181	5.3	351	3,384
Algeria	26	2.8	288	31.2	544	58.9	353	38.2	49	5.3	69	924
North Africa Total	659	1.8	9,449	25.5	25,242	68.0	20,756	55.9	1,340	3.6	1,617	37,100
Extra-community Total	6,172	4.0	50,191	32.2	87,308	55.9	59,995	38.4	10,062	6.4	10,520	156,089
Foreigners Total	10,507	5.3	61,075	30.8	109,005	55.0	71,667	36.2	13,965	7.0	14,667	198,215

Source. I File Statistico Immigrazione/Caritas 2002.

This table shows the importance of the services sector with 68% of units created by North Africans against only 25.5% in industry and 1.8 % in agriculture. Among all extra-community people, this distribution reaches respectively 55.9%, 32.2% and 4% and among foreigners, these proportions amount to 55%, 30.8% and 5.3%. We must also notice the relatively high weight of Egyptian and Libyan entrepreneurs and self-employed despite a number of immigrants lower than other communities from North Africa.

Available data for other receiving countries confirm this emergence of immigrant entrepreneurs. In the United Kingdom, 16% of immigrant workers have their own company whereas the national average is only 12%. The majority of companies are

held by immigrants from India, Bangladesh and Pakistan⁸¹. In the Netherlands, oldest immigrant communities tend to have their own business. In 1990, 10% of the whole active population in this country managed a private business. The percentage was only 3% among Turks and 2% among Moroccans. In Germany, most of these companies held by foreigners are active in wholesale and retail trade, hotel business and catering⁸².

The image of the “job-thief” immigrant is now reversed. The immigrant is now creating jobs. Unfortunately, we do not have any statistical data on the volume of jobs created. But job creation is for sure relatively extensive and tends to grow.

In conclusion, we can highlight that there is a growing trend of immigrant entrepreneurs that is taking place in all receiving countries, with the exception of the Gulf countries and Libya. The trend is also showing an increase in the investments made and their diversification.

This trend should be still limited if we compare it to the opportunities in North Africa countries. In fact, there is a need to find the ways to focus these resources, in financial and know-how, to the region. This objective should be a priority of the migratory policies in the region. This issue is of utmost importance as four North African countries have already signed association agreements with the European Union and are thus confronted with the need to uplift important socio-economic constraints in order to respond to the established deadlines.

⁸¹ Peter Stalker: Immigrant Workers. ILO.1995.

⁸² Idem

V. CONCLUSIONS AND RECOMMENDATIONS

The migration issue should be addressed at the light of the new policies implemented on both sides of the Mediterranean, which call for a new approach as to improve its economic impact on the sending countries. The need for strong and sustainable growth in North Africa requires the mobilization of all the internal and external potentialities and financial resources.

Taking into account the magnitude of the emigration of competencies and its negative consequences on the countries of the region, it is becoming more and more important, not to try to stopping this massive outflow because it is not possible anymore, but to reduce its negative impact and increase its positive effects by making a better utilization for the sending countries development.

Moreover, it is obvious that the emotional and cultural attachment that animated the first generations of migrants has dulled with the new generations. Now, there is a need to try to replace this ‘subjective factor’ by establishing adequate economic incentives and creating an appropriate investment environment. Thus, a downward trend in transfers and their less efficient impact on the balance of payments should be followed by a highest involvement in terms of investment, production and job creation.

In light of recent trends and perspectives, it seems that this is the approach to be adopted to enable migrants as well as emigration to become actors and a factor of development, respectively. Thus, a regional action plan is required with consistent and complementary measures and actions as to create a general environment favorable to remittances and investment:

A. Define a migration policy with migration as a factor of development:

This policy must define precise objectives and the means needed to reach these objectives. It should also adopt a global approach and take the following parameters into consideration:

1- Institutionalize the debate on the relationships between migration and development and open the dialogue as to define the appropriate strategy for a better contribution of migrants to the development of their countries. The creation of

councils or gatherings of expatriates is in line with this logic, as they facilitate dialogue and consultation and grant migrants with the possibility to participate in the political, economic and cultural development of their countries⁸³. These initiatives would strengthen the confidence of migrants in their country and the interest they have for its future. More than one argument supports the need for the institutionalization of relationships between migrants residing abroad and their home country.

2- Increase the economic and cultural diplomacy of North African countries external representations in foreign countries;

3- Create regional observatories to promote information, project data bases and meetings in support of migrants;

4- Create a newsletter to convey the activities and actions of the different national and regional development institutions;

5- Develop and support autonomous associative networks of migrants. These networks will be used to maintain and strengthen the relationships of expatriates with their home country in order to contribute its development.

6- Involve the receiving countries in the training and support provided to migrants associations that are involved in the development of their home countries;

7- Create a data base of qualified migrants: Identify at the level of each country the different actors: scientists, experts, businessmen, etc. working in the different receiving countries.

⁸³ This system was adopted in some European countries like Spain and Portugal, when they were emigration countries. The same system exists in France where the “Superior Council of French Abroad” represents the body of representation of French expatriates.

B. Considering the extent of the brain drain phenomenon, appropriate measures need to be taken to prevent, to reduce or to compensate this emigration

First of all, it is necessary to recall that for that purpose there are two models that have been implemented in developing countries⁸⁴:

- The first one is expensive because it implies a reproduction in the home countries of the same working conditions as in the receiving countries. It consists in organizing the return of diploma holders. This is the way chosen by countries of South-East Asia. The policies that are implemented in South Korea and Taiwan are interesting learning experiences. Their objective is to recover the investment made in the training of these talents plus the added value resulting from the experience gained in the receiving country. But for this model to succeed, a certain number of conditions must exist: these two countries benefited during several decades from a steady growth that enabled them to reach a good economic development, supported by voluntarism in their R&D policy. This context created the appropriate conditions for a huge return of their expatriated scientific elite⁸⁵.

- The second model is more pragmatic and aims at making qualified expatriates useful for their country of origin while living in the receiving country. This experience has been implemented in Colombia (network Caldas). In this model, the “physical” return is not considered necessary as the home country develops a network of expatriated researchers with the objectives to gather qualified persons around the same cause and to establish relationships with the home country to participate to its economic, scientific and technical development. These expatriated elite are to bring up-to-date technological innovations and help the scientific community of the home countries remain informed about the progress of sciences and techniques in most developed countries. This model recognizes implicitly the legitimacy of the right to individual success. This is the spirit of the TOKTEN

⁸⁴ Anne Marie Gaillard and Jacques Gaillard : Stakes of International Migrations. From the Pursuit of Knowledge to the Circulation of Qualified Persons. L'Harmattan. 1999. P51.

⁸⁵ So, in South Korea, and until the beginning of the eighties, only 10% of students came back after finishing high education. Now, this active policy enabled to reverse the trend: nearly 70% come back to the country within three years following their doctorate and nearly 40% come back right after getting their diploma.

programmes led by the UNDP in some sending countries. Some programmes implemented in North Africa aim at the same objective such as the Agency for the management of the mobility of qualified people⁸⁶ (the departure but also the return of the elite) as well as FINCOME and the Association “Knowledge and development” (Savoir et développement) in Morocco. .

This second model seems more appropriate for North Africa countries if we take into account the constrained faced by the region. For that purpose, North Africa countries need to:

- 1- Strengthen the attractiveness of the sub region to prompt and motivate the physical or virtual return of qualified migrants;
- 2- Create networks of qualified migrants;
- 3- Implement a strong policy to promote research and development with, for example, the develop of research centers and institutes while providing them with sufficient human and technical skills and widening the interface between the research and the business world;
- 4- Strengthen communication channels between qualified expatriates and their countries and regions of origin (for example, by enabling the organisation of call conferences by academics from the Diaspora for the universities in their country);
- 5- Implement a strategy at the level of universities aiming at matching the programmes with the needs of the country;

C. Stimulate and promote transfers

Concerning the remittances, the measures to be undertaken must prompt migrants to increase the volume of transfers:

- 1- Multiply the networks of bank agencies and other financial institutions in the different receiving countries, by creating antennae in the cities and regions without bank infrastructure. The effect of proximity helps the draining of funds saved by migrants;

⁸⁶ Boubakri, 2005, “Statistics on Migrants in Tunisia” ILO – Algiers

2- Reduce transfers costs and provide bonuses and other incentives to remunerate accounts opened by migrants;

3- Adopt a strategy to fight competition of bank networks in residence countries. For that purpose it will be necessary to create new products to increase the mobilization of migrants savings (short and long term) and sensitize on the financial products already offered by the financial system;

4- Launch awareness campaigns among migrants in order to prompt them to participate in the national financial effort;

5- Invest in advertisement and communication to convey the advantages and products proposed by national bank institutions of origin countries;

6- Highlight the risks of transfers through banknotes either by the immigrant or a third party. This would ensure securing the transfers and fighting against black market;

7- Ensure a better use of migrants' deposits in national banks by financing local or regional projects;

D. Making the migrants aware of the importance of investing in their countries and particularly in the sectors considered buoyant for its sustainable development

In this respect, the appraisal of accomplishments made is still limited compared to the opportunities offered by North Africa.

1- Provide training to migrants in the field of company start-up, for those who wish to invest;

2- Set up a bank of projects and make it available for migrants;

3- Create Regional Investment Funds to the benefit of poor migrants sending regions in order to raise migrants' money transfers. These funds should be used to support regional and local development;

- 4- Prompt migrants to participate in local development, inspired by experiences such as the Mexican experience of 3x1;
- 5- Making entrepreneur and executive women aware and involve them in the development of the country;
- 6- Prompt migrants to invest in high-tech sectors particularly the audio-visual and information technologies fields;
- 7- Promote the creation of associations of migrants seeking the promotion of local development;
- 8- Support the migrants associations working in local development to create partnerships with national associations as to implement regional and local development projects.

E. Involve the banking system

- 1- Develop a network of local agencies to facilitate the reception of funds by beneficiaries;
- 2- Promote the provision of bank services to the beneficiaries;
- 3- Make financial institutions responsible for draining remittances and particularly the banks aware of the importance of channeling and promoting the interests of migrants in profitable and jobs generating investments;
- 4- The banking sector should accompany migrants with the necessary advice and assistance as to be able to implement their projects;
- 5- Facilitate the access of migrants to credit;

However, remittances remains closely conditioned by the quality of the environment in which immigrant investors would be operating.

F. Improve the investment environment

- 1- Improve the investment environment by paying more attention to the way administration; justice; tax system; and property tax are functioning. This issue deserves to be treated with utmost importance because between the decision of investing and the constraints of the environment, there is a dialectical relationship;
- 2- Improve the operational mechanisms of the State and companies through the implementation of a real meritocracy: respect for professional skills, genuine career plans, giving young people more responsibility, etc.
- 3- Set up a communication and information strategy towards migrants to promote investments by explaining the regulatory and procedural framework in this matter;
- 4- Improve the conditions of entry at borders and customs;
- 5- Coordinate the approaches and strategies between the different countries of the region.

CHAPTER TWO

PLAN OF ACTION FOR A POSITIVE IMPACT OF MIGRATION IN NORTH AFRICA: REMITTANCES AND EXPATRIATE COMPETENCIES

This plan of action⁸⁷ is addressed to Governments, private sector, universities, parliamentarians, financial system, civil society organisations, particularly migrants' organisations, as well as to international, regional and sub-regional development organisations.

I. General Conclusions

1. The migration-development relation is a complex one as it involves political, economic, social, cultural and legal dimensions and concerns different stakeholders in origin, transit and destination countries;
2. Migrants' financial, technological and social transfers to their country of origin represent one of the main aspects that link migration to development; These transfers can reinforce and accelerate the development process if certain conditions are met both in the origin and destination countries;
3. The migration-development relation is also materialized by the negative impact emigration has on the sending countries and regions, such as the exacerbation of rural/urban imbalances and the brain-drain of competencies;
4. Migrants, who are the backbone of the migration-development relation, are constantly changing in terms of profiles, aspirations, attitudes, demands and relations with their countries of origin. The birth of the 2nd and 3rd generations of migrants in the countries of residence, the emergence of citizens with dual nationality and new forms of migrants such as youth, women, highly skilled, and

⁸⁷ This Plan of action was adopted by the Expert Group Meeting on Migration and Development in North Africa that was held in Rabat (Morocco) on 19 and 20 March 2007.

“irregular” are all factors that have contributed to the changes of migrants’ relations with and contribution to the development process of their countries of origin;

5. This complex and dynamic context calls therefore for the adoption of a new approach to define the policies and measures that need to be taken in the area of migration and its relation with development, in both origin and destination countries. This new approach should (i) be global (holistic) ; (ii) be flexible and pragmatic ; (iii) place migrants’ rights at the heart of the migration-development relation; (iv) be coherent and integrated at the local, national, regional and international levels (v) engage both destination and origin countries, including Governmental, North Africa Diaspora and cooperation organisations; (vi) and adopt a new perception as well as a constructive vision of the relations between the migrants and the countries of origin and destination.

II. General Recommendations

A. Improve and develop knowledge on migrations and migrants by adopting the following actions:

1. Encourage and support with adequate financial resources, upstream and downstream research on migration by the following measures :

- a. Train researchers ;
- b. Provide researchers with access to information and data in destination, transit and origin countries ;
- c. Establish specialized scientific structures to produce knowledge in the different areas of international migration, to collect and process statistical data, etc.;

2. Develop new research techniques and methodologies to better assess the migration phenomena as a whole and highlight the new migrants' profiles such as the birth of the 2nd and 3rd generations; the growing migration of youth, women, highly educated and entrepreneurs; alternate and return migration; and the emergence of the Diaspora’s organisations;

3. Conduct qualitative and quantitative studies on the following subjects:
 - a. The economic, social and anthropological dimensions of migration by using specific modules ;
 - b. Migrants' motives and constraints in order to better understand the migration process and highlight the long term trends and perspectives ;
 - c. Migration policies, particularly those related to aid to development policies;
 - d. South-South migration flows, specifically towards Arab countries including North African, and sub-Saharan countries as well as on illegal migration ;
 - e. Illegal migration taking into account the economic behaviour of illegal migrants who have generally a strong propensity to save and transfer their savings to their countries of origin ;
 - f. The overall contribution of migration to destination countries in order to demystify the negative image of migration in the public opinion in these countries ;
 - g. The relation between gender, migration and development; women's contribution in the transfers of financial resources, technologies and social and cultural values; and gender constraints that undermine the contribution of migrant women and women benefiting from these transfers in the development of their countries of origin .

B. Define and implement a migration policy that integrates migration as a development factor by the following actions:

4. Sensitize decision-makers in the origin and destination countries on the importance of migrants' role in the development process;
5. Institutionalize the debate on the relation between migration and development by :
 - a. Adopting a national strategy to support and reinforce the contribution of migrants in the development process of their countries of origin ;
 - b. Involving concerned ministerial departments in defining and implementing this national strategy ;

- c. Communicating actively to disseminate among migrants the activities and actions of the different national and regional development institutions;
- 6. Facilitate dialogue and exchanges between migrants and their countries of origin by :
 - a. Establishing institutions such as migrants' councils and associations and organizing meetings and fora for migrants in the form of seminars, training, consultations, etc..;
 - b. Establishing, by region and economic sector, migrants' networks in the form of an observatory ;
 - c. Intensifying economic, cultural and social diplomacy by the diplomatic representations of North African countries abroad ;
 - d. Establishing and/or supporting all forms and mechanisms of liaison and communication (such as bulletins , websites etc ..) between migrants and their countries of origin ;
 - e. Providing support to migrants' organisations working in the development of their countries of origin;
- 7. Adopt and implement the necessary measures in order to reinforce migrant women's power and role by putting in place the necessary legal provisions and by promoting women's visibility, recognition and contribution;
- 8. Engage destination countries in :
 - a. Providing support to migrants' organisations, especially those working in the area of the development of countries of origin and migrants' rights protection ;
 - b. Promoting cooperation that deepen the relation between migration and development as to ensure that the policy of co-development has a practical and operational meaning ;
 - c. Protecting and respecting migrants' social rights (especially migrant women) and combating all forms of discrimination against migrants;
- 9. Promote the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (2003/48) and provide increased support to structures and groups working to implement this Convention;

10. Ensure more coherence between trade, investment and migration and development in the framework of the bilateral and multilateral negotiations conducted by countries of the region, particularly in the context of the WTO and the Euro-Mediterranean Partnership;

11. Improve migrants reception procedures at borders and customs posts in destination, origin and transit countries;

12. Call on United Nations organisations such as the ECA , ESCWA and other regional organisations to conduct studies on the regional aspects of migration and its relation to the development process and establish a regional database on North African highly skilled expatriates (for example scientists, experts, businessmen / businesswomen, etc ..) who could contribute positively to the development of the sub - region;

III. Recommendations of the Working Group 1: Remittances

Regarding the question of “what can the different stakeholders do to increase and improve the impact of migrants’ remittances on development?” the experts recommended the following actions:

A. Improve data collection and analysis methods and conduct necessary research in order to get a clearer picture of the profiles of migrants who make remittances and better understand transfer mechanisms by the following actions:

13. Conduct regular and deep studies on :
- a. Formal and informal remittances ;
 - b. Migrants’ profiles by geographical region, status, age, sex, sector of activity, educational level and motivations as well as on beneficiaries’ profiles, including women beneficiaries;
 - c. Micro and macro economic as well as social impact of remittances, especially on the living conditions of migrants and their beneficiaries; local development, social capital and employment in the countries of origin; gender relations; and the relations between the micro and macro economic and social impact of remittances;

B. Stimulate and encourage remittances by the following actions:

14. Negotiate with money transfer agencies the reduction of transfer fees and with banks the exemption of transfer fees;
15. Improve the efficiency of transfer methods as well as their transparency, notably regarding interest rates applied by money transfer agencies, especially by the use of ITC;
16. Adopt fiscal and financial incentives, especially bonuses to remunerate accounts opened by migrants, including current accounts, and introduce new financial products to further mobilise migrants' savings in short and long term deposits;
17. In the countries of origin, develop a wide local banking network and involve micro-finance institutions in the mobilisation of remittances; in the countries of destination, multiply national banking agencies in towns and regions where such facilities do not exist; and organize awareness campaigns among migrant workers on the services and products offered by these national financial institutions, while highlighting the risk of using informal money transfer channels;

C. Promote the investment of remittances in sectors that contribute to the sustainable development of their countries of origin by the following actions:

18. Provide incentives for migrants as to contribute to the local development of their regions of origin by :
 - a. The establishment of regional investment funds to support regional and local development of poor sending regions ;
 - b. The orientation of migrants' investments towards productive and jobs creating sectors ;
 - c. The establishment of migrants advisory bureaux, especially in their regions of origin ;
 - d. Making emigration regions more attractive by improving infrastructures and implementing productive investment projects especially in fast-growing sectors, such as rural tourism and local products;

- e. Promoting regional and local migrants' associations and establishing partnerships with development associations in their countries of origin in order to contribute to the implementation of regional and local development projects ;
 - f. Encouraging and supporting migrants' investments for solidarity purposes ;
 - g. Promoting decentralized cooperation between regions and localities in destination countries and countries of origin ;
 - h. Promoting the development of a new co-development policy aimed at reinforcing the cooperation between countries of destination and countries of origin by, among others, implementing development projects led by migrants themselves or their associations ;
 - i. Studying successful experiences such as the experience that was implemented in Mexico (3x1) ;
 - j. Directing migrants' bank deposits to finance local and regional projects and facilitating migrants' access to credit;
19. Establish a facility (window) to be used only by migrants seeking investment opportunities in their countries of origin, put at their disposal a bank of projects and provide them with adequate support through training, counselling and technical assistance;
20. Improve the investment climate by paying particular attention to the functioning of the public administration and the legal, fiscal and land constraints, especially for SMEs, and elaborate a communication and information strategy as to provide migrants with updated information on the regulatory and procedural framework;
21. Provide migrants who have the required skills with incentives as to invest in advanced sectors, particularly ITC and biotechnology;
22. Raise the awareness of business and professional migrant women and engage them in the development of their countries and regions of origin;
23. Encourage destination countries to provide support for the training and mentoring of migrants' associations working for the development of their countries of origin;

IV. Recommendations of the Working Group 2 : Expatriate Competencies

As for the question of “what can the different stakeholders do to transform the “brain-drain” into “brain-gain”?” the experts recommended to adopt the following measures as to prevent the brain-drain on one side, and to better involve highly skilled expatriates, including among the new generations of migrants, in the development process of their countries of origin:

24. Create an enabling environment for the development of competencies in the countries of origin by :

- a. The adoption and implementation of a policy on research promotion and development, including through the establishment of research centres and institutes with adequate human , financial and technical resources ;
- b. Expanding the linkages between research and business by, among others , the establishment of research structures within the enterprises ;
- c. Promoting the status of researchers as to encourage the emergence of scientific communities with regional dimensions;

25. Maintain contact with highly skilled expatriates by :

- a. Putting in place adequate institutional mechanisms ;
- b. Reinforcing communication channels between highly skilled expatriates and their countries and regions of origin (by facilitating for example the organisation by expatriate academicians of teleconferences for universities in their countries of origin) ;
- c. Establishing relations between organisations of highly qualified migrants and research centres in their countries of origin ;
- d. Providing support to North African highly skilled expatriates' networks abroad;

26. Strengthen the North Africa attractiveness in order to encourage and motivate the physical or virtual return of migrants, and facilitate the alternate or return migration of highly skilled North African expatriates , specifically by :

- a. The adoption of agreements on migrants' social rights ;
- b. Adopting measures that support and encourage the transfer of knowledge and competencies. These measures should focus on awareness raising, information and networking with Diaspora organisations instead of just compiling lists of highly skilled expatriates;

27. Call on destination countries to (i) Allocate the necessary resources to support research centres, laboratories and centres of excellence in countries of origin in the framework of a migration policy linked to development cooperation policies, and (ii) Engage North African highly skilled expatriates in the process of academic and scientific cooperation with their countries of origin;

28. Assess the applicability in North Africa, including through experimentation, of virtual or temporary return models implemented by UNDP (TOKTEN) and by some other countries such as Tunisia, Morocco and Colombia (CALDAS).

29. Adopt agreements between destination and origin countries to curb the migration of workers in sectors crucial to North Africa development particularly in health, educational and ICT sectors.