

**Making migration a development factor:
the case of North and West Africa**

International Labour Organization
International Institute for Labour Studies

Published by the International Institute for Labour Studies

The International Institute for Labour Studies (IILS) was established in 1960 as an autonomous facility of the International Labour Organization (ILO) to further policy research, public debate and the sharing of knowledge on emerging labour and social issues of concern to the ILO and its constituents - labour, business and government.

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ISBN: 978-92-9014-928-6 (print)

ISBN: 978-92-9014-929-3 (web pdf)

ILO Cataloguing in Publication Data

Making Migration a development factor: the case of North and West Africa / International Labour Office ; International Institute for Labour Studies. - Geneva: ILO, 2010

1 v.

ISBN: 9789290149286;9789290149293 (web pdf)

International Labour Office; International Institute for Labour Studies

international migration / labour migration / return migration / migrant worker / remittance / labour market / North Africa / West Africa

14.09.2

ILO Cataloguing in Publication Data

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Copies can be ordered from: ILO Publications, International Labour Office, CH-1211 Geneva 22, Switzerland. For on-line orders, see www.ilo.org/publns

Graphic design in Italy
Printed in Italy

ITC ILO
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Foreword

The global financial and economic crisis which started in 2008 has brought with it significant employment and social challenges. In the case of developing countries, the crisis has severely affected the extent to which migration can support development goals. Indeed migrant workers tend to be disproportionately affected by job losses in destination countries and the flow of remittances has suffered a major cut.

In many ways these developments have highlighted the need to better understand how migration, combined with sound labour markets, can better support development prospects. With that in mind, the central aim of this report is to examine the links between labour markets and migration, and the implications for development in Algeria, Mauritania, Morocco, Senegal and Tunisia, including lessons learned and examples from other countries and regions.

The issues of migration, labour markets and development are interconnected and complex, entailing both complementarities and trade-offs. The countries examined in this study highlight this complexity, being simultaneously countries of origin, destination and transit for migrant workers and their families. However, the priorities and challenges of each of the five countries vary considerably and are a function of each country's unique circumstances.

The synthesis report presented here is just one element of a broader research project coordinated by the International Institute for Labour Studies (IILS) that was supported by the Regular Budget Supplementary Allocation contribution from the Government of Spain for the 2008-09 Biennium.

Complementary activities undertaken by the IILS to support the synthesis report include:

- (i) the establishment of a Francophone research network to develop country-specific background papers and organize seminars in each country to discuss the findings;
- (ii) enabling the existing African Anglophone research network (including researchers from Institute for Development Studies, University of Nai-

robi, University of Ghana and University of Dar es Salaam) to undertake research projects in a number of thematic areas, including the impact of the global economic and financial crisis, as well as issues of inward, outward and intra-regional migration; and

(iii) building partnerships and engaging with the broader academic community to conduct a comprehensive review of international experiences and practices (Programme for the Study of Global Migration, Graduate Institute of International and Development Studies, Geneva).

The activities of the IILS are part of a broader programme financed by the Government of Spain on “Improving institutional capacity to govern labour migration in North and West Africa” implemented by the ILO Regional Office for Africa and undertaken in collaboration with the ILO International Migration Programme.

The IILS component of the project was conceived and developed by Raymond Torres, Director of the IILS. The project was co-ordinated and managed by Steven Tobin, under the supervision of the Director of the Institute. The synthesis report has been prepared by Steven Tobin and Emily McGirr of the Institute, and Alfonso Alba-Ramirez of the Universidad Carlos III of Madrid.

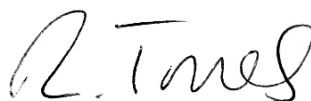
The authors would like to thank Kristina Francillon, Byung-jin Ha, Elizabeth Manapsal, Caroline McInerney and Elva Mourelo-Lopez for their excellent research assistance. In addition, the project benefited enormously from the support and assistance of Sophie Lievre, Judy Rafferty, Vanna Rougier and Françoise Weeks of the Institute. The synthesis report was greatly enhanced by feedback received from the ILO International Migration Programme.

Special thanks are due to the ILO Regional Office in Africa, whose staff has been extremely supportive of the project since the outset. The Institute would also like to thank PROGRAM and PARDEV for their continuous support throughout this process. The cooperation received from the various tripartite organizations, academic communities and NGOs in each country who shared their insights, perspectives and concerns during country-level workshops has been invaluable.

Geneva, April 2010



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EXECUTIVE SUMMARY

The employment situation in North and West Africa was difficult before the global crisis and has aggravated since then...

In the five countries under review (Algeria, Mauritania, Morocco, Senegal and Tunisia), economic growth over the decade leading up to the global crisis that started in 2008 averaged more than 3.5 per cent per annum. This had not, however, translated into significant improvements in labour market performance.

The modest improvement in the employment situation reflects, in part, the low employment intensity of commodity production - the main driver of growth in many of these countries. For example, the oil sector represents over one-third of GDP in Algeria and as much as three-quarters of GDP in Mauritania. But, in both cases, the sector directly employs less than 5 per cent of the workforce. Moreover, the labour markets of the five countries are principally characterized by informal jobs, agricultural employment and limited social protection.

The global crisis has intensified these labour market challenges. Growth slowed significantly in 2008 and 2009, thereby adversely affecting labour demand and the creation of good jobs. Today, less than half of the people of working age have a job and, in the case of working-age women, less than one-quarter are employed.

...thereby adding pressure to emigrate in search of better jobs...

Taken together, the five countries under review had over 2.7 million emigrants residing in developed countries in 2007 - an increase of nearly 1 million since 1998. Despite strong population growth in these countries, the total number of emigrants as a share of domestic population for Mauritania, Morocco and Senegal increased by over 1 percentage point during this period. Only in the cases of Algeria and Tunisia did this share decline marginally.

And, while migrant workers were disproportionately affected by the global crisis, limited evidence to date suggests that there has not been a significant reversal of migration trends.

Although there are multiple "push" and "pull" motivations to migrate (e.g. cultural, family reunification, social conflict, etc.), economic reasons, notably the search for better jobs and decent incomes, remain central to the decision. This report presents novel evidence in this respect, namely:

- more than two-thirds of the male migrants from Algeria, Morocco and the rest of Africa chose to migrate to Spain to either look for a job or improve their existing working conditions;
- female migrant workers from Morocco residing in France earn 16 times more than the average earnings of women in Morocco (for men, the figure is close to 6 times);
- Algerian and Tunisian migrant workers earn between 3.4 and 8 times the average earnings in their country of origin; and,
- in Spain, migrant workers from Morocco earn between 4.5 and 10.5 times the average earnings of men and women, respectively, in Morocco.

Labour migration can support development...

Migration can be a positive factor in the development of countries of origin, notably through two main channels: remittances and return migration.

Remittances are an important source of financial flows to the region, having tripled since 1990 to reach over US\$12 billion in 2008. For Morocco and Senegal, this amounts to 8 per cent or more of GDP. These financial flows can assist development directly by sustaining incomes in the countries of origin, and indirectly to the extent that remittances help to support education, infrastructure and investment in the private sector.

As a result of the global crisis, remittances to the region only grew by just over 4 per cent in 2008, compared to over 23 per cent in 2007, and they fell by an estimated 10 per cent in 2009. This decline is more pronounced than in other developing regions, where the estimated decline in remittances is around 6 per cent.

Similarly, the return of migrants can contribute to development through the promotion, mobilization and utilization of productive resources. Many return having gained valuable experience and knowledge through the migration process. Some returnees invest savings accumulated abroad and engage in entrepreneurial activities, with significant multiplier effects.

...but the contribution of labour migration is hindered by a number of factors.

In practice, however, evidence with respect to the link between remittances and return migration on the one hand and development on the other is weak.

The report finds that between two-thirds and three-quarters of remittances to North and West Africa are destined for either the spouse/part-

ner or parent, with the bulk of remittances used to support household subsistence. This financial inflow directly supports the living standards of migrants' families and their communities. But the broader multiplier effects on employment and the economy are limited in the countries under review.

In addition, the cost of sending remittances is overly high. In West Africa, it is estimated that over two-thirds of formal remittance transfers are handled by one source, thus keeping transfer fees relatively high. For example, the fees associated with sending remittances from France to either Algeria or Morocco represent more than 16 per cent of the transfer amount. And this does not take into account any costs incurred by the recipient in the country of origin.

In addition, for North and West Africa, the emigration of skilled migrants comes at a great cost to the development of the region. First, the exodus of skilled migrants who are unable to find decent work in their countries of origin, while a rational individual choice, deprives the region of a precious human resource with acute secondary effects, notably forgone tax revenues and reductions in innovation and potential growth. Second, the promise of higher remittances from greater emigration of high-skilled personnel is often exaggerated. This report finds that, other things being equal, educated migrants are less likely to remit than their low-skilled counterparts. So the loss of growth potential that occurs when educated migrants leave the region is not offset by higher remittances.

The desire of migrant workers to return to North and West Africa is also relatively low, even in the face of deteriorating conditions in the countries of destination. For instance, surveys indicate that 81 per cent of migrants from the five countries under review who work in crisis-hit Spain have no intention of returning.

While higher education is linked to the desire to return, one of the primary reasons for returning to North and West Africa is to retire rather than to work or invest. Much like remittances, the likelihood of returning seems to decline the longer the migrant stays in the country of destination and once family members are reunited.

A new strategy is required, encompassing a better leverage of remittances for development...

In short, the potential for migration to contribute to development in the five countries under review can be further enhanced. First, there are a number of ways to reduce transfer costs and improve the use of formal channels for remittances by fostering greater competition and through the promotion of more efficient technology and partnerships. One of the most prominent examples of the use of technology is that of the Philippines, where two telecom companies, Smart Communications and Globe Telecom, provide remittance transactions by mobile phone. Apart from ease of use, the fee per transaction is approximately 1 per cent of the transfer amount.

Second, permanent residency status in the destination country (and in some cases temporary residency) is associated with a higher probability of remitting and, this being the case, consideration should be given to how a more orderly or regulated migration process could benefit countries of both origin and destination.

Third, the use of "matching funds" schemes is one way to better pool resources for infrastructure-related investment activities, such as the construction of schools. The *Mexican Iniciativa Ciudadana 3x1* is one such example, under which every dollar remitted by Mexican Hometown Associations is matched with three dollars, one each from the federal, state and municipal governments. The premise is that migrant remittances are matched with government funding (including development assistance) from countries of destination and origin to undertake such activities.

The emphasis on infrastructure projects appeals to migrant workers because such projects are tangible and are directly linked to the community of origin. They are also relatively employment intensive. Engagement of migrant worker networks has also proven successful in this respect.

There are similar examples in Africa, but the emphasis on supporting the creation, development and sustainability of migrant network associations needs to be further strengthened. Moreover, engaging and encouraging the cooperation of all parties (migrants, communities, governments in countries of both origin and destination) will improve the relevance and development impact of the project undertaken. Partnerships of this nature are also important in enhancing the accountability of all parties engaged, instilling confidence in the formal remittance channel and, in turn, leveraging the overall multiplier effects by strengthening the linkages between remittance-sending households, receiving households, communities and national authorities in countries of origin.

...measures to facilitate return migration while serving employment goals...

Return migrants also demonstrate a high propensity for entrepreneurship, at close to one-fifth. The likelihood of being self-employed significantly improves if, before returning, the return migrant held tertiary education and was self-employed in the country of destination. Similarly, the empirical findings reveal that having acquired educational qualifications in the country of destination and having them recognized upon return are key factors underpinning the degree to which return migrants become entrepreneurs. Among returnees, those who had set up a business were more likely to have remitted money in the past. This calls for promoting circular migration.

Therefore, this report lends support, first, to policies and programmes that provide support throughout the migration "cycle" - for example by promoting and supporting entrepreneurship of migrant workers (e.g. through remittance matching, business coaching, etc.) and facilitating re-entry (e.g. through qualification recognition) - and, by so doing, harnessing the beneficial impact of return migration on development.

Along these lines, in 2007, the Inter-American Development Bank launched the Voluntary Return Migration Model Based on Entrepreneurship Development to encourage migrants in Spain to start businesses in their home countries. Support is provided from the initial design phase through to start-up and business coaching following the launch. Similarly, in the Philippines, the Unlad Kabayan Migrant Service Foundation links community development with migration and entrepreneurship. One key component of the programme is the "Migrant Savings for Alternative Investment", which was created to channel migrant savings into microfinance institutions, enabling both returnees and local entrepreneurs to tap into these resources.

Second, a structured programme of circular migration could help maximize spill-overs. This requires closer links between education institutions and business communities, both in the countries of origin and abroad. For example, the Malaria Research and Training Centre established a scheme to attract African scientists working on malaria research. Part of the programme sends promising young graduates in Mali to leading foreign universities that cooperate with the centre. Students return to Mali during their studies to undertake research, with the aim of integrating these students with international and local academics, and to provide a stimulating environment to facilitate retention. In China, policies were introduced in 2002 granting preferential treatment to returning students with regard to housing and work permits. Job centres and associations were also created to reintegrate returnees.

...improved functioning of domestic labour markets...

Remittances and return migration must complement - not substitute - a longer term development strategy. Sustainable development can be grounded in efforts to improve social conditions, including the promotion of employment and decent work. Such efforts can be mutually reinforcing and help to create an environment that promotes return migration and investment in North and West Africa.

One necessary component of improving domestic labour markets is strengthening institutions responsible for training and employment services. Initially, however, formal employment needs to be encouraged and social protection schemes brought up to a well-functioning level - including through the use of conditional cash benefits. The latter can be achieved against the backdrop of limited fiscal space. This can help to give momentum to the improvements in social and development indicators which have already occurred in the region, such as increased life expectancy (a gain of 3 or more years over the past decade in all countries), a reduction in the under-5 mortality rate and an improvement in the literacy rate by 3 to 5 percentage points in all countries. Finally, solid infrastructure investment, combined with adequate and non-distorting taxation, could also support the synergies between migration, the labour market and development.

Other efforts can focus on retaining workers who are already engaged in productive employment, i.e. encouraging "would-be migrants" to stay, or at least extend the time they remain, in the countries of origin. Lessons from similar practices in Africa have shown that non-financial incentives (e.g. career development) are an important consideration when fiscal budgets are limited. Also, there may be scope for countries of origin to coordinate efforts with destination countries to promote temporary stay and return programmes for workers of all skill categories, not just low-skilled workers in demand, which has proven to be of limited success. If a longer term approach is taken, such circular migration could serve the needs of both sets of countries.

...and recognizing that the challenge is particularly urgent given the growing cohort of youth in North and West Africa and the need for rural development.

The populations of North and West Africa are comparatively young, with one-quarter or more of the population under the age of 15. Although this share is expected to stabilize in the coming years, the past strong population increase means that substantial growth in the prime working-age population lies ahead for all five countries under review.

Developing employment opportunities that reward human capital investments, particularly for youth, continues to be a critical issue. The large youth cohort in North and West Africa has experienced an increase in education levels, while employment opportunities remain scarce. Over the past decade, evidence suggests a growth in tertiary education enrolment in the order of 10 and 14 percentage points for Algeria and Tunisia, respectively. But meanwhile, in most of the five countries, the youth unemployment rate is close to 30 per cent, rising to more than half in Mauritania (50.8 per cent and 69 per cent for young men and young women, respectively).

Opportunities to retain would-be emigrants must, in part, focus on employment-intensive investments in agriculture and other rural non-farm activities, but also on promoting education and decent work for youth. Since many young people in African countries are already working in small family businesses or are self-employed in the agriculture sector - and evidence suggests that a significant proportion of young people in West Africa would actually prefer to be self-employed rather than salaried - developing this entrepreneurial potential is an important opportunity for growth. While the problem of unemployment in the region is largely one of lack of demand, youth could still benefit from labour market guidance that informs young jobseekers of their opportunities.

In terms of improving educational outcomes, flexible schooling measures can help to reduce drop-out rates and increase opportunities for youth to upgrade skills. This approach has been shown to be particularly useful in rural areas, where students may work at home part-time and therefore require a modified school schedule.

Better targeted development aid can provide greater support for the strategy...

Development aid could support these aims. In addition to helping reinforce domestic labour markets, targeted development aid can support efforts to leverage remittances, for example through developing partnerships via "matching funds", as discussed above, or by encouraging migrants to invest in countries of origin via entrepreneurial activities. Recognizing the centrality of decent work and the role of labour markets in the conceptualization of these projects will be one of the keys to sustaining success.

... consistent with the ILO's Decent Work Country Programmes and Global Jobs Pact.

The ILO's Global Jobs Pact - adopted by the 98th Session of the International Labour Conference on 19 June 2009 as a response to the economic and financial crisis - is particularly salient for moving in the right direction in the near term. The Global Jobs Pact is a wide-ranging crisis response framework guided by the Decent Work Agenda. It is designed for national and international policies aiming at economic recovery, job creation and social protection measures for workers and their families. The framework ensures linkages between social progress and economic development and calls for priority to be given to protecting and growing employment through sustainable enterprises, providing quality public services and building adequate social protection for all as part of ongoing international and national action to aid recovery and development.

As countries grapple with the various impacts of the financial and economic crisis, international organizations must continue to advance the migration and development agenda, working collaboratively at the global level to better integrate employment-related aspects. In this regard, the ILO has a prominent role to play, given the importance of achieving decent work and making it an effective component of national development strategies. The Decent Work Country Programmes are unique opportunities to integrate migration-development-employment, in practical terms, into the Decent Work Agenda, where it could be a key strategic component for human and economic development.

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Introduction

Many individuals migrate in the hope of attaining better living and working conditions for themselves and their families – a fact which highlights the important role of the labour market for the individual in the migration experience. But the labour market also plays an important role in the manner in which migrant workers contribute to economic development in the country of destination and how migration influences development in the country of origin.

Countries of destination stand to benefit from migration because an inflow of workers can help address skill shortages and a declining labour supply; contribute to a potential resurgence of many traditional sectors, such as the agricultural and service sectors; and an influx of workers can help finance pension schemes and other social security measures. At the same time, these benefits must be weighed against any perceived impacts or consequences that migrant workers have on the labour market of destination countries.

Countries of origin can also benefit through remittance flows and the transfer of investments, technology and skills (the latter through permanent or temporary return migration). These factors are said to enhance development outcomes (improved growth, reduced poverty, etc.) of countries characterized by outward migration. In addition, outward migration is said to reduce competition and labour supply pressures in countries of origin, improving the relative position of workers in these countries. However, outward migration or emigration of labour (skilled or otherwise) could also represent a loss of human capital for countries of origin, hampering the development process over the medium to long term.

A key challenge with respect to migration is the extent to which the countries of study share the conditions of being simultaneously countries of origin, transit and destination. While each type of approach to the migration process has important implications and interactions with respect to the labour market and development in the region, the focus of this report will be on emigration. In particular, the aim will be to explore the channels in which out migration can influence development in the countries of origin in terms of: (i) impact on local labour market and development; (ii) capital

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returns via remittances (financial resources); and, (iii) return migration (human capital: temporary, circular or permanent).

The report examines these issues in North and West Africa (focusing on Algeria, Mauritania, Morocco, Senegal and Tunisia).¹ While the five countries of study incorporate migration issues within their development strategies to varying degrees, there is still a need for better understanding and more emphasis on the role of employment and labour markets.² In the ILO's view, the world of work is of central importance for the migration–development nexus. In 2005, the ILO's Governing Body adopted the Multilateral Framework on Labour Migration, in which Guideline 15.1 advocates “integrating and mainstreaming labour migration in national employment, labour market and development policy.”

Chapter 1 establishes the context for economic, social and labour market indicators in the countries of origin, including the importance of migration and reasons for migrating. Chapter 2 examines key emigration trends and analyses the labour market performance of migrant workers from North and West Africa and related human capital and development issues in these countries of origin.

Chapter 3 examines the subject of remittances transferred to the five countries of study, including the labour market (and other) factors that determine the probability to remit and issues regarding the impact of such remittances on development. Chapter 4 considers the subject of return migration, i.e. migrant workers who return to their country of origin after spending time living and working elsewhere (either temporarily or permanently). It examines reasons behind the decision to return and the factors that determine their labour market success upon return. Chapter 5 concludes with some of the main lessons and policy implications of the research and discusses possible areas for future work in the field of labour markets, migration and development. This final chapter also draws on experiences from other regions and countries to illustrate the types of practices, programmes and policies that have been implemented elsewhere.

¹ In the context of this report, North and West Africa will refer to the countries of Algeria, Mauritania, Morocco, Senegal and Tunisia. Similarly, unless stated otherwise, North Africa will refer to Algeria, Morocco and Tunisia and West Africa to Mauritania and Senegal.

² See country background papers prepared as part of this study: <http://www.ilo.org/inst-migration>

Chapter 1:

Economic, social and labour market performance in countries of origin

Introduction

The purpose of this chapter is to establish the context for the report's discussion of migration, development and the role of labour markets. The first section briefly examines the current context for migration, especially with regard to the region of North and West Africa.¹ Section B gives an overview of key social and economic indicators and, where possible, discusses the impacts of the global financial and economic crisis which started in 2008. The final section analyses the current labour market conditions in the five countries.

A. Current context for migration

The links between migration and development have been recognized at the international level for some time now, with a number of initiatives gaining momentum over the past decade (Box 1.1).

Migration occurs at different scales and varies considerably in type and intensity across countries. There are rural-to-urban (and vice versa) flows of people within countries, movements between cities, regional shifts and international migration. Most countries in the world are, simultaneously, a place of origin and of destination, albeit to varying degrees. Others play a significant role as temporary stopover points for individuals and their families who are in transit to other destinations.

¹ In the context of this report, North and West Africa will refer to the countries of Algeria, Mauritania, Morocco, Senegal and Tunisia. Similarly, unless stated otherwise, North Africa will refer to Algeria, Morocco and Tunisia and West Africa to Mauritania and Senegal.

Box 1.1 Migration-development nexus on the global agenda

- **2003:** *Global Commission on International Migration* established by the UN Secretary-General, with a mandate to provide a framework for the formulation of a coherent, comprehensive and global response to the issue of international migration.
- **2004:** *ILO Resolution concerning a fair deal for migrant workers in a global economy* states “promotion of policies that maximize the contribution of migration to development is another essential component of a comprehensive policy to address the global context of migration”.²
- **2005:** *Global Commission* issued its final report, recognizing the role that migrants play in promoting development and poverty reduction in countries of origin.
- **2006:** An *International Symposium on International Migration and Development* was held in Turin in June bringing together civil society, government representatives and other experts to debate policy questions about how to enhance the contribution of international migration to development. This debate was continued at the *UN High Level Dialogue on Migration and Development*, held in New York in September, highlighting the issue at the global level.
- **2006:** *Ministerial Euro-African Conference on Migration and Development* was held in Rabat in November and in Tripoli in June, with the aim of bringing concrete, sustainable and pertinent solutions to the challenge posed by migratory flow management.
- **2006:** *The Seventh Ordinary Session of the Assembly of Heads of State and Government of the African Union* was held in Banjul in June, discussing Regional Integration and Rationalization of Regional Economic Communities.
- **2007:** Emerging from the *High Level Dialogue*, the first *Global Forum on Migration and Development* was held in Brussels, marking the start of a new global process designed to enhance the positive impact of migration on development (and vice versa). Topics of discussion included leveraging remittances, fostering co-development, promoting the entrepreneurial spirit of migrants and helping countries of origin to tap the skills of their migrants abroad.
- **2008:** Second *Global Forum* held in Manila.
- **2009:** Third *Global Forum* held in Greece. Roundtable discussions held on the issues of: (i) utilizing the nexus of migration–development in order to accomplish the Millennium Development Goals; (ii) integration, reintegration and mobility of migrants for the benefit of development; and (iii) political and institutional cohesion and partnerships.
- **2009:** The *2009 Human Development Report* was dedicated to human mobility and development. The report investigates, among other things, migration in the context of demographic changes and trends in both growth and inequality.

² Available at: http://www.ilo.org/public/english/protection/migrant/download/ilcmig_res-eng.pdf.

The movement of people into, out of and through a particular country or region also takes place according to different time scales: there are, for example, short-term, longer term and permanent migrations. Moreover, the motivation to migrate or stay outside the country of origin can change over time. For example, an individual intending to stay only a few years in another country may end up settling permanently, and vice versa. In light of these considerations, the migratory configurations of most regions are understandably complex and dynamic – North and West Africa being no exception. Immigration, emigration and transit migration all take place concurrently and they all have impacts on labour markets and development, with resultant interrelations, complementarities and trade-offs. As a result, the five countries in this study defy a neat classification as strictly countries of origin, countries of transit or countries of destination.³

In recent decades, however, the North and West African region has been viewed as a region of origin for migration to Europe and, in particular, to France, Italy and Spain. For example, the Algeria–France migration corridor has been active for decades, and is among the largest in the world by volume.⁴ Moreover, migration from North and West Africa to Europe has increased in recent years partly due to rapid changes in technology and communication. Other factors that have contributed to this increased volume of migration include temporary migration, family reunification and the growing perception of employment opportunities available in European countries.

Increased migration from North and West Africa to Europe is also reflected in higher volumes of remittances received in recent years. In the past decade, remittances to the five countries of study have approximately tripled in US\$ terms and doubled as a share of GDP. Encouraging those migrants who have left to return is increasingly on the agenda of policy makers as a means to harness development in countries of origin. At the same time, however, the region has increasingly become a transit zone for migrants from e.g. sub-Saharan Africa seeking access to employment in Europe.⁵

The issues of emigration, remittances and return migration – their role in development and role of labour markets – are discussed in more detail in the chapters that follow. Throughout this report, the term “migrant” refers to an individual who migrates or who has migrated from one country to another while “migrant worker” will refer to “a person who migrates or who has migrated from one country to another with a view to being employed other than on his own account and includes any person regularly admitted as a migrant worker”.⁶ A number of other migration terms which will be used in the report are defined in Box 1.2.

³ A. Adepoju: *Perspectives on international migration and national development in sub-Saharan Africa*, paper presented at the experts' meeting International Migration and National Development: Viewpoints and Policy Initiatives in the Countries of Origin, Radboud University, Nijmegen, 23-24 Aug. 2006.

⁴ World Bank: *Migration and Remittances Factbook 2008*, Washington DC, 2008.

⁵ Adepoju (2006) op. cit.

⁶ ILO: Migrant Workers (Supplementary Provisions) Convention, 1975, C143, Article 11-1.

Box 1.2 Select migration terms

- **Country of origin:** country from which the migrant normally maintains residency.
- **Country of destination:** final country (other than the one in which residency is normally maintained) to which the migrant intends to settle (temporarily or permanently).
- **Internal migration:** movement of people within a country, e.g. from urban to rural area or vice-versa.
- **Irregular migration:** movement that takes place outside the regulatory norms of the sending, transit and receiving countries.
- **Migrant:** a person that moves from one country to another (and unless otherwise stated also includes migrant workers).
- **Migrant worker:** a person who migrates or who has migrated from one country to another with a view to being employed other than on his own account and includes any person regularly admitted as a migrant worker.
- **Emigration or outward migration:** the act of departing or exiting from one country (country of origin) with the intention of settling in another (country of destination).
- **Transit migration:** the process of migrating to one country with the purpose of migrating then to the country of destination.
- **Return migration:** process in which migrants move back to their country of origin (voluntarily or involuntarily).

1. Employment as a principal reason for migrating

Countries of destination often classify migrants on the basis of their reasons for migrating (i.e. family reunification, refugees and asylum seekers and economic migrants) but these categories can become blurred. It is important to recognize that many of those who initially emigrate for other reasons may eventually end up seeking employment in their destination countries.

There are multiple motivations, and often mixed reasons for individuals' decisions to migrate (Box 1.3). Conflict is sometimes cited as a strong motivating factor to migrate, particularly in Africa. However, it is estimated that conflict is associated with only about 13 per cent of international movement on the African continent.⁷ Economic reasons, such as searching for employment or better working conditions, play a significant role in the decision to migrate, especially among men from North and West Africa (Figure 1.1). Among male migrants in Spain, more than two-thirds from Algeria, Morocco and rest of Africa indicate employment as the reason for migrating. While family reasons predominate among female migrants, still over one-quarter and one-third of female migrants from Morocco and the rest of Africa, respectively, migrate to either find employment or improve one's employment situation.

⁷ United Nations Development Programme, *Human Development Report*, New York, 2009.

Box 1.3 Determinants of migration: Push and pull factors

Push factors

There are a number of factors that “push” migrants to leave their countries of origin, including ethnic and social conflict, unstable political conditions and environmental degradation. Environmental factors include drought and desertification, which could lead to famine or may make some lands uninhabitable. Social/political reasons include human rights abuses, conflict and political instability. Economic circumstances including a lack of viable work opportunities, high levels of unemployment, inadequate social protection and poverty are also major push factors.

Pull factors

Pull factors include family reunification, a desire for higher living standards and the pursuit of better employment opportunities and working conditions. Potential migrants may feel the “pull” to move after hearing reports from families and friends about the employment opportunities, wages and living conditions abroad.

This is not to say that all emigration from North and West Africa can be explained by economic and labour market factors – indeed, migration flows out of Africa do not follow one simple pattern but are rather diverse.⁸ For example, in the case of Algeria, longstanding colonial ties since the 1960s have played a significant role in emigration to France. Additionally, during the 1990s, irregular migration out of Algeria was, to a large extent, provoked by intense political conflicts. In Mauritania, a range of economic, social, political and security factors underlie the trend of emigration. In Morocco and Tunisia, family reunification has been a key determinant of emigration following male-dominated migration to France during the 1960s. In Senegal, the contraction of formal and informal employment opportunities over the past decade has been a contributing factor.⁹

2. ILO: A rights-based approach

The ILO has defined a general framework on labour migration using a rights-based approach. All workers, including migrant workers, have human and labour rights, as defined in international Conventions adopted by the tripartite members of the ILO. They are entitled to these rights as workers.¹⁰ Labour migration is a cross-cutting issue with all major sectors of the ILO – standards, employment, social protection and social dialogue – engaged in work on labour migration within the overarching framework of Decent Work.

There are three international Conventions addressing specifically the rights of migrant workers. Two are ILO Conventions: the Migration of Employment Convention (Revised), 1949 (No. 97)¹¹ and the Migrant Workers (Sup-

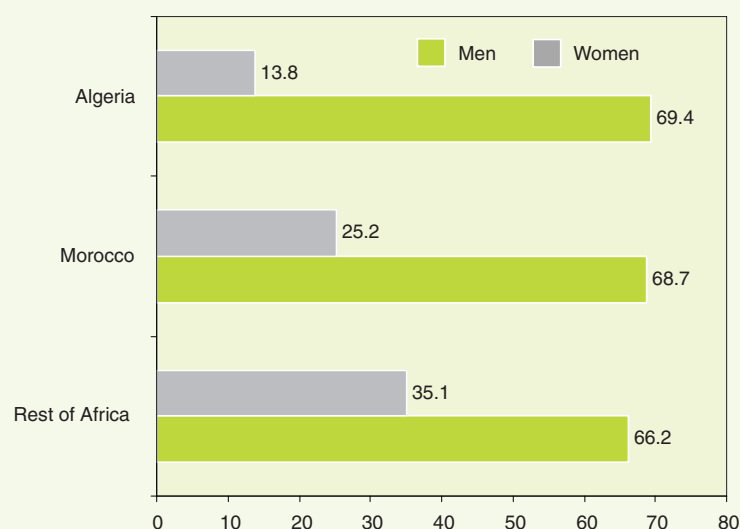
⁸ T. Zuberi and A. Sibanda: “How Do Migrants Fare in a Post-Apartheid South African Labor Market?”, in *International Migration Review*, Vol. 38, Issue 4, 2004, pp. 1462-1491.

⁹ Background papers containing additional information on the migration process for each country under review is available at <http://www.ilo.org/inst-migration>.

¹⁰ ILO *et al*: *Rights, Labour Migration and Development: The ILO Approach*, Geneva, 2007.

¹¹ Available at: <http://www.ilo.org/ilolex/cgi-lex/convde.pl?C097>.

Figure 1.1 Share of individuals migrating to Spain for employment reasons, by gender, 2007 (percentages)



Note: Employment reasons refer to either finding employment or improving one's employment situation.

Source: ILS estimates based upon *Encuesta Nacional de Inmigrantes (ENI)*, 2007.

plementary Provisions) Convention (No. 143)¹², each of which have accompanying Recommendations:¹³

- Migration for Employment Convention (Revised), 1949 (No. 97). This convention applies to migrant workers in regular status covering issues on their departure, journey, reception, medical services, transfer of earnings and savings. The Convention requires ratifying States to, among other things, establish and maintain a free assistance and information service for migrant workers. States have an obligation to apply treatment no less favourable than that which applies to their own nationals in respect of a number of matters, including conditions of employment, freedom of association and social security.
- Migrant Workers (Supplementary Provisions) Convention, 1975 (No. 143). This Convention focuses on migrant workers under abusive conditions. It provides measures to combat clandestine migration and the migration of workers in irregular status by taking action against their organizers and employers, while at the same time, setting forth the general obligation to respect the basic human rights of all migrant workers. It also extends the scope of equality between legally resident migrant workers and national workers beyond the provisions of the 1949 Convention. It ensures equality of opportunity and treatment in

¹² Available at: <http://www.ilo.org/ilolex/cgi-lex/convde.pl?C143>.

¹³ Available at: <http://www.ilo.org/ilolex/cgi-lex/convde.pl?R086> and <http://www.ilo.org/ilolex/cgi-lex/convde.pl?R151>.

respect to employment and occupation, social security, trade union and cultural rights, and individual and collective freedoms for individuals who, as migrant workers or as members of their families, are lawfully within a ratifying State's territory. The Convention calls upon ratifying States to facilitate the reunification of families of migrant workers legally residing within their territory.

The third international Convention specifically pertaining to migrant workers is the 1990 International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (UN Migrant Workers Convention or ICRMW).¹⁴ Among the five countries, only Algeria has ratified Convention No. 97, but all countries with the exception of Tunisia have ratified the UN Convention (Table 1.1).¹⁵

These Conventions and their accompanying Recommendations provide a framework for the basic components of a comprehensive labour migration policy, the protection of migrant workers, the development of their potential, and measures to facilitate as well as to regulate migration movements.¹⁶ In addition to these Conventions, all ILO labour standards generally apply to migrant workers unless otherwise stated.¹⁷ ILO standards on migration provide tools for both origin and destination countries to manage migration flows and to ensure adequate protection for this vulnerable category of workers.

Table 1.1 Migration-specific Conventions ratified by the selected countries

	C97 Migration for Employment Convention (Revised) 1949	C143 Migrant Workers (Supplementary Provisions) Convention 1975	UN Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families 1990
Algeria	✓ (19 October 1962)	✗	✓ (21 April 2005)
Mauritania	✗	✗	✓ (22 January 2007)
Morocco	✗	✗	✓ (21 June 1993)
Senegal	✗	✗	✓ (9 June 1999)
Tunisia	✗	✗	✗

Note: ✓ = ratification or accession; ✗ = not a party to the agreement.

Source: ILO, Database of International Labour Standards and UN, treaty collection (<http://treaties.un.org>).

¹⁴ Available at: <http://www2.ohchr.org/english/law/cmw.htm>.

¹⁵ ILO: *Rules of the Game, A Brief Introduction to International Labour Standards*, Geneva, 2009b.

¹⁶ ILO (2007) op. cit.

¹⁷ ILO: *Protecting the Rights of Migrant Workers: A Shared Responsibility*, International Migration Programme, 2009a.

In addition, the 2006 ILO Multilateral Framework on Labour Migration provides rights-based practical guidance to governments and to employers' and workers' organizations with regard to developing, strengthening and implementing national and international labour migration policies with a view to maximizing the benefits of labour migration for both origin and destination countries and for migrant workers themselves.¹⁸ It provides guidance in the prevention of and protection against abusive migration practices. It additionally addresses the important themes of decent work, means for international cooperation on labour migration, the migration process, social integration and inclusion, and migration and development.

B. Economic and development indicators

1. Overview of demographic situation

The countries of Algeria, Mauritania, Morocco, Senegal and Tunisia together had a collective population of 93 million in 2009, ranging from over 30 million in both Algeria and Morocco to 3.2 million in Mauritania (Table 1.2). The countries of North and West Africa also have relatively fast-growing populations. During the 1960s and 1970s, the pace of population growth was relatively robust across the region. The fertility rate in Morocco during this period was above 6 per cent, and the population of Algeria more than tripled since 1962, with fertility rates above 7 per cent. Since the 1980s, population growth has slowed but it remains comparably high: all countries have population growth rates above 1 per cent, in some cases 2 per cent, compared to 0.3 per cent in European countries (EU-15).

At the same time, the population density in North and West Africa is quite low, especially in Algeria and Mauritania, where much of the land is desert. The percentage of the population that is urban is also comparatively low: this is especially the case in West Africa, where approximately 60 per cent of the population live in rural areas (compared to 35 per cent in North African countries and roughly 23 per cent in EU-15 countries).

¹⁸ *ILO Multilateral Framework on Labour Migration: Non-binding principles and guidelines for a rights-based approach to labour migration*, ILO, 2006, http://www.ilo.org/public/english/protection/migrant/download/multilat_fw_k_en.pdf (accessed 12 February 2010).

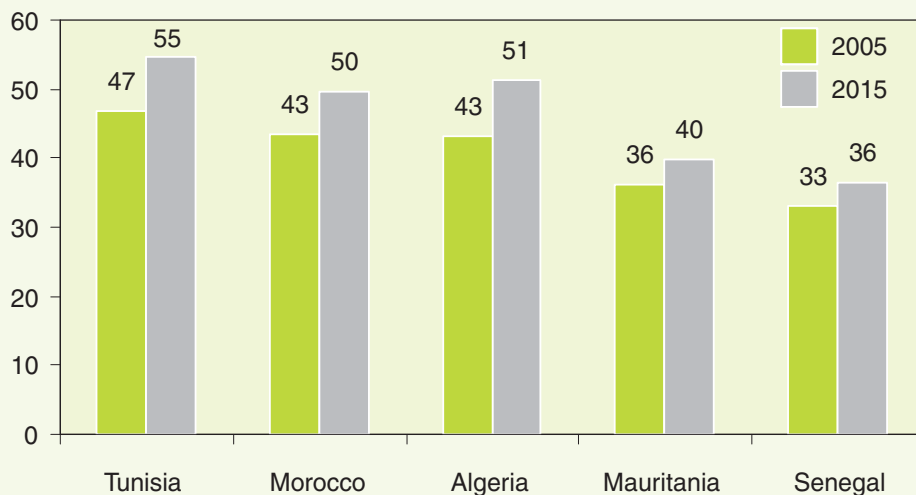
Table 1.2 Population indicators for selected countries, 2009

	Population (000s of inhabitants)	Population growth rate (2008-2009)	Population density (inhabitants per sq km)	% urban (urban population as % of total population) 2007	Age structure			Age dependency (% population under 15 and over 60 years)
					0-14	15-60	60+	
Algeria	34 895.5	1.5	14.7	64.6	27.3	68.1	4.6	31.9
Mauritania	3 290.6	2.7	3.2	40.8	39.5	57.9	2.7	42.1
Morocco	31 992.6	1.2	71.6	55.7	28.4	66.3	5.4	33.7
Senegal	12 534.2	2.6	63.7	42.0	43.6	54.0	2.4	46.0
Tunisia	10 271.5	1.0	62.8	66.1	23.2	70.0	6.7	30.0
EU-15	390 949.9	0.6	117.9	76.4	15.8	66.2	18.0	33.8
France	62 342.7	0.6	96.9	77.1	18.4	64.9	16.7	35.1
Italy	59 870.1	1.6	198.7	67.9	14.2	65.6	20.2	34.4
Spain	44 903.7	0.7	88.9	77.0	14.8	68.1	17.0	31.9

Source: United Nations Statistics Division, Demographic and Social Statistics and country background papers produced for the purpose of this study.

The populations of North and West Africa are thus comparatively young. As Table 1.2 illustrates, 25 per cent or more of the population is under the age of 15 – in many cases, this is more than double the share currently present in France, Italy or Spain. Although this share is expected to stabilize in the coming years, the strong population growth of the past few decades means that there will be substantial growth in the prime working-age population (25–64) within a relatively short time in all five countries (Figure 1.2). For example, in North Africa, by 2015 more than half of the population will be of prime working age. Similarly, in West Africa, the share of the prime working-age population is expected to rise to 40 per cent in Mauritania and 36 per cent in Senegal.

Figure 1.2 Population aged 25–64 as a per cent of total population in selected countries, 2005 and 2015 (percentages)



Source: ILO, Economically Active Population Estimates and Projections (EAPEP), fifth edition.

2. Economic performance and implications of the financial crisis^{19,20}

In terms of the composition of economic activity in the region, more than 40 per cent of GDP in Algeria, Mauritania and Tunisia is derived from exports – having risen significantly since 2000 (with the exception of Senegal, Figure 1.3, panel A). The percentage of GDP represented by exports is significantly higher than in European countries, where exports as a percentage of GDP are around 20 per cent. In Senegal and Morocco, however, one-fifth or less of GDP comes from exports. The bulk of exports from the region are destined for EU countries (Figure 1.3, panel B). This is especially the case with respect to Mauritania, Morocco and Tunisia. North Africa, in particular, has developed extensive trade relations with the EU, through the European–Mediterranean Partnership initiated in 1995 as part of the Barcelona Process.²¹

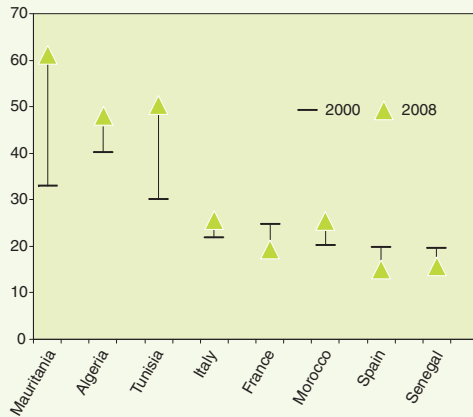
¹⁹ The following sub-section is based principally on R. Atieno and M.V. Mitullah (2009) prepared in conjunction with this report. For more information see <http://www.ilo.org/inst-migration>.

²⁰ See also I. Awad: *The global economic crisis and migrant workers: Impact and response*, ILO, Geneva, 2009.

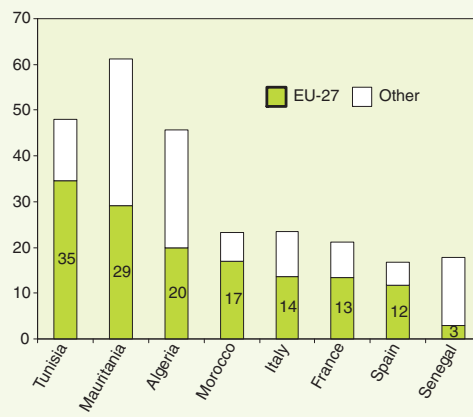
²¹ R. Miller and A. Mishrif: "The Barcelona Process and Euro-Arab Economic Relations: 1995-2005", in *Middle East Review of International Affairs*, Vol. 9, No. 2, June 2005.

Figure 1.3 Exports as a share of GDP according to destination and source country, 2000 and 2008 (percentages)

Panel A. Exports as a percentage of GDP, 2000–2008



Panel B. Exports by destination, percentage of GDP, 2008



Source: World Trade Organization Statistics and World Bank Key Development Data and Statistics.

Chapter 1

With respect to economic performance, in the period before the global crisis which started in 2008, economic growth was relatively robust across the region, averaging nearly 4 per cent per annum or more since 1997, supported in most cases by rising oil and commodity prices (Table 1.3). Initially, at least in 2008, growth in developing economies, in particular Africa, had been fairly resilient due to the comparatively low level of financial integration.²² Over the course of 2008 and 2009, however, the impact of the crisis which originated in the developed world spread to developing countries in terms capital reversals, rising borrowing costs, collapsing world trade and commodity prices. In fact, average annual real GDP growth in all five countries slowed considerably in 2008 and 2009 with falling commodity prices and declining exports the main transmission mechanisms:

- **Algeria:** in the short run, some of the initial external shock was absorbed by reserves and budget surpluses accumulated during periods of oil price increases. Nevertheless, exports – primarily hydrocarbon products which account for almost half of GDP – have been negatively impacted. With commodity prices rebounding, economic growth is expected to stabilize in 2010;
- **Mauritania:** the economic outlook appears to be intrinsically linked to the volatility of trade growth. For example, in 2006, exports grew over 115 per cent, which led to GDP growth of over 10 per cent. With the

²² L. Kasekende et al.: *Impact of the Global Financial and Economic Crisis on Africa*, African Development Bank Group Working Paper No. 96, 2009.

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onset of the crisis, falling commodity prices and declining exports have accompanied declining growth prospects;²³

- **Morocco:** growth has been characterized by a period of instability, with growth strongly linked to the volatile performance of the agricultural industry, which represents over 12 per cent of GDP and some 40 per cent of regular employment. Nonetheless, growth has averaged close to 4 per cent over the decade 1997-2007. Growth slowed in 2008 and 2009 due to a decline in exports, which accounted for nearly one-fifth of GDP in 2008. As European consumers restrict discretionary spending, the tourism industry in Morocco is also likely to be negatively affected;
- **Senegal:** the global economic crisis began to affect the Senegalese economy in late 2008/early 2009, following the oil and food price shock in 2008, with remittances, export prices and FDI appearing to be the main transmission channels.²⁴ For example, the external current account deficit amounted to 12.3 per cent of GDP, representing a deterioration of 0.5 per cent of GDP relative to 2007, primarily as a result of the increase in oil and food prices for the year as a whole. Following this, macroeconomic performance continued to decline over 2008 and 2009, reflecting the unfavourable international environment as well as a number of domestic factors;²⁵
- **Tunisia:** experienced the highest average growth rate over the period between 1997 and 2007 at an average of 5 per cent per annum. And despite having a relatively diverse economy, Tunisia has experienced a sharp contraction in industrial production and exports, as well as declines in government revenues and foreign reserves. Many sectors of the economy have been affected, from manufacturing to tourism – growth projections for 2009 were revised downwards by 1.5 per cent between November 2008 and February 2009. In addition, the textiles, auto parts and tourism sectors are experiencing a pronounced slump in growth.²⁶

For the region as a whole, over the course of 2010, while in most cases growth rates are likely to remain lower compared to the past decade, improvements over 2009 are expected and are forecast to remain higher than in the EU.

²³ See also O.B. Fah: *Mauritanie: Migration, marché du travail et développement*, background paper undertaken for the purposes of this study. Available at: <http://www.ilo/inst-migration>.

²⁴ IMF: *Senegal: Letter of Intent, Memorandum of Economic and Financial Policies, and Technical Memorandum of Understanding*, 2009.

²⁵ *ibid.*

²⁶ *Tunisia: Europe's northern most African neighbour riding out the financial crisis*, Deutsche Bank Research, 2009, <http://www.dbresearch.com> (accessed 5 February 2010).

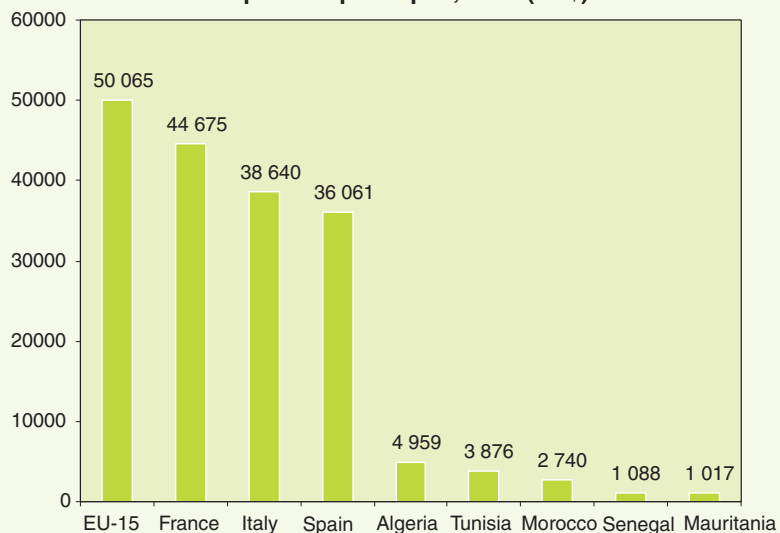
Table 1.3 Average annual real GDP growth, 1997–2010 (percentages)

	1997-2007	2008	2009	2010
Algeria	3.7	3.0	2.1	3.7
Mauritania	3.6	2.2	2.3	4.7
Morocco	3.9	5.4	4.4	3.2
Senegal	4.5	2.5	3.1	3.4
Tunisia	5.0	4.5	3.3	4.0
EU-15	2.6	0.3	-4.2	0.5
France	2.4	0.7	-3.0	0.9
Italy	1.5	-1.0	-4.4	0.2
Spain	3.8	1.2	-3.0	-0.7

Note: 2010 figures are forecast estimates.
Source: IMF, World Economic Outlook Database.

Despite the robust performance, levels of North and West African GDP per capita remain substantially lower than in the EU, with considerable variation between countries. First, as Figure 1.4 illustrates, Algeria, Tunisia and Morocco have relatively high levels (between approximately 2,700 and 5,000 US\$ per capita) of GDP per capita compared to Mauritania and Senegal (approximately 1,000 US\$). Second, across the region, GDP in North and West Africa remains a small fraction – nearly one-tenth or less – of the GDP per capita in major countries within the EU.

Figure 1.4 Gross domestic product per capita, 2008 (US\$)



Source: National sources based on country background papers and United Nations Statistics Division.

3. Progress in social indicators

Generally, the relatively good economic performance of the past decade has been accompanied by improvements in a number of social indicators (Table 1.4):

- life expectancy at birth has risen by three or more years in all countries;
- the under-5 mortality rate has dropped in all countries – especially in Morocco, where it has been reduced by half;
- the literacy rate has risen in all countries by 3 to 5 percentage points;
- poverty reductions are present in all countries;
- the prevalence of under-nourishment has remained relatively low, with the exception of Senegal, where it remains high, despite some improvements in recent years.

Table 1.4 Social indicators for selected countries

	Life expectancy at birth (years)		under-5 mortality rate (per 1,000)		Prevalence of under-nourishment (% population)		Human poverty index		Literacy rate (% of people ages 15 and above)		Human development index rank (among 182 countries)
	1995	2007	1995	2007	1995	2007	1998	2009	2000	2007	2009
Algeria	69	72	53	37	5	5	24.8	17.5	70	75	104
Mauritania	60	64	126	119	8	8	49.7	36.2	51	56	154
Morocco	67	71	69	34	5	5	38.4	31.1	42	56	130
Senegal	59	63	148	114	32	26	47.9	41.6	39	42	166
Tunisia	71	74	40	21	5	5	21.9	15.6	–	78	98
Euro-area	77	80	7	4	5	5	–	–	–	–	–
France	78	81	6	4	5	5	11.1	11.0	–	–	8
Italy	78	81	7	4	5	5	11.9	29.8	98	99	18
Spain	78	81	7	4	5	5	11.6	12.4	–	98	15

Note: Data for Morocco on literacy refer to 1995 instead of 2000. Human poverty index for selected high income countries, including France, Italy and Spain, is calculated differently and therefore direct cross-country comparisons should be avoided.

Source: World Bank Statistics, Millennium Development Goals and United Nations Development Programme (UNDP), Human Development Report 2009.

Although some social conditions have improved over time, important challenges remain. According to the human development index (HDI), while all the countries' index scores have increased over the years, some more quickly than others, the study countries continue to have relatively low positions in terms of their HDI rank.²⁷ For example, Tunisia, Algeria and Morocco are ranked 98th, 104th and 130th respectively, while Mauritania and Senegal are situated in the bottom sixth of 182 countries worldwide, at 154th and 166th respectively. And, in terms of educational indicators, only Algeria and Tunisia have literacy rates over 60 per cent.

There are also important within-region disparities. The gap between the three North African countries (Algeria, Morocco and Tunisia) and the two West African countries (Mauritania and Senegal) is particularly evident in terms of the under-5 mortality rate, which is three to four times higher in Mauritania and Senegal. Compared to Europe, the gap in social indicators is even wider: the difference in life expectancy is as much as 19 years between Spain and Senegal, and the infant mortality rate in North and West Africa is over 10 times the rate in the Euro-area. The prevalence of under-nourishment in Algeria, Morocco and Tunisia is the same as in Europe, at 5 per cent; in Senegal, however, 26 per cent of the population is affected.

Improvements in primary school enrolment in recent years have meant that the differences between North Africa and Europe are no longer substantial: in Europe, primary school enrolment is close to 100 per cent, compared to 97 per cent in Algeria and Tunisia and 88 per cent in Morocco (Table 1.5). Rates in Mauritania and Senegal are 77 per cent and 70 per cent respectively.

However, the gap between North and West Africa and Europe grows markedly with higher levels of education. In Europe, more than 90 per cent of the population in the secondary-age group are enrolled, but the percentage drops to around 65 per cent in Algeria and Tunisia, 35 per cent in Morocco and less than 20 per cent in the West African countries. The share enrolled in tertiary education in North Africa is also relatively low – despite considerable increases in recent years. For Senegal and Mauritania, the problem is especially acute with regard to university enrolment with only 7 per cent and 4 per cent, respectively, undertaking tertiary level studies.

²⁷ The HDI is a summary composite index that measures a country's average achievements in three basic areas of human development: health, knowledge and a decent standard of living. Health is measured by life expectancy at birth, knowledge is measured by a combination of the adult literacy rate and the combined primary, secondary and tertiary gross enrolment ratio and standard of living by GDP per capita (PPP US\$).

Table 1.5 Net enrolment ratio, 2003–2007 (percentage of population)

	Primary school			Secondary school			Tertiary school		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Algeria	96.6	97.7	95.4	66.3	64.6	68.2	24.0	20.0	28.0
Mauritania	76.7	74.7	78.8	15.6	16.4	14.6	4.0	5.0	2.0
Morocco	87.5	90.1	84.7	34.5	37.4	31.6	11.0	12.0	11.0
Senegal	69.6	71.0	68.3	17.5	19.9	15.0	7.0	9.0	5.0
Tunisia	97.0	96.6	97.5	64.5	61.4	67.6	31.0	25.0	37.0
France	98.6	98.3	98.8	99.0	98.0	100.0	56.0	49.0	62.0
Italy	98.6	99.0	98.2	92.5	91.8	93.2	68.0	57.0	80.0
Spain	99.6	99.8	99.4	93.9	92.3	95.4	69.0	62.0	76.0

Note: Data refer to the most recent year available during the period 2003–2007. Net enrolment ratio is the number of pupils in the theoretical age group for a given level of education enrolled in that level, expressed as a percentage of the total population in that age group.

Source: UNESCO Institute for Statistics, Data Centre.

C. Labour market conditions and social protection

The role of the labour market in the context of migration is critically important, not least because – as illustrated above – employment opportunities and the labour market conditions of both source and destination countries can act as critical motivators in the migration decision. The purpose of this section is to develop an understanding of the labour market situation in North and West Africa. However, a number of relevant data limitations with respect to labour market information in the region must be borne in mind. In particular, labour market data in Mauritania and Senegal date back only to 2006, in some cases 2004 and 2005. Neither of these two countries conduct labour force or household surveys on a regular basis. Surveys in Algeria, Morocco and Tunisia are more regular and more recent information is available in a number of key areas.

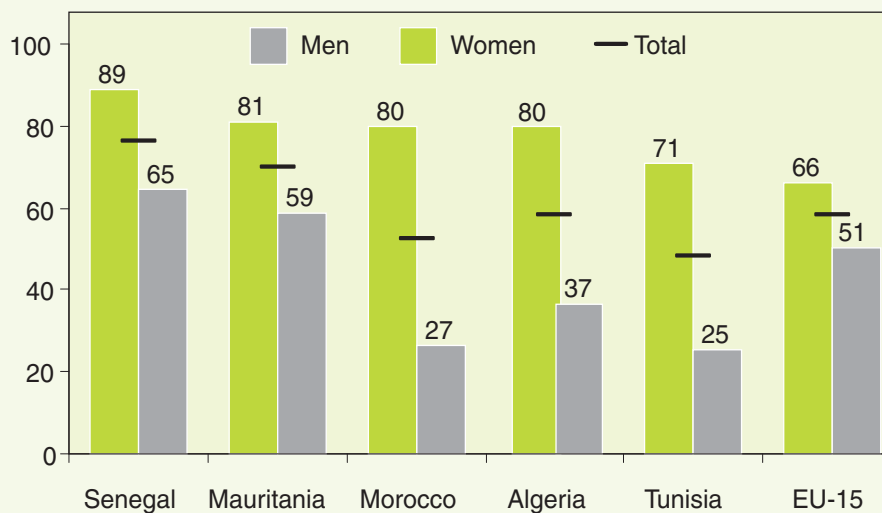
It is equally important to note that information on migrant workers within the surveys of the five countries is either not available or, as is more often the case, not collected. More comprehensive information on the labour market conditions in each country can be obtained from the background papers prepared in the course of this project.²⁸

²⁸ Available at: <http://www.ilo.org/inst-migration>.

1. Labour force participation rates

Participation rates range widely, both among and within countries (Figure 1.5). With the exception of Tunisia, male employment rates in the region (80 per cent or more) are generally higher in comparison to EU-15. On the other hand, female participation rates are comparably low, with approximately two-thirds or more of women in Algeria, Tunisia and Morocco not participating in the labour market (compared to approximately half in the EU-15). As a result, the gender gap in participation is particularly high, even in Mauritania and Senegal where the female participation rates are above 50 per cent. In fact, in all five countries, female participation rates are at least 20 per cent lower than rates for males, in some cases more (Algeria, Morocco, and Tunisia).

Figure 1.5 Labour force participation rates, 15 and over, by gender, 2008 (percentages)



Source: ILO, Economically Active Population Estimates and Projections (EAPEP), fifth edition.

2. Employment considerations

While participation rate estimates are relatively high compared to Europe, at least among men, employment in Africa, including North and West Africa, is predominantly informal in nature. But by its very definition, data on informal employment is scarce and difficult to compare between countries – a problem exacerbated by the fact that different approaches to measuring informality are adopted.²⁹ In North Africa, OECD estimates of the share of

²⁹ Data on informal employment in African countries are quite scarce and household labour force surveys are carried out at irregular intervals (M. Bacchetta et al.: *Globalization and informal jobs in developing countries*, a joint study of the International Institute for Labour Studies of the International Labour Office and the Secretariat of the World Trade Organization, Geneva, 2009).

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informal employment (in total non-agricultural employment) indicate that one-third or more of the workforce is engaged in informal work (Table 1.6).³⁰ The situation is particularly acute in Morocco, where the share of informal employment, at two-thirds, has risen over 20 percentage points in the past decade.

In Mauritania and Senegal, the availability of data on informal employment is particularly limited (although a special survey on informal employment in Mauritania is planned for 2010). Data from the 1990s indicate that over 80 per cent of job creation in Mauritania was informal in nature.³¹ In Senegal, only 10 per cent of the active population is comprised of salaried workers, with the rest being either informal or agricultural workers.³²

Table 1.6 Share of informal employment in total non-agricultural employment by gender and share of self-employed and paid employees in total informal employment (percentages)

	1990s					2000s
	Total	Women	Men	% self-employed	% paid employees	Total
Algeria	42.7	40.6	43.1	66.6	33.4	41.3
Mauritania	80.0	–	–	72.8	27.2	–
Morocco	44.8	46.8	44.0	81.3	18.7	67.1
Senegal	–	–	–	–	–	–
Tunisia	47.1	39.2	53.2	51.6	48.4	35.0

Note: Definition employed by OECD is different to that traditionally used in the context of ILO. For more information on informality in the ILO and issues related to trade see Bacchetta et al. (2009) *Globalization and informal jobs in developing countries*.

Source: OECD (2009) *Is informal normal? Towards more and better jobs in developing countries*.

The increasing trend in informal employment has several attendant challenges. First, informal workers earn, on average, less than regular workers and working conditions are often unregulated. Second, informal workers have limited access to social security benefits – a concern not limited to informal workers in North and West Africa (see below). In the context of migration-related issues, it is likely that a considerable share of informal employees are migrant workers, either from other countries or simply rural workers who have moved to urban areas in search of employment.

³⁰ Definition of informal employment adopted by OECD is different to that traditionally used in the context of ILO. For more information on informality in the ILO and issues related to trade see Bacchetta et al. (2009) *Globalization and informal jobs in developing countries*.

³¹ Fah (2009) op. cit.

³² Fall (2009) op. cit.

Given the level of informal employment, an examination of employment rates (i.e. employment to population ratios) gives a different perspective of the labour market situation in North and West Africa (Table 1.7). In most cases, the overall employment rate is less than 50 per cent, with female employment rates lower than 25 per cent and in some cases as low as 13.6 per cent (Algeria).³³

Table 1.7 Employment rates for persons aged 15 and over, by gender, most recent year available (percentages)

	Year	Total	Men	Women
Algeria	2007	40.9	67.8	13.6
Mauritania	2004	40.0	61.6	20.7
Morocco	2008	51.0	76.1	27.1
Senegal	2006	38.7	–	–
Tunisia	2008	39.7	58.7	20.7
EU-15	2008	68.5	75.9	61.1

Note: Data for Mauritania refers to the age group 15-64.

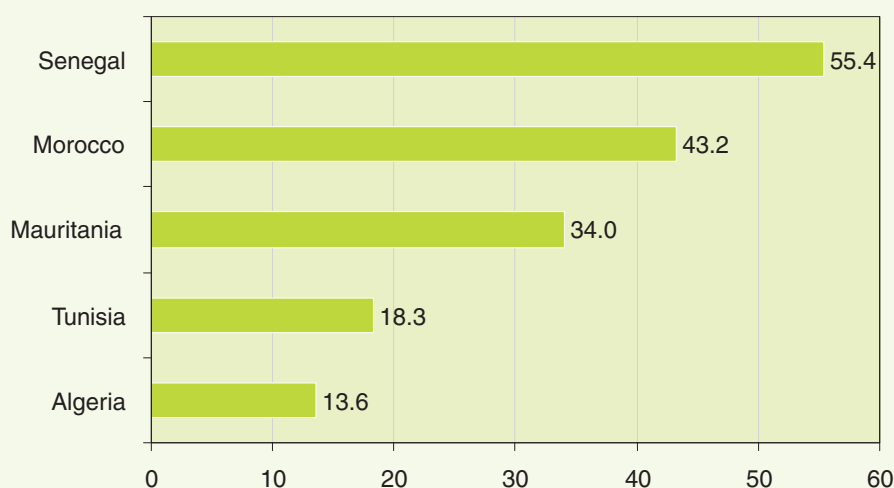
Source: ILS estimates based on national statistics from country background papers (<http://www.ilo.org/inst-migration>).

In terms of employment structure, the primary sector remains an important element in North and West Africa, especially in Senegal, Morocco and Mauritania (Figure 1.6). Indeed, while much of the GDP growth in these economies comes from energy resources, it has not translated into comparable employment opportunities. For example, in Algeria the oil sector made up 36.5 per cent of GDP in 2004, but it only employed 3 per cent of the workforce.³⁴ In Mauritania, less than 5 per cent of employment is related to the petroleum industry, which generates nearly 73 per cent of GDP. Conversely, in Morocco, while the agricultural sector accounts for approximately 12 per cent of GDP, it represents more than 40 per cent of employment.

³³ North Africa, together with the Middle East, has the lowest employment to population ratio among all regions (World Bank: *Shaping the Future: A Long-Term Perspective of People and Job Mobility for the Middle East and North Africa*, Washington, 2009).

³⁴ Genchev (2005) op. cit.

Figure 1.6 Employment in primary sector, most recent year available (percentage of total employment)



Note: Data for Algeria refer to 2007, for Mauritania 2004 and for Morocco, Senegal and Tunisia 2008.

Source: ILS estimates based on national statistics from country background papers (<http://www.ilo.org/inst-migration>).

3. Unemployment rates

Unemployment rates have declined considerably in recent years, especially in North Africa. In Algeria, Morocco and Tunisia, the unemployment rate has fallen by nearly 10 percentage points in the past decade. In Morocco, the unemployment rate has fallen from 19 per cent in 1998 to under 10 per cent in 2007 (Table 1.8).³⁵ Similarly, in Algeria, unemployment fell from over 26 per cent in 1997 to just below 14 per cent in 2007.³⁶ Tunisia's unemployment rate, at 14.1 per cent in 2007, has remained more or less unchanged in the past couple of years. Formal labour force surveys are undertaken less frequently in Mauritania and Senegal. However, the most recent estimates indicate the unemployment rate is 10 per cent in Senegal (2006) and 32.5 per cent in Mauritania (2004).

³⁵ Even in the light of the current economic crisis, the unemployment rate is not expected to rise much beyond 11 per cent (M. Khachani: *Morocco: Migration, marché du travail et développement*, background paper undertaken for the purposes of this study. Available at: <http://www.ilo.org/inst-migration>).

³⁶ 3 million jobs were created between 1997 and 2007 with growth accelerating in recent years: 2 million since 2003 alone (Musette (2009) op. cit.).

Table 1.8 Unemployment rates in selected countries, most recent year available (percentages)

	Year	Total	Urban	Rural	Youth unemployment rate
Algeria	2007	13.8	14.2	13.1	27.4
Mauritania	2004	32.5	35.4	30.2	50.8 (Men) 69.0 (Women)
Morocco	2007	9.6	15.4	3.7	31.5
Senegal	2004	10.0	15.9 (Dakar) 11.1 (other cities)	6.3	–
Tunisia	2007	14.1	–	–	34.1 (15-19 years) 30.2 (20-24 years)

Source: ILS estimates based on national statistics and country background papers (<http://www.ilo.org/inst-migration>).

Two areas of particular concern are urban and youth unemployment. Urban unemployment continues to be a challenge as workers migrate from rural areas to cities in search of employment. In all countries, the urban unemployment rate exceeds the rural unemployment rate, with the problem being particularly acute in Morocco, where the urban unemployment rate is 11.7 percentage points higher than that in rural areas. In addition, a growing number of youth are looking – albeit unsuccessfully – for work. In most countries, the youth unemployment rate is close to 30 per cent, rising to more than half in Mauritania (50.8 per cent and 69.0 per cent for young men and young women, respectively). In Morocco, 80 per cent of urban unemployment is concentrated in the 15-35-year age range.

Lack of decent work opportunities at an early age may permanently compromise the future employment prospects of youth, hamper development and have important implications for the motivation to migrate. Additionally, against the backdrop of a growing working-age population, there are fears that the absence of employment opportunities for new labour market entrants could dampen the desire to undertake educational activities, creating a vicious circle.³⁷

³⁷ For example, in Morocco it is estimated that 300,000 new persons each year will be looking for work. However, the economy generated, on average, only 217,000 jobs on average over the period 1995–2003. It is estimated that, over the next few years, an average annual GDP growth rate of over 5 per cent would be necessary to absorb the new jobseekers and keep the unemployment rate at its current level (Khachani (2009) op. cit.).

4. Social protection

Social security provides individuals and households with access to health care and income security, particularly in cases of old age, unemployment, sickness, invalidity, work injury, maternity or loss of a breadwinner. However, access to social security is often limited in developing countries, including those in North and West Africa.³⁸ For example, while social security expenditures in Europe represent approximately 25 per cent of GDP, in Africa they are around 4.3 per cent.³⁹

Nevertheless, most of the North and West African countries in question have provisions for many of these benefit systems, except for unemployment benefits (only present in Algeria and Tunisia for salaried workers). Indeed, a growing number of these governments have included social security protection in their national strategies for growth, poverty reduction and sustainable development.⁴⁰ However, there is an important distinction to be made between provision and coverage. Even where provisions exist (including for unemployment benefits), actual receipt of benefits is often limited – for example, only 4 per cent of unemployed workers in Algeria were receiving unemployment benefits in 2007 (Table 1.9).⁴¹ The low level of coverage is due in part to the rules governing these programmes but is also influenced by the relative size of the informal sector (see Table 1.6 above).

Table 1.9 Percentage of persons covered by social security in North and West Africa, 2007

	Old age pensions	Formal social health coverage	Unemployment benefits
Algeria	40.0	–	4.0
Mauritania	7.5	0.3	–
Morocco	11.2	–	–
Senegal	11.2	–	–
Tunisia	57.3	–	–

Source: ILO (2009c) for pensions and health coverage data and ILO (2009d) for unemployment, the data is from ILO (2009d) and refers to unemployed receiving unemployment benefits as a percentage of total unemployment.

³⁸ ILO: *World of Work Report 2009: The Global Jobs Crisis and Beyond*, (Geneva, ILS, 2009e).

³⁹ ILO: *The Financial and Economic Crisis: A Decent Work Response*, Geneva, 2009f.

⁴⁰ ISSA: *Dynamic Social Security for Africa: An Agenda for Development*, Geneva, 2008.

⁴¹ ILO (2009e) op. cit.

D. Concluding considerations

This chapter illustrates that the past decade in North and West Africa has been characterized by relatively robust economic performance, with moderate growth expected for 2010. There has also been considerable progress in a number of social indicators. However, the employment situation in the region remains rather precarious, many social challenges remain and the gap between North and West Africa and Europe in terms of economic, social and labour market conditions has not changed substantially.

For many countries in North and West Africa, much of the economic growth has occurred in sectors where the intensity of employment is seemingly low. In most cases the employment rate of persons aged 15 and over is less than 50 per cent, with female employment rates as low as 13 per cent in some cases. And youth of working age – which represent a significant share of the population in the region – are confronted with rather bleak employment prospects, with approximately one-third searching and unable to find work.

While a diverse set of reasons may lie behind an individual's motivation to migrate, the search for employment and the prospect of improving one's employment situation is an important factor. Over two-thirds of individuals who migrate to Spain from Morocco and Algeria do so for these reasons. With this in mind, Chapter 2 examines the characteristics of emigrants and reviews key migration trends, including an analysis of the labour market performance of migrant workers in countries of destination and related human capital issues.

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Chapter 2: Emigration, human capital and labour markets

Introduction

As the 2009 Human Development Report notes, the impact of migration on development depends critically “on who moves, how they fare abroad and whether they stay connected to their roots through flows of money, knowledge and ideas”.¹ The purpose of this chapter is to present key trends in terms of emigration, human capital, and the linkages to labour market performance in countries of destination, with a view to examining implications for development in the countries of study.²

Emigration brings forth a number of challenges and opportunities in countries of origin.³ Some authors have argued that emigration, especially of low-skilled individuals, can have benefits for those who remain behind, notably in terms of lower unemployment and higher wages.⁴ Labour shortages (and ensuing wage improvements) of this nature are most likely to occur in specific sectors or local areas. Generally, however, the classic argument is that when skilled individuals migrate, they deprive their country of a precious resource – the so called “brain drain”. In addition to skills loss, if their education was financed with public funds, the countries of origin are effectively providing subsidies to the receiving countries, in addition to the foregone tax revenues and other secondary effects such as potential reductions in future innovation.⁵ On the other hand, Mountford (1997) argues that the possibility of migration provides an incentive to individuals to educate themselves and promotes investment in human capital in the country of or-

¹ UNDP: *Human Development Report*, New York, 2009.

² Information on migration to and within the region, as well some trends on transit migration is contained within the country background papers, available at www.ilo.org/inst-migration.

³ As has been mentioned earlier, for the person migrating, welfare can be greatly enhanced if, e.g. they are able to improve their relative employment status or earnings.

⁴ D. Lucas: “International Migration and the Rainbow Nation”, in *Population, Space and Place*, Vol. 12, Issue 1, 2005, pp. 45-63.

⁵ J. Bhagwati and J.D. Wilson: *Income Taxation and International Mobility* (Cambridge, MIT Press, 1989).

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igin.⁶ Therefore, a “moderate” level of brain drain could be beneficial since there is a “growth externality” due to an increase in educated workers in the economy.⁷

Section A presents emigration trends thematically in order to shed light on the composition of emigrant stocks and flows, including a discussion of how patterns have evolved over time. Section B then assesses the labour market performance of migrant workers in countries of destination; this includes aspects of employment and earnings, which are crucial for understanding the extent to which remittances and skills might flow back and, in turn, contribute to development in countries of origin (the focus of Chapters 3 and 4, respectively).

A. *Emigration: levels and trends*

As Chapter 1 highlighted, data on migration and labour markets are often disparate. There are inevitably discrepancies, in some cases significant, among the various sources due to different methodologies, definitions and units of analysis. This is often the case even between different national sources (e.g. large differences often exist between data on emigrants compiled by foreign affairs offices and border control agencies), and different pictures can emerge depending on whether the definition of country of origin is based on country of birth or on nationality. Measurement issues are complicated by the fact that migrant workers in irregular situations tend not to be well represented in most formal surveys.⁸ Cross-country comparability, therefore, should be undertaken with caution.

In light of these constraints, the data and information on migration compiled for the purposes of this chapter comes from several different sources, including national statistics from both countries of origin and countries of destination (using country of birth and nationality depending upon availability), along with data collected by international organizations. Each data source has different strengths and limitations. While efforts have been made to use the most recent data available, in some cases older sources have been consulted to provide a more detailed breakdown of characteristics (e.g. by age, gender or education). Alone, no single source gives a complete picture of the migration situation but, when cross-referenced and compared, they can present a more comprehensive outlook

With this in mind, the following section presents some key trends regarding the volume and composition of emigration stocks and flows from the five North and West African countries.⁹

⁶ A. Mountford: “Can a brain drain be good for growth in the source economy?”, in *Journal of Development Economics*, 53, 1997, pp. 287–303.

⁷ This premise, however, relies on one important assumption: namely, that a proportion of the newly qualified workers will stay in their country of origin and find productive employment.

⁸ Some migrant workers may enter a destination country with regular status but, subsequently overstay their visas, at which point they are considered to be in irregular situations. Conversely, some migrant workers who enter destination countries in irregular situations may eventually gain regular status.

⁹ “Stock” refers to the total number of migrants in a country of destination that have accumulated over time, whereas “flow” refers to the number of persons who migrate in any given period (e.g. over the course of a year).

1. Top destinations and emigration levels

Emigration from the countries of North and West Africa flows to a number of destination regions, including other parts of Africa, Europe and North America. For the countries under review, however, Europe is a common destination – in particular, the countries of France, Italy and Spain (Table 2.1). For example, Algeria-France is a migration corridor which has been active for decades, and it is among the top migration corridors in the world.¹⁰ In recent years, Spain has become an increasingly popular country of destination for migrant workers, including those from North and West Africa.¹¹ For Senegal and Mauritania, migration between the two countries is common and other African destinations also figure prominently.¹² Table 2.1 indicates the top five destination countries for emigrants from each of the North and West African countries of origin.

Table 2.1 Top five destination countries for emigrants from North and West Africa

Algeria	Mauritania	Morocco	Senegal	Tunisia
1. France	1. Senegal	1. France	1. Gambia	1. France
2. Spain	2. Nigeria	2. Spain	2. France	2. Libya
3. Israel	3. France	3. Italy	3. Italy	3. Germany
4. Italy	4. Spain	4. Israel	4. Mauritania	4. Israel
5. Germany	5. Gambia	5. Netherlands	5. Spain	5. Saudi Arabia

Source: World Bank, *Migration and Remittances Factbook 2008*.

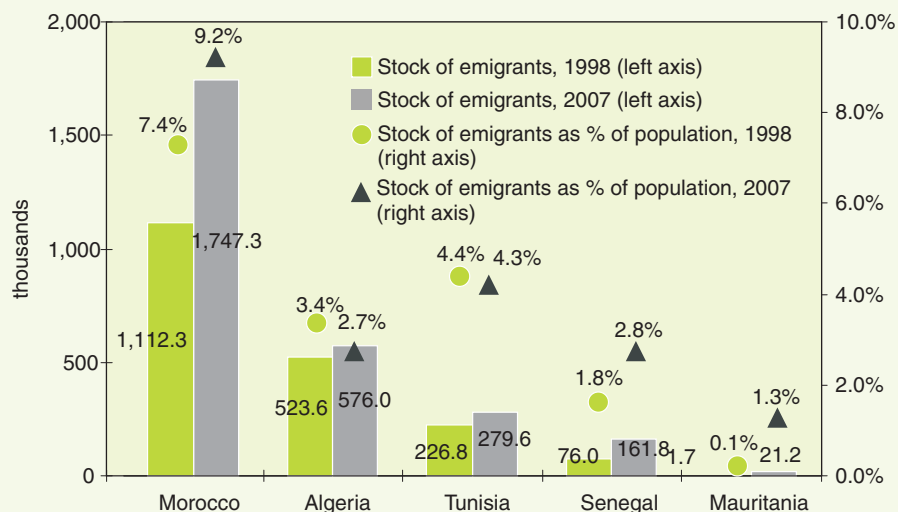
The stock of emigrants from the five countries residing in OECD countries was estimated to be over 2.7 million in 2007 (Figure 2.1). For all North and West African countries under review, the number of migrants in OECD countries has increased over the last decade (i.e. between 1998 and 2007). In Morocco, for example, the stock of emigrants increased by over 500 thousand from just over 1 million in 1998; in Senegal the increase was 85 thousand; in each of Algeria and Tunisia the increase was just over 50 thousand; and in Mauritania the number of emigrants rose by nearly 20 thousand. As a share of the domestic population, the stock of emigrants from Mauritania, Morocco and Senegal increased by over one percentage point during the same time period, but for Algeria and Tunisia, it declined marginally (by -0.7 and -0.1 percentage points respectively).

¹⁰ UNDP (2009) op. cit.

¹¹ For example, in 2006, Eurostat estimated that the increase in migrants to the EU was over 1.4 million, of which over 44 per cent were migrants to Spain.

¹² In recent years, emigrants from Senegal have markedly diversified their destination points, moving, not just to France, but also to Italy and Spain (H. de Haas, *The myth of invasion: Irregular migration from West Africa to the Maghreb and the European Union*, IMI Research Report, International Migration Institute (Oxford, University of Oxford, 2007a).

Figure 2.1 Stock of emigrants in OECD countries in thousands and as percentage of population, 1998 and 2007



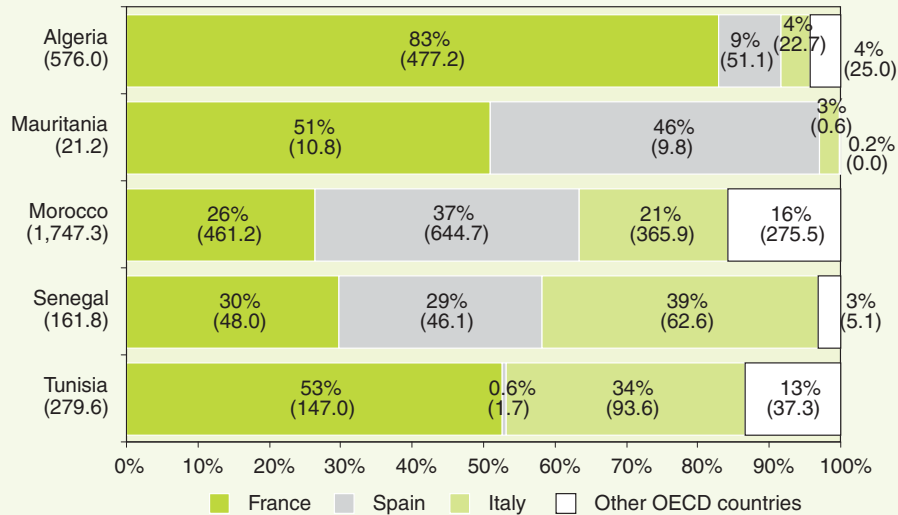
Notes: Figures for France refer to the year 2005. For emigrants, country of origin is defined by country of birth and where absent, nationality. Population figures used to calculate shares for countries of origin refer to persons aged 15-59.

Source: OECD International Migration Data, 2009.

Nearly all North and West African emigrants residing in OECD countries are in France, Italy or Spain (Figure 2.2). Given the availability of information and the importance of these countries as a destination for the region, the purpose of this section is to provide insights into the composition of migrants from North and West Africa, especially with regard to the most common countries of destination, i.e. France, Italy and Spain (Figure 2.2):

- The vast majority of Algerian migrants (83 per cent) were in France, with 9 per cent in Spain and 4 per cent in Italy;
- Most Mauritanian migrants were residing in France (51 per cent) and Spain (46 per cent);
- Moroccan migrants are relatively evenly distributed across destination countries, with 26 per cent in France, 37 per cent in Spain, 21 per cent in Italy;
- Migrants from Senegal are also fairly evenly distributed between France, Italy and Spain, with figures of 30 per cent, 39 per cent and 29 per cent respectively; and,
- The majority of Tunisian migrants are in France (53 per cent), with another 34 per cent in Italy.

Figure 2.2 Migrants to OECD countries by country of origin, 2007 (levels in thousands and as percentage distribution)



Notes: Figures for France refer to the year 2005. Percentage figures may not sum to 100 per cent due to rounding. Country of origin is defined by country of birth and where absent, nationality.

Source: OECD International Migration Data, 2009.

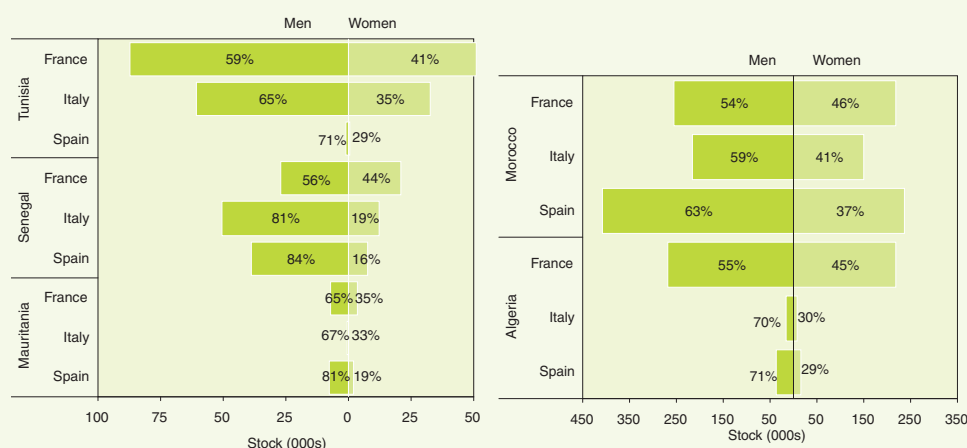
2. Gender

Generally, the stock of migrants from the five countries of study is predominantly male, with the contrast sharpest in the case of Senegalese and Mauritanian migrants in Spain, where over 80 per cent are men (Figure 2.3, panel A). However, in the more established migration corridors, the differences between genders are less pronounced. For example, in France, women represent nearly 45 per cent of the stock of Algerian emigrants, but in Italy and Spain – countries which are relatively recent destinations – women comprise only around 30 per cent of the total (Figure 2.3, panel B). This is probably due to the fact that, while earlier flows were predominantly men, family reunification has taken place during the intervening years.

Figure 2.3 Number of migrants in thousands and percentage distribution by gender and country of origin in France, Italy and Spain, 2007

Panel A. Mauritania, Senegal and Tunisia

Panel B. Algeria and Morocco



Notes: Figures for France refer to 2005. Tunisia, Senegal and Mauritania presented on panel A and Algeria and Morocco presented on panel B due to similarity of scales. Country of origin is defined by nationality.

Source: OECD statistics, stock of foreign population by nationality.

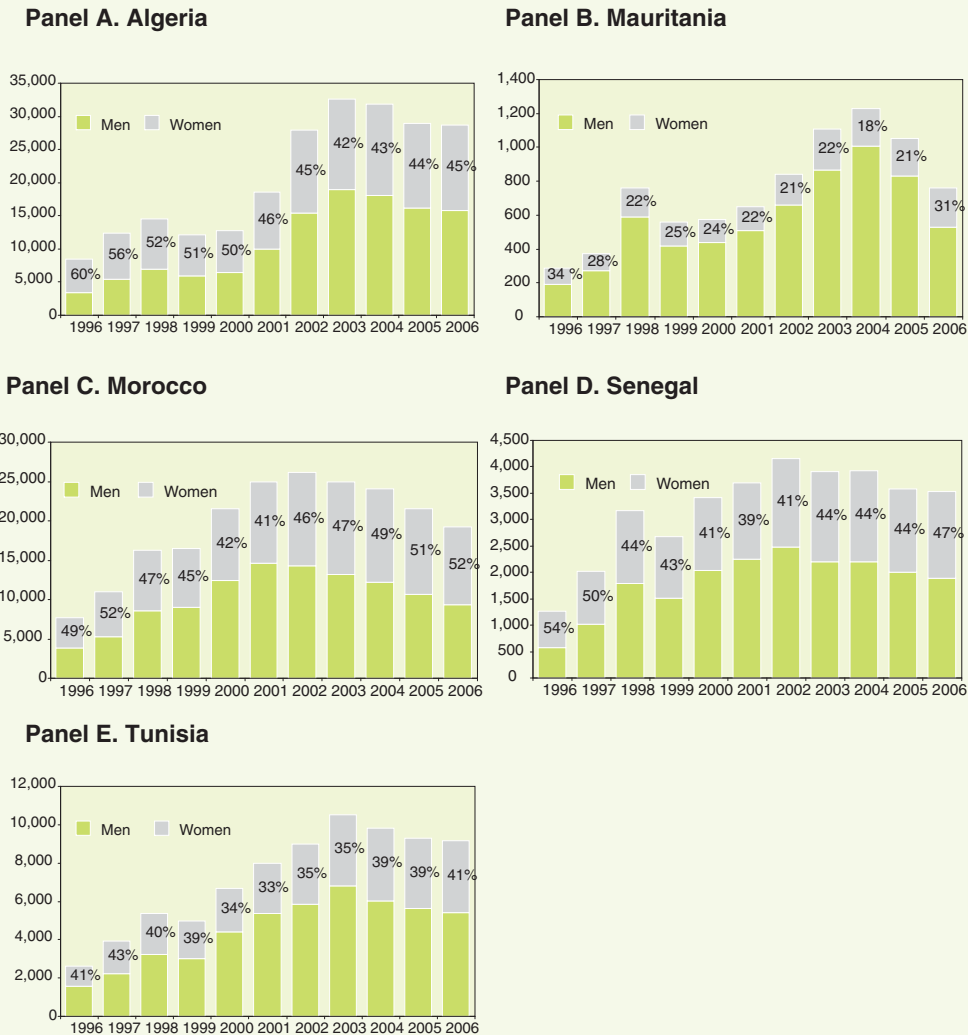
Recent flows by gender: case of France and Spain

An examination of flows from the five countries to France over the past decade shows that they are more gender balanced than the overall migration levels although, for the most part, men continue to comprise a larger share of new migrants from the five study countries. There has been relatively more gender balance among migrants from Algeria, Morocco and Senegal, with the percentage of women generally between 40 and 50 per cent. For Tunisian migrants, this has ranged generally between 30 and 40 per cent over the past decade, while for Mauritania the share of women has generally been between 20 per cent and 30 per cent (Figure 2.4).

For Spain, Figure 2.5 illustrates the gender breakdown of newly registered migrants at municipal offices between 2000 and 2008.¹³ In Spain, men predominate recent migration flows for all five countries, especially for Mauritanian and Senegalese nationals. It is only among Moroccan migrants where the share of women approaches 40 per cent.

¹³ This can be seen as an indicator of annual flows of migrants to Spain. Although it is not compulsory to register, even migrants in irregular situations are given assurances that registering will not have any adverse consequences with regard to their status.

Figure 2.4 Annual flows of migrants to France by country of origin and gender, 1996-2006



Note: Country of origin is defined by nationality.

Source: *Institut National d'études démographiques*, France, 2006.

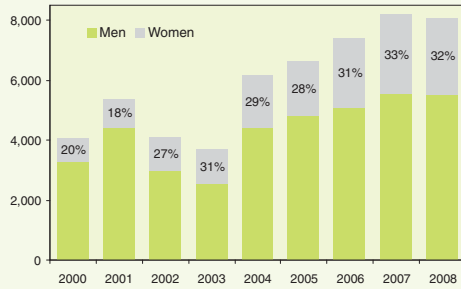
With respect to overall trends, since 2003, newly registered migrants in Spain have increased from all five countries of origin (in 2008 alone, the number of Mauritanian migrants doubled according to municipal registries).¹⁴ In terms of overall magnitude, the number of registered Moroccans exceeds the total of all others: in 2008 newly registered migrants from Morocco reached over 90,000, more than double the number in 2000.

¹⁴ There appears to be no other factor, e.g. a change in registration practices that would explain the trend increase since 2003.

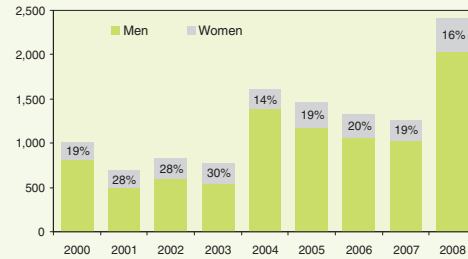
Making migration a development factor: the case of North and West Africa

Figure 2.5 Annual register of migrants in Spain by country of origin according to municipal registries, 2000-08

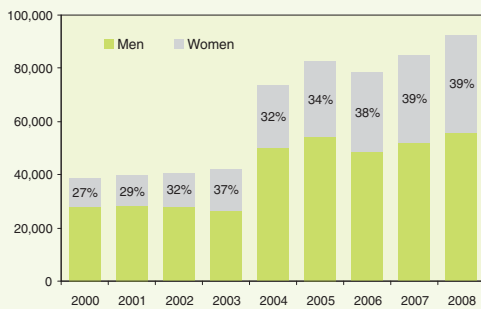
Panel A. Algeria



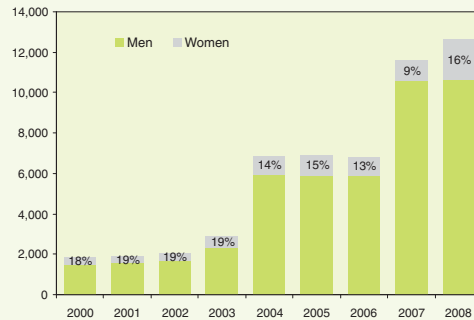
Panel B. Mauritania



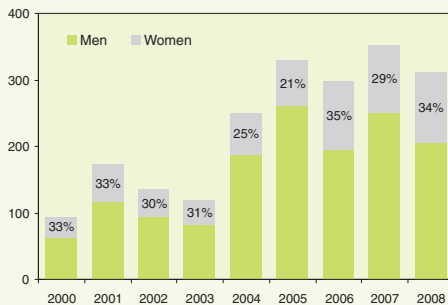
Panel C. Morocco



Panel D. Senegal



Panel E. Tunisia



Note: Country of origin is defined by country of birth.

Source: IILS estimates based upon *Encuesta de Variaciones Residenciales (Instituto Nacional de Estadística (INE))*.

3. Age

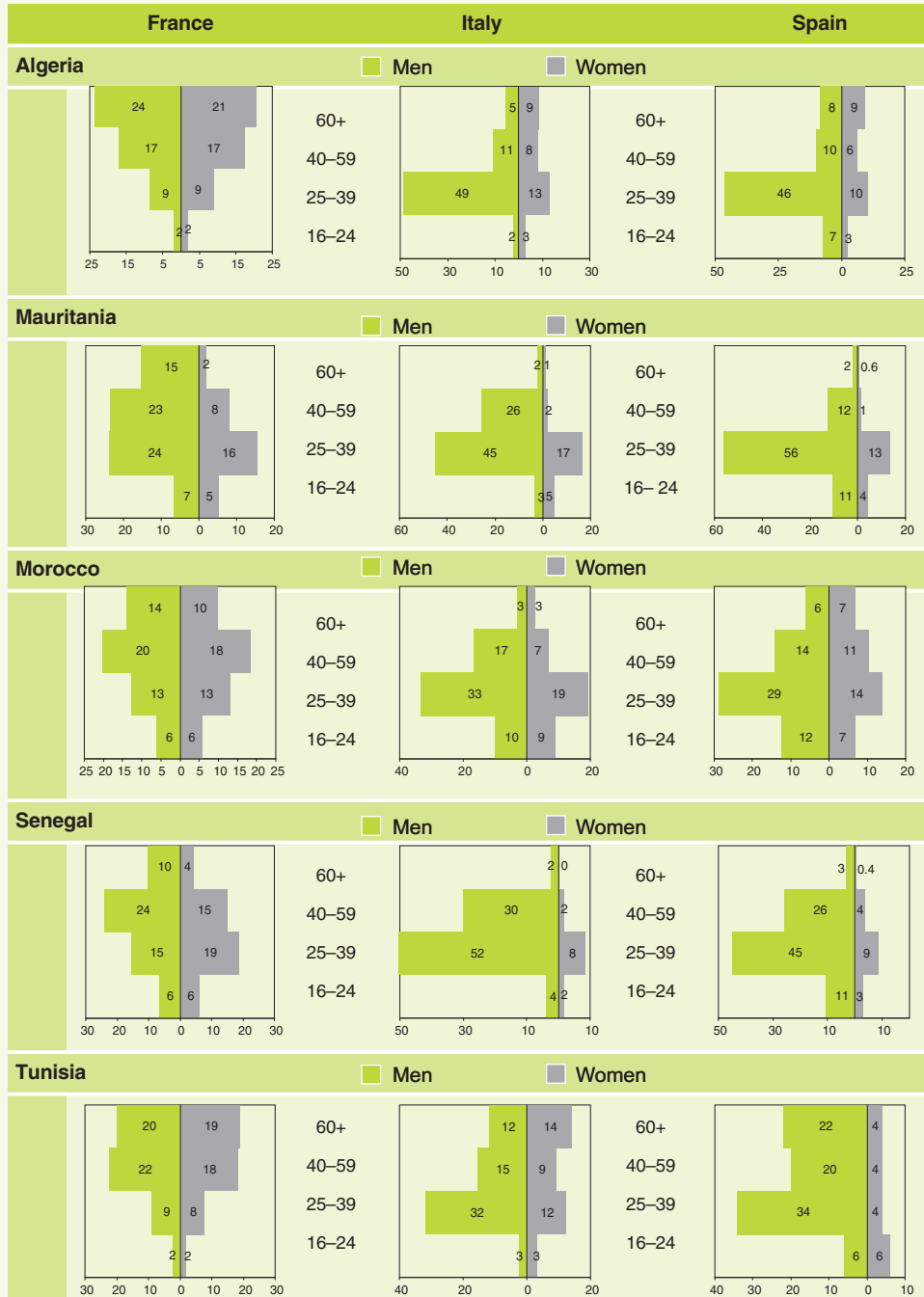
With respect to age and gender composition for each of the five countries of origin, the most recent figures available date from the year 2000. Nevertheless, the decomposition offers a snapshot of the differences between migrants from the five countries of study to France, Spain and Italy (Figure 2.6):

- *Age 16-24*: for all five countries of origin, the share of migrant youth is more pronounced in Spain than in France or Italy. With respect to the countries of origin, youth as a share of the total migrants ranged from 4 per cent (in the case of Algerian and Tunisian migrants in France) to 19 per cent (in the case of the Moroccan migrants in Spain and Italy).¹⁵
- *Age 25-39*: in most cases, the largest share of the migrant population falls within this age range. For the destination countries of Italy and Spain, this age group accounted for over 50 per cent (of those migrating from Algeria, Mauritania, Morocco and Senegal). In France, between 17 per cent (Tunisian migrants) and 40 per cent (Mauritanian migrants) were in the 25–39 age group.
- *Age 40-59*: this age group constituted between 13 and 40 per cent of the population (Mauritanian emigrants in Spain and Tunisian emigrants in France, respectively). Men outnumbered women in almost every case, with the exception of Algerian migrants to France, where the shares of men and women were equal.
- *Age 60+*: there were relatively high percentages of Algerian, Moroccan, and Tunisian emigrants in France aged 60 years and over. This is probably due to the fact that France has been a migration corridor for a longer period, so populations which migrated earlier have since aged. Also, in a “mature” migration corridor such as France-Algeria, the gender balance is relatively more pronounced.

¹⁵ Considering male and female youth together.

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Figure 2.6 North and West African emigrants aged 16 and over in France, Spain and Italy by country of origin, age and gender, 2000 (percentages)



Note: Country of origin is defined by country of birth.

Source: OECD, Database on Immigrants in OECD Countries (DIOC).

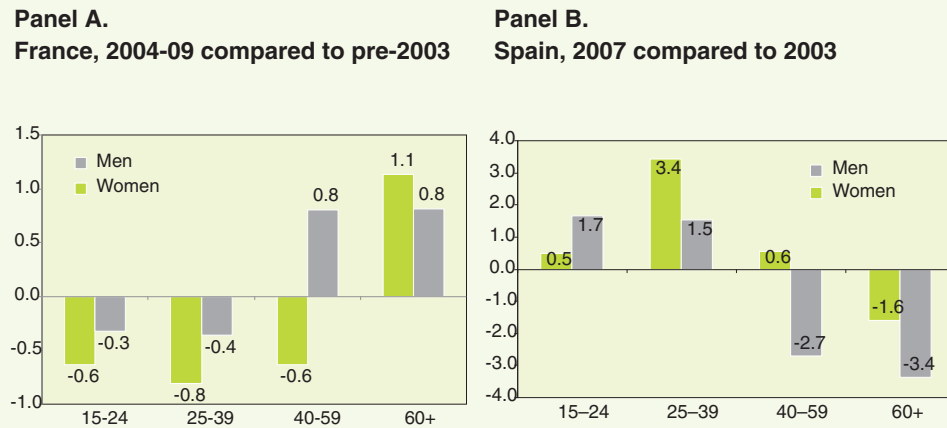
4. Recent changes in age and gender composition

Using labour force survey data from France and Spain, an examination of recent changes in the age and gender composition of migrants is possible. In France, it is the older age groups (of the total North and West African-born population) that has increased in recent years, with the share aged 60 and over increasing by over one percentage point for males and just under one percentage point for females. Meanwhile, the share of the population in younger age groups declined slightly (Figure 2.7, panel A).

In contrast, for Spain, considering all five North and West African countries of origin together – but recognizing that the majority of emigrants (approximately 85 per cent) are from Morocco, the findings suggest that between 2004 and 2009, the share of women age 40 and over fell by nearly 3 percentage points to 39.6 per cent; and the share of youth rose by nearly 2 percentage points (Figure 2.7, panel B).

In essence, in recent years the composition of the North and West African emigrant stock in Spain has, on average, become younger and more male-dominated, while the emigrant stock in France has to some degree aged.

Figure 2.7 Migrants from North and West Africa in France and Spain by age and gender (change in percentage points)



Note: Country of origin is defined using country of birth. See Box 2.1 for information regarding the sample used.

Source: IILS estimates based upon labour force surveys from Spain and France.

5. Education, human capital and brain drain¹⁶

As discussed above, the educational profile of migrants has important implications for the development of countries of origin, to the extent that it indicates the potential loss of human capital when workers emigrate.¹⁷ With respect to African emigration, data from the year 2000 reveals that, in contrast to the United States, for example, where over 50 per cent of African emigrants have a tertiary education, a much smaller share of those whose destination is Europe have a university-level education: in France, Italy and Spain, less than 30 per cent are tertiary-educated.¹⁸ These findings are relatively consistent with more recent information by gender and education on emigrants to France and Spain from the five countries of study (Table 2.2):

- Overall (with some exceptions) the largest share of the population has only a primary level of education;
- Men are generally better educated than women (i.e. they have a higher share of tertiary-educated);
- Moroccan emigrants to Spain have the smallest share of tertiary-educated, relative to the shares of tertiary-educated among emigrants from other countries of origin, and also relative to education levels of Moroccan emigrants in France, and;
- In every case (except for Tunisian emigrants), a larger share of individuals with only primary-level education resides in Spain, while a larger share of tertiary-educated emigrants is found in France.

One important question with respect to the impact on development is whether migrants are representative of the population in the country of origin. In other words, to what extent are more educated individuals migrating. As shown above, only 8 per cent of Moroccan male migrants to Spain have attained tertiary education (6 per cent for women). However, in 2007, the overall proportion of tertiary-educated persons in Morocco was about 9 per cent among men and about 5 per cent among women.¹⁹ This means that migrants from Morocco to Spain appear to be a representative cross-section of the Moroccan population in 2007 in terms of their educational attainment, and therefore no clear pattern of selection (or brain drain) is apparent. This also seems to hold for younger cohorts, at least in the case of emigrants from Morocco to Spain. For example, based upon a pooled sample from 2003 to 2009, approximately 8 per cent of Moroccan migrants in Spain aged 25-39 had tertiary education whereas as among the Moroccan population in 2007 approximately 9 per cent aged 25-34 were university educated.

¹⁶ See Annex 2.A for detailed information of educational attainment of emigrants to France, Italy and Spain by age, gender and country of origin.

¹⁷ Education may also have other important implications for development, including its effect on the probability to remit, likelihood of returning to the country of origin and potential reinforcement of human capital if the emigrant returns, sometimes referred to as “brain gain” – issues elaborated on in the remainder of the report.

¹⁸ Emigrants are defined by country of birth. Source: OECD, Database on Immigrants in OECD Countries (DIOC).

¹⁹ ILS estimates based upon Moroccan labour force survey.

Table 2.2 Distribution of migrants in Spain and France by gender, education and country of origin (percentages)

	France		Spain	
	Man	Women	Man	Women
Algeria				
Primary	34	44	..	..
Secondary	43	37	..	..
Tertiary	23	19	..	..
Total	100	100	..	..
Algeria and Tunisia				
Primary	..	..	37	36
Secondary	..	..	47	42
Tertiary	..	..	16	22
Total	..	..	100	100
Tunisia				
Primary	38	44	..	..
Secondary	44	39	..	..
Tertiary	18	17	..	..
Total	100	100	..	..
Morocco				
Primary	40	50	55	64
Secondary	33	30	37	30
Tertiary	27	20	8	6
Total	100	100	100	100
Senegal, Mauritania and rest of Africa				
Primary	27	36	58	45
Secondary	38	41	32	43
Tertiary	35	23	10	12
Total	100	100	100	100

Notes: Figures refer to 2007 for France, and 2004-09 for Spain. Country of origin is defined by country of birth. Some countries of origin are grouped together in order to assemble a sample of sufficient size.

Source: IILS estimates based upon labour force surveys, France and Spain.

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The fact that there is no clear process of skill selection of migrants does not mean that human capital is not a key dimension to migration or indicative of the complete absence of any brain drain. Indeed, the possibility for improving one's human capital through the acquisition of schooling in countries of destination needs to be taken into consideration. In fact, data from the Spanish labour force surveys for the years 2005 to 2009 reveals that the share of North and West Africa migrants receiving vocational training is similar (in some cases higher) compared to Spanish individuals (Table 2.3). While it is difficult to assess the impact of the acquisition of further education in terms of brain drain, Chapters 3 and 4 will attempt to illustrate the role of education attained both in the country of origin and destination as it pertains to the likelihood of remitting or returning to North and West Africa.

Table 2.3 Distribution of persons according to training in the previous four weeks, by age and place of birth (percentages)

Age 16-29 years					
	Spain	Morocco	Algeria and Tunisia	Mauritania, Senegal and rest of Africa	Total
Formal education	38.5	10.1	14.7	6.3	36.8
Vocational training	6.8	5.0	3.1	8.2	6.7
Neither	54.7	84.9	82.2	85.5	56.5
Total	100.0	100.0	100.0	100.0	100.0
Age 30-59 years					
	Spain	Morocco	Algeria and Tunisia	Mauritania, Senegal and rest of Africa	Total
Formal education	1.6	0.9	0.5	1.8	1.5
Vocational training	5.6	3.4	3.5	6.5	5.5
Neither	92.9	9.6	96.0	91.7	92.9
Total	100.0	100.0	100.0	100.0	100.0

Note: Data refer to persons who, in the previous 4 weeks, have undertaken one of the above activities. Those who have undertaken formal education and vocational training simultaneously are categorized as having participated in formal education.

Source: ILS estimates based upon labour force survey for Spain (pooled sample), 2005-09.

B. Labour market performance of migrant workers

The purpose of this section is to establish a clearer picture of how migrant workers fare in countries of destination, in terms of labour market participation, unemployment, employment and earnings. The role of labour markets is critical to understanding how migration might contribute to development. It is also worth noting that migrant workers' employment and income performance – both actual and perceived – are linked to future migration prospects, in that news of the success of friends and relatives is often identified as a catalysing factor in the migration decision. This section analyses micro-data from the labour force surveys of France and Spain to examine these issues (Box 2.1).

Box 2.1 Analysing the labour market performance of migrants from North and West Africa

The labour market outcomes of migrants from Algeria, Mauritania, Morocco, Senegal and Tunisia were analysed for the destination countries of Spain and France (two countries where such detailed information is gathered and available).

For Spain, a large sample of individuals was obtained by pooling observations from the quarterly labour force survey (LFS) for the years 1996 to 2009. For France, micro-data observations for 2003 to 2007 were pooled.

For both survey data sets, country of origin is defined by country of birth. Where possible, three countries of origin are considered separately (Algeria, Morocco and Tunisia). However, in some cases, due to an insufficient number of observations, Algeria and Tunisia are considered together (Spanish LFS) and data for Senegal and Mauritania are grouped together with the rest of Africa. In the case of Spain, information on the South American migrant workers is also included as a way to illustrate the performance of North and West African migrant workers compared to other migrant workers.

1. Key indicators of labour market performance

Among the North and West African migrant workers in France, labour force participation rates for men (age 15-59) at 80 to 82 per cent, are higher than the participation rate of 77.5 per cent observed for French-born men (24). In Spain, also, participation rates of migrant workers exceed those of Spanish-born men by 8 to 10 percentage points. Among women migrant workers, a smaller share of those born in Algeria, Morocco and Tunisia participate in the labour market relative to the 68 per cent participation rate observed for French-born women. The gap is narrower with respect to female migrant workers born in Senegal, Mauritania, and the rest of Africa, among whom 64 per cent are in the labour force. In Spain, a similar pattern is revealed, i.e. a smaller share of female migrant workers from Algeria, Morocco and Tunisia are active in the labour force relative to Spanish-born females. For women born in Senegal, Mauritania, and the rest of Africa, the participation rate of 60 per cent is slightly higher than for Spanish-born females.

Table 2.4 Labour market performance of migrant workers age 15-59 (percentages)

	Labour force participation rates			Unemployment rates			Employment rates		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
France									
France	77.5	67.9	72.6	8.1	9.9	8.9	71.3	61.2	66.1
Algeria	80.8	59.0	69.4	18.1	19.4	18.7	66.2	47.6	56.4
Morocco	81.0	53.3	66.8	16.8	25.1	20.2	67.3	39.9	53.3
Tunisia	82.4	54.8	69.3	15.2	19.8	16.9	69.9	44.0	57.6
Senegal, Mauritania, and rest of Africa	82.0	64.2	72.6	19.3	23.1	21.1	66.2	49.4	57.3
Spain									
Spain	80.3	56.1	68.2	10.5	18.7	13.9	71.9	45.6	58.7
Morocco	89.6	41.1	69.4	17.7	33.2	21.5	73.8	27.5	54.5
Algeria & Tunisia	88.3	40.5	74.5	25.2	35.4	26.8	66.0	26.2	54.5
Senegal, Mauritania, and rest of Africa	90.7	60.3	82.8	17.1	38.2	21.1	75.2	37.3	65.3

Note: Country of origin is defined by country of birth.

Source: ILS estimates based on national labour force surveys.

While engagement in the labour market is relatively high, the unemployment rates among migrant workers from North and West Africa are approximately double in comparison to those of French-born workers. This is the case for both men and women. In Spain, unemployment rates of migrant workers are even higher, approaching nearly 40 percent for female migrant workers from Senegal, Mauritania and the rest of Africa. The gender gap is also much larger for migrant workers from North and West Africa in Spain compared to the corresponding case in France.

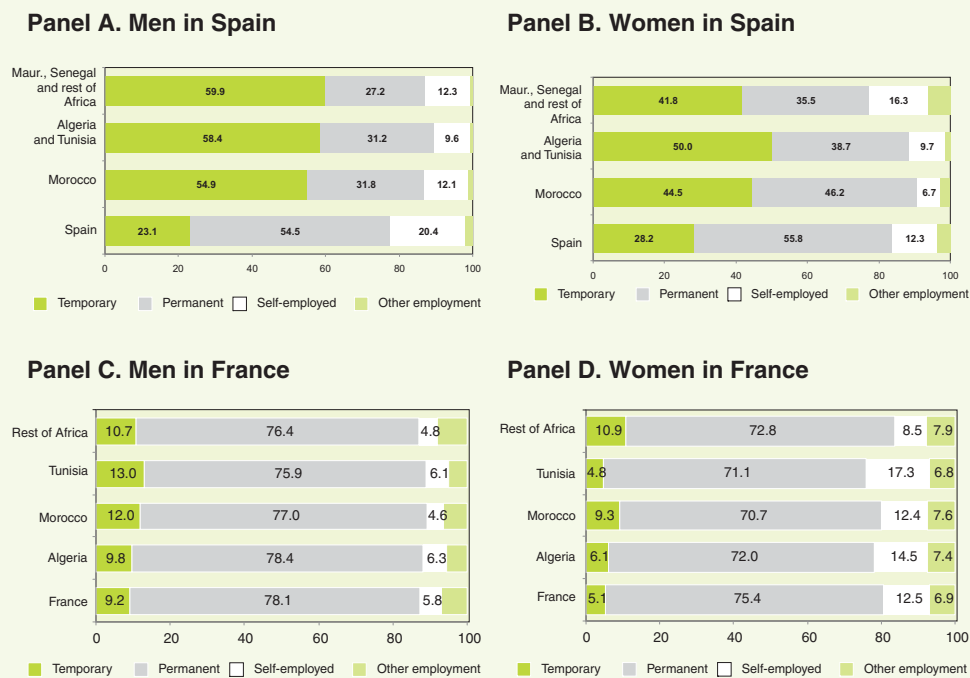
With respect to employment rates, both male and female migrant workers trail the French-born population. Between 66 and 70 per cent of economically active male migrant workers are employed, compared to over 71 per cent among French-born. For women, employment rates range from under 40 per cent, in the case of the Moroccan-born, to nearly 50 per cent, for those born in Senegal, Mauritania, and the rest of Africa. In Spain, however, in some cases the employment rates of male migrant workers exceed that of the Spanish-born: figures of 73 and 75 per cent were observed for the Moroccan-born and those from Senegal, Mauritania and the rest of Africa, whereas the corresponding figure for the Spanish born was just under 72 per cent. For women, employment rates hover just above 25 per cent for those migrant workers from Algeria, Morocco and Tunisia. For women from Senegal, Mauritania and the rest of Africa, the employment rate is

slightly higher, but at 37 per cent, it still trails that of Spanish-born women. The gender gap in employment rates for migrant workers from Africa in Spain is around 40 percentage points and above (compared to the 26 percentage point gap between Spanish men and women).

2. Type of employment and impacts of the crisis

In terms of the type of employment held by migrant workers in France and Spain, some stark differences between the two destination countries emerge. In Spain, migrant workers from North and West Africa (both men and women) are over-represented in temporary work compared to Spanish-born workers (Figure 2.8, panels A and B). In France, however, although the incidence of temporary employment exceeds that of nationals in all but one case (Tunisian-born men), the share never exceeds 13 per cent. Moreover, 70 per cent or more of employed migrant workers in France born in North Africa or the rest of Africa are in permanent employment.

Figure 2.8 Distribution of employed workers by employment type and country of birth (percentages)

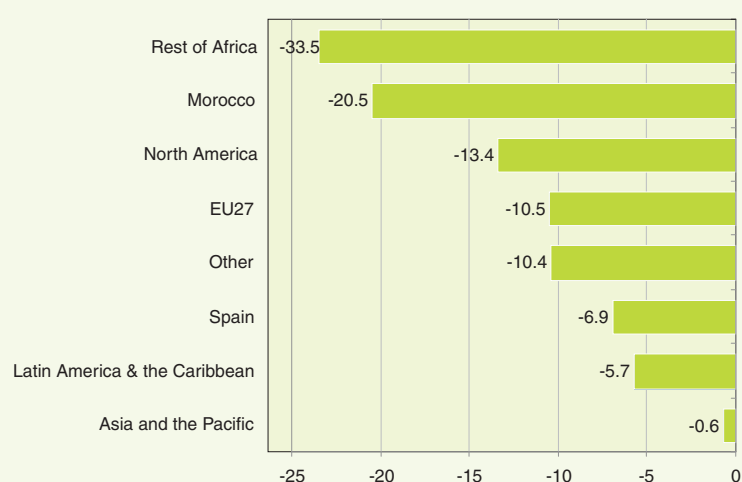


Source: IILS estimates based on national labour force surveys. Pooled samples, 1996-2009 for Spain and 2003-2007 for France.

Making migration a development factor: the case of North and West Africa

In many ways the impacts of the global recession of 2009 are still unfolding and it may therefore be too early to draw conclusions about the employment effects. But the limited evidence available from Spain does highlight the effect of the crisis on male migrant workers (Figure 2.9). The impact of job losses has been disproportionately borne by migrant workers, especially from Morocco and other parts of Africa.^{20,21} In particular, employment in 2008 fell by over 20 per cent and 23 per cent among male migrant workers from Morocco and rest of Africa respectively, compared to only 6.9 per cent for Spanish-born workers.

Figure 2.9 Employment losses among men in Spain by country of origin, 2008 (percentages)



Note: Wage and salary workers who were registered with social security as of 1 December 2008 compared to 1 December 2007. Migrant workers and country of origin are defined using country of birth, and if missing, nationality.

Source: ILS estimates based upon Continuous Sample of Working Histories, 2008 (Spain).

In terms of sectoral considerations, male migrant workers from Morocco and other African countries were concentrated in construction and other business activities: in 2007, almost 50 per cent of Moroccan migrant workers and 35 per cent of rest of African migrant workers were employed in construction and 7 and 16 per cent respectively were employed in other business activities. The onset of the crisis was first apparent in the construction sector, given the connection to the housing market: employment in construction fell by 25 per cent in Spain in 2008. However, employment losses were not evenly distributed, with Moroccan male migrant workers

²⁰ Country of origin for migrant workers is defined using country of birth where possible, and if missing, nationality.

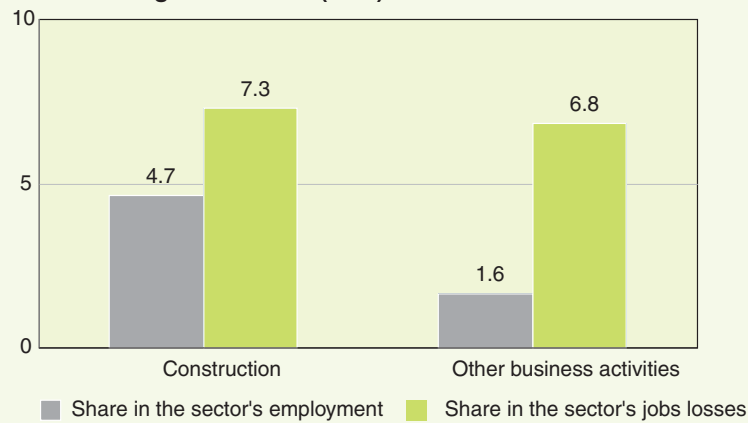
²¹ Other Africa includes Angola, Botswana, Burundi, Cameroon, Cap Verde, Chad, Republic of Congo, Benin, Burkina Faso, Ethiopia, Eritrea, Gabon, Gambia, Ghana, Guinea, Kenya, Lesotho, Liberia, Libya, Madagascar, Malawi, Mali, Mauritania, Mozambique, Namibia, Niger, Nigeria, Guinea Bissau, Rwanda, Senegal, Seychelles, Sierra Leone, Somalia, South Africa, Sudan, Swaziland, Togo, Tunisia, Uganda, Egypt, Tanzania, Zimbabwe, and Zambia.

constituting a disproportionate share of the losses compared to their share in total employment (Figure 2.10, panel A). Similar results are evident for Moroccan male migrant workers in other business activities as well as among Other African male migrant workers (Figure 2.10, panel B).

To explore the labour market performance of migrant workers from Africa in greater depth, a multivariate analysis was undertaken to estimate how the probabilities of being employed, unemployed or out of the labour force vary with personal and other characteristics (see Box 2.2).

Figure 2.10 Employment shares (men) in overall employment and job loss among migrant workers, by country of origin and sector, 2008

Panel A. Moroccan migrant workers (men)



Panel B. Other African migrant workers (men)



Note: Figures refer to wage and salary workers who were registered with social security as of 1 December 2008 compared to 1 December 2007. Migrant workers and country of origin are defined using country of birth, and if missing, nationality.

Source: IILS estimates based upon Continuous Sample of Working Histories, 2008 (Spain).

Box 2.2 Multivariate analysis of labour market performance

A multivariate analysis was undertaken to estimate how the probabilities of being employed, unemployed or out of the labour force vary with personal and other characteristics (country of birth, duration of stay, etc.) using a multinomial logit model. The findings are generally consistent with the descriptive analysis undertaken.

For Spain:

- in general, male migrant workers are significantly more likely to be unemployed and less likely to be out of the labour market than Spanish workers;
- the probability of unemployment is much higher for more recent arrivals (in particular, migrant workers who arrived less than two years ago have the highest risk of unemployment);
- female migrant workers are more likely to be unemployed or inactive than women from Spain. This higher risk is particularly pronounced for those who had arrived less than two years before the date of the survey, but improves with duration of stay.

For France:

- more recent migrant workers from Africa and those without French nationality are more likely to be unemployed or out of the labour force;
- male migrant workers from Algeria who do not have French nationality perform much worse than any of the other groups, in terms of the likelihood of being unemployed or out of the labour force. For instance:
- the relative risk of being unemployed to being employed of an Algerian male migrant worker who arrived in 2001 or later compared to a French male worker is higher by a factor of 11 (compared to four for Moroccan male migrant workers and five for other African male migrant workers);
- the labour market performance of female migrant workers who have been resident in France since 2001 or later and who have not acquired French nationality is strikingly worse than any of the other categories, in terms of both labour force participation and employment. Female migrants with French nationality who have been resident in France since 1970 or earlier appear to be doing relatively well in terms of unemployment probability, particularly those from Tunisia.

3. Relative earnings of migrant workers

Analysis of the earnings ratios of migrant workers relative to Spanish nationals by gender, age groups and levels of education indicate the following (see also Box 2.3 and the Annex of this chapter for further details):

With only one exception, the earnings differential between migrant workers from Africa and Spanish nationals increases with age and, for each age group, it increases with education. In other words, younger, less-educated migrant workers perform better compared to Spanish nationals than do their older, more educated counterparts. For example, male migrant workers from Africa aged 16-34 with primary education earn 12 per cent less than their Spanish counterparts. This negative differential – at 42 per cent – is much higher among university-educated men of the indicated age group. For workers aged 35-59, the earnings gap is 27 per cent for those with a primary-level education, rising to 54 per cent among those with a university education.

Earnings differentials for female migrant workers exhibit similar trends, although for non-university educated, the differential is small and, in some cases, it becomes positive.

Analysis of the log hourly earnings by quintiles shows that the earnings gap is largest for workers at the top of the earnings distribution. One reason for this is that more highly educated migrant workers may be unable to fully use their formal qualifications in the labour market of their country of origin (see Annex 2.B). This has important economic implications, as discussed in the previous section on education.

Meanwhile, the results for France suggest that:

- For young workers (aged 16-34), there is no clear pattern with regard to earnings differential by level of education across countries. Among more highly educated young males (aged 16-34), however, Algerian migrant workers seem to do worse, relatively, than those from Tunisia, Morocco or other African countries.
- Overall, for both men and women, the earnings differential between migrant workers and French workers is limited compared to the case in Spain.

Box 2.3 Structure and dynamics of migrant worker earnings

For Spain, the data source on earnings is the Structure of Earnings Survey (SES) for 2006 and, for France, information on earnings is derived from the labour force survey for the period 2003-07.

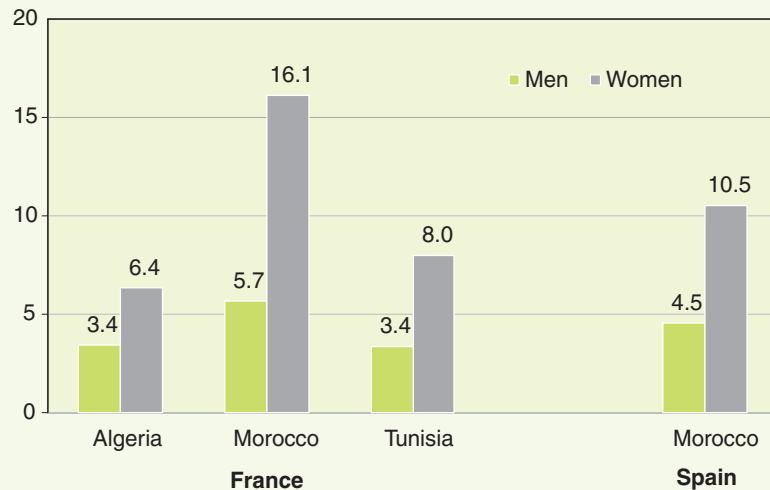
For Spain, mean monthly gross earnings are used in the reference month, covering remunerations in cash paid before any tax deductions and social security contributions during the reference period. More specifically, the measure for earnings refers to usual earnings for the month of October, divided by the number of hours paid during the same month, as reported by the employer. The number of hours paid includes normal and overtime hours. Migrant workers are considered to be those workers having a foreign nationality. Nationalities, however, are only available for six regions of the world, including Africa.

For France, monthly net earnings are used as reported by the individual in the labour force survey. The actual measure used is net monthly earnings divided by the number of hours worked for the reported earnings. Since the data is a pooled sample for the period 2003-07, real hourly earnings in 2008 are calculated using the consumer price index. Migrant workers are identified in the French labour force survey by country of birth.

The search for employment and better earnings is a key driver of migration, as mentioned in Chapter 1. Overall, the labour market performance of migrant workers – as suggested by the key indicators of participation, unemployment, and employment rates – tends to trail those of French- and Spanish-born workers. Migrant workers have also been disproportionately impacted by job losses stemming from the economic downturn of 2009.

But there are important issues beyond employment performance which impact the economic and social well-being of migrant workers abroad – namely social protection and earnings potential. In terms of the latter, it is important to keep in mind that despite their seemingly weaker labour market performance in countries of destination, migrant workers abroad do appear to earn more relative to earnings of workers who remain in their countries of origin (Figure 2.11). This is particularly the case for women. For example, Moroccan-born women in France are observed to earn 16 times more than women working in Morocco. This holds for men as well: male migrant workers in Spain and France stand to earn between 3 and 6 times the average earnings of their counterparts in the North and West Africa.

Figure 2.11 Ratio of earnings of North and West African migrant workers in France and Spain relative to average earnings in their countries of origin



Note: The ratio of migrant worker earnings to nationals in destination countries is applied to the estimated earned income (in PPP US\$) in those countries of origins and compared to similar figures in the countries of origin by gender.

Source: ILS estimates based upon Labour force survey, 2003-2007 for France and Continuous sample of working history, 2007 for Spain and Human Development Report, 2009.

C. Concluding considerations

The number of emigrants from all five countries has increased between 1998 and 2007 with France, Italy and Spain being key destinations. Micro data from the France and Spain was used to assemble a snapshot of the age, gender, and education characteristics of North and West African migrants as well as their performance in the labour market.

The analysis reveals that recent flows of migrants are relatively more gender balanced and on average much younger than previous cohorts (especially in the case of Spain). In addition, there appears to be no clear process of skill selection or brain drain of migrants from North and West Africa, i.e. the education profile of migrants is similar to the education levels of the overall population in countries of origin. However, this chapter has illustrated that a sizable share of migrant workers receives additional training or undertakes further education in Spain. And, as will be explained in the following chapters, human capital accumulation is crucial in terms of the contribution that migrant workers can make to development in their countries of origin.

Making migration a development factor: the case of North and West Africa

This chapter also highlighted that migrants workers face a number of challenges and the labour market performance of North and West African migrant workers in most cases trails that of Spanish and French workers:

- earnings gap rises with education levels (less so in France);
- migrant workers are over-represented in temporary employment, particularly in Spain, and;
- migrant workers in some cases have been disproportionately affected by recent employment losses.

Despite these challenges, the potential for higher earnings is substantial. Migrant worker earnings are several times the amount of average earnings in the country of origin. Moreover, how migrant workers fare in the labour markets of destination countries has important implications of understanding how migration can contribute to development in North and West Africa via the mechanisms of remittances and return migration. The following chapter looks at the issue of remittances in order to examine these connections in more detail.

Annex 2.A: Education Levels by Age and Gender

Table 2A1 Education levels of migrants in France, Spain and Italy by gender, age and country of origin

Country of birth	Level of education	Men			Women			Total		
		25–39	40–59	Total	25–39	40–59	Total	25–39	40–59	Total
France										
Algeria	Lower secondary	32.4	48.2	44.0	39.6	53.0	49.1	36.1	50.5	46.5
	Upper secondary	42.1	32.8	35.3	37.6	30.1	32.2	39.8	31.5	33.8
	Tertiary	25.5	18.9	20.7	22.8	17.0	18.6	24.1	18.0	19.7
Morocco	Lower secondary	32.0	56.5	48.4	47.6	59.2	54.8	39.9	57.7	51.5
	Upper secondary	38.1	25.7	29.8	31.9	24.3	27.2	35	25.0	28.5
	Tertiary	29.9	17.8	21.8	20.5	16.5	18	25.1	17.2	20.0
Mauritania	Lower secondary	3.09	71.3	57.1	60.0	71.6	64.1	47.2	71.4	59.2
	Upper secondary	26.8	13.3	19.2	22.3	17.9	20.7	25	14.3	19.7
	Tertiary	34.3	15.3	23.7	17.8	10.5	15.2	27.8	14.3	21.1
Senegal	Lower secondary	31.8	54.7	46.8	49.0	47.8	48.4	41.2	52.2	47.5
	Upper secondary	32.4	23.5	26.6	27.0	28.2	27.6	29.4	25.2	27.0
	Tertiary	35.8	21.7	26.6	24.0	24.0	24.0	29.3	22.6	25.4
Tunisia	Lower secondary	38.6	48.0	45.7	47.2	52.9	51.4	42.6	50.1	48.2
	Upper secondary	36.0	33.0	33.7	32.2	30.5	30.9	34.2	31.9	32.5
	Tertiary	25.4	19.0	20.5	20.6	16.7	17.7	23.2	18.0	19.3
Spain										
Algeria	Lower secondary	70.9	62	69.1	57.8	56.6	57.3	68.5	59.8	66.2
	Upper secondary	18.2	20.4	18.6	23.4	19.2	21.6	19.1	19.9	19.3
	Tertiary	9.9	16.9	11.3	18	24.2	20.7	11.4	19.9	13.6
	Unknown	1.0	0.7	1.0	0.8	0.0	0.4	1.0	0.4	0.8
Morocco	Lower secondary	78.9	73.0	76.8	74.7	74.1	74.4	77.5	73.5	75.9
	Upper secondary	11.1	11.9	11.4	13.5	12.5	13.0	11.9	12.2	12.0
	Tertiary	9.2	14.7	11.2	11.7	13.2	12.4	10	14.1	11.6
	Unknown	0.8	0.4	0.6	0.2	0.2	0.2	0.6	0.3	0.5
Mauritania	Lower secondary	86.1	79.2	84.8	87.5	100	88.5	86.4	80.8	85.4
	Upper secondary	5.9	12.5	7.2	12.5	0.0	11.5	7.2	11.5	7.9
	Tertiary	7.9	8.3	8.0	0.0	0.0	0.0	6.4	7.7	6.6

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Country of birth	Level of education	Men			Women			Total		
		25–39	40–59	Total	25–39	40–59	Total	25–39	40–59	Total
Senegal	Lower secondary	80.8	85.2	82.5	72.3	86.4	76.8	79.5	85.4	81.6
	Upper secondary	9.4	2.0	6.6	17.0	4.5	13.0	10.6	2.3	7.6
	Tertiary	6.9	8.1	7.4	10.6	9.1	10.1	7.5	8.2	7.8
	Unknown	2.9	4.7	3.6	0.0	0.0	0.0	2.4	4.1	3.0
Tunisia	Lower secondary	47.1	46.7	46.9	100	50	66.7	52.6	47.4	50
	Upper secondary	23.5	26.7	25.0	0.0	25	16.7	21.1	26.3	23.7
	Tertiary	29.4	20.0	25.0	0.0	25	16.7	26.3	21.1	23.7
	Unknown	0.0	6.7	3.1	0.0	0.0	0.0	0.0	5.3	2.6
Italy										
Algeria	Lower secondary	62.3	53.9	60.7	47.4	45.6	46.6	59.2	50.1	56.8
	Upper secondary	28.4	27.2	28.2	34.3	36.0	35.0	29.7	31.2	30.1
	Tertiary	9.2	18.8	11.1	18.2	18.5	18.3	11.1	18.7	13.1
Morocco	Lower secondary	67.8	83.9	73.4	71.5	85.2	75.4	69.1	84.3	74.1
	Upper secondary	24.4	11.9	20.1	21.3	10.9	18.4	23.3	11.6	19.5
	Tertiary	7.8	4.2	6.6	7.2	3.9	6.3	7.6	4.1	6.5
Mauritania	Lower secondary	65.1	88.2	73.7	65.6	40.0	62.2	65.3	83.9	71.3
	Upper secondary	29.1	5.9	20.4	25.0	40.0	27.0	28	8.9	21.8
	Tertiary	5.8	5.9	5.8	9.4	20.0	10.8	6.8	7.1	6.9
Senegal	Lower secondary	82.8	88.8	85	75.8	76.7	76	81.8	88.1	84.0
	Upper secondary	13.2	8.3	11.4	18.2	16.3	17.9	13.9	8.8	12.1
	Tertiary	4.1	2.9	3.6	6.0	7.0	6.2	4.3	3.1	3.9
Tunisia	Lower secondary	75.6	74.0	75.1	74.3	73.1	73.7	75.3	73.7	74.6
	Upper secondary	20.7	21.0	20.8	20.1	21.7	20.9	20.6	21.3	20.9
	Tertiary	3.6	4.9	4.1	5.5	5.2	5.4	4.2	5.0	4.5

Note: County of origin is defined by country of birth.

Source: Database on Immigrants in OECD Countries (DIOC). For more details on this database see OECD, 2008.

Annex 2.B: Earning difference by country of origin

Table 2B1 Hourly earnings of French-born workers in euros (first panel) and earnings ratios of African-born workers to French-born workers by country or region of origin, age and education

	Men					Women				
	Primary or less	Secondary: first level	Secondary: second level	University	Total	Primary or less	Secondary: first level	Secondary: second level	University	Total
France										
16-34	8.1	8.3	9.3	12.1	9.6	7.5	7.7	8.2	11.0	9.2
35-39	10.3	11.4	14.8	19.3	13.2	8.3	9.3	11.7	16.0	11.1
60+	10.3	12.4	14.0	27.5	18.4	7.6	9.4	18.0	19.6	11.4
Total	9.6	10.3	11.7	15.8	11.8	8.2	8.9	10	13.4	10.4
Algeria										
16-34	1.1	1.1	1.0	1.3	1.2	0.9	0.9	0.8	1.0	1.0
35-39	1.0	1.1	0.9	1.1	1.1	1.0	1.0	1.0	1.0	1.0
60+	1.3	1.0	1.1	0.8	1.5	0.9	1.3	1.0	1.1	1.2
Total	1.0	1.0	0.7	1.0	1.0	1.0	1.0	0.8	0.9	1.0
Morocco										
16-34	0.9	1.0	1.1	1.0	1.0	0.9	0.8	0.9	1.1	1.0
35-39	1.0	1.1	1.3	1.1	1.1	1.0	1.0	1.1	1.1	1.1
60+	1.1	1.7	1.4	0.9	1.5	1.2	0.5	0.0	0.5	0.7
Total	1.0	1.0	1.1	1.0	1.0	1.0	0.9	1.0	1.0	1.0
Tunisia										
16-34	1.3	0.8	1.3	0.7	1.1	1.0	1.4	0.7	0.8	0.9
35-39	1.1	1.1	1.3	1.0	1.1	1.1	0.6	1.1	0.9	0.9
60+	0.6	1.2	1.1	0.4	0.7	1.2	1.2	1.5	1.0	1.1
Total	1.1	1.0	1.2	0.8	1.0	1.1	0.7	0.9	0.8	0.9
Rest of Africa										
16-34	0.9	1.1	0.9	1.1	1.0	0.9	0.9	1.0	0.9	1.0
35-39	1.2	1.0	1.2	1.2	1.1	1.1	1.1	1.1	1.2	1.2
60+	1.4	1.8	1.1	2.0	1.6	1.0	0.4	0.7	0.0	1.0
Total	1.1	1.0	1.0	1.1	1.0	1.1	1.0	1.0	1.0	1.1

Notes: Country of origin is defined by country of birth.

Source: French Labour Force Survey 2003-2007 (*Institut national de la statistique et des études économiques (INSEE)*).

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Table 2B2 Hourly earnings of Spanish workers in euros (first panel) and earnings ratios of migrant workers to Spanish workers by country or region of origin, age and education

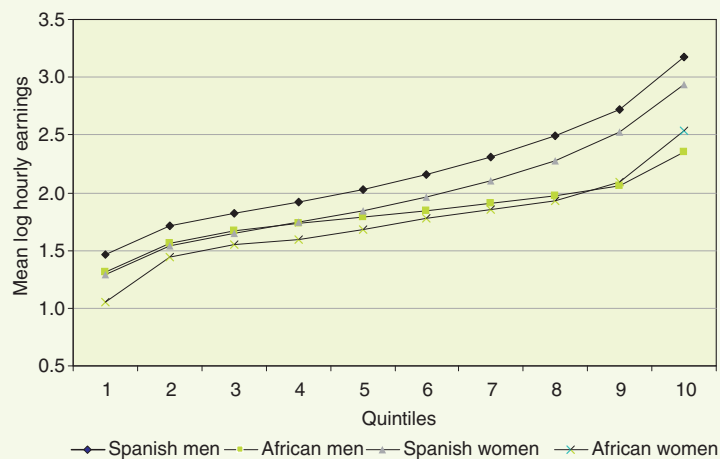
	Men					Women				
	Primary or less	Secondary: first level	Secondary: second level	University	Total	Primary or less	Secondary: first level	Secondary: second level	University	Total
Spain										
16-34	7.1	7.1	8.2	11.7	8.3	6.0	6.1	6.7	10.0	7.5
35-59	8.8	8.8	12.3	18.8	11.4	6.5	6.8	8.7	14.1	9.0
60+	10.1	10.2	13.8	25.8	13.2	7.3	7.5	10.7	17.5	9.7
Total	8.3	8.2	10.6	16.2	10.2	6.4	6.5	7.7	11.9	8.3
European Union (excluding Spain)										
16-34	1.0	0.9	1.1	1.2	1.1	0.9	1.0	1.2	1.0	1.0
35-59	0.9	0.7	0.9	1.1	1.0	1.0	0.9	1.1	1.1	1.1
60+	0.6	0.8	1.3	1.0	0.8	0.6	0.8	0.5	0.8	0.8
Total	0.9	0.8	1.0	1.2	1.0	0.9	1.0	1.1	1.1	1.0
Rest of Europe										
16-34	1.0	0.9	0.8	0.7	0.8	0.9	0.9	0.8	0.7	0.8
35-59	0.8	0.7	0.6	0.7	0.6	0.8	0.8	0.7	0.6	0.6
60+	0.6	0.0	0.0	1.1	0.7	0.0	0.7	0.0	0.9	0.8
Total	0.8	0.8	0.7	0.7	0.7	0.8	0.8	0.8	0.6	0.7
North America										
16-34	1.2	1.2	1.2	0.8	1.1	0.0	1.0	1.0	0.9	1.1
35-59	0.9	0.8	1.0	1.1	1.3	1.6	0.9	1.2	1.1	1.6
60+	1.4	0.8	0.6	0.8	1.1	0.0	0.0	0.0	0.0	0.6
Total	1.1	1.0	1.1	0.9	1.0	1.5	0.9	1.0	1.0	1.3
Latin America										
16-34	1.0	0.9	0.8	0.8	0.8	0.9	0.9	1.0	0.8	0.8
35-59	0.8	0.8	0.6	0.5	0.6	0.9	0.8	0.8	0.7	0.7
60+	0.6	0.5	0.5	0.4	0.5	0.7	1.0	0.7	0.0	0.7
Total	0.8	0.8	0.7	0.6	0.7	0.9	0.9	0.9	0.7	0.7

	Men					Women				
	Primary or less	Secondary: first level	Secondary: second level	University	Total	Primary or less	Secondary: first level	Secondary: second level	University	Total
Africa										
16-34	0.9	0.9	0.8	0.6	0.8	1.1	1.0	1.1	0.8	0.9
35-59	0.7	0.8	0.6	0.5	0.6	0.9	0.9	0.8	0.5	0.7
60+	0.7	0.6	0.0	0.0	0.5	0.0	0.0	0.0	0.0	0.5
Total	0.8	0.8	0.6	0.4	0.6	0.9	0.9	0.9	0.6	0.8
Asia and Oceania										
16-34	0.9	1.0	0.8	0.7	0.8	0.9	0.9	0.9	0.9	0.8
35-59	0.7	0.8	0.6	1.0	0.6	0.9	1.0	0.6	0.8	0.7
60+	0.6	1.7	0.0	0.9	1.3	0.0	0.0	0.0	0.6	1.1
Total	0.7	0.9	0.6	0.8	0.7	0.9	1.0	0.7	0.9	0.7

Note: Country or region of origin is defined by nationality.

Source: Structure of Earnings Survey for Spain, 2006 (*Instituto Nacional de Estadística (INE)*).

Figure 2B1 Earnings differentials by quintiles between Spanish workers and African migrant workers

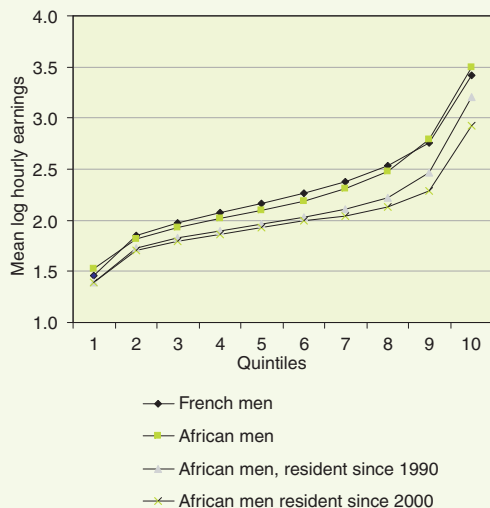


Note: Country or region of origin is based upon nationality.

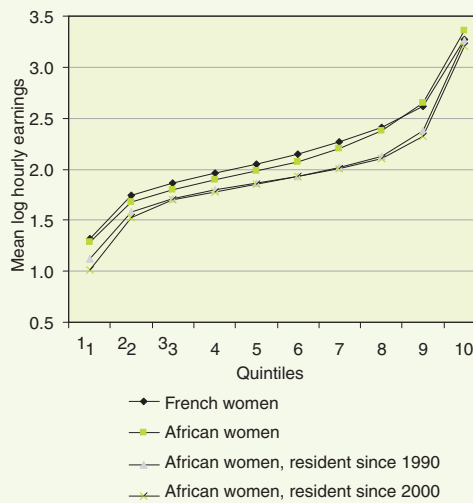
Source: Structure of Earnings Survey for Spain, 2006 (*Instituto Nacional de Estadística (INE)*).

Figure 2B2 Earnings differentials by quintiles between French workers and African migrant workers

Panel A. Male workers



Panel B. Female workers



Note: Country or region of origin is based upon country of birth.

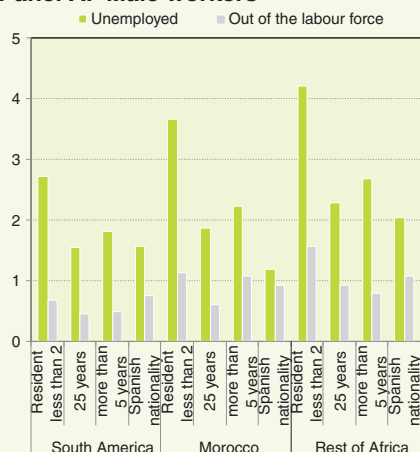
Source: French Labour Force Survey 2003-2007 (*Institut national de la statistique et des études économiques (INSEE)*).

Annex 2.C: Labour market performance of migrant workers

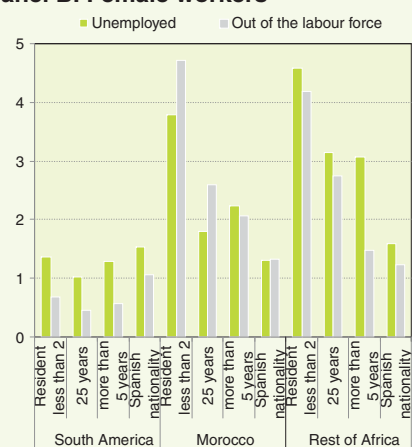
Figure 2C1 Relative risk ratios of being unemployed or out of the labour force for migrant workers in Spain and France by origin, duration of stay and residency status (age 25-59)

Spain

Panel A. Male workers

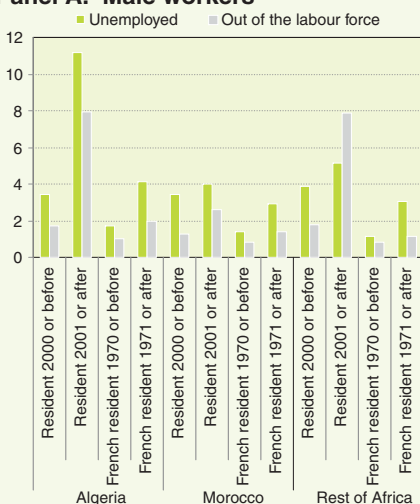


Panel B. Female workers

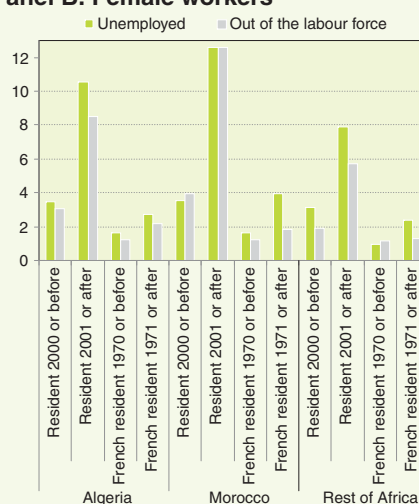


France

Panel A. Male workers



Panel B. Female workers



Note: Results obtained from estimating a multinomial logit model, controlling for gender, age, education, year of survey and region of residence. The reference labour force status is "employed" and the omitted variable for country of birth is Spain/France. Full regression results (available upon request) are not reported. Country of origin is defined by country of birth.

Source: ILS estimates based on national labour force surveys. Pooled samples, 1996-2009 for Spain and 2003-2007 for France.

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Chapter 3:

Remittances: determinants and implications for development

Introduction

Migration has the potential to enhance development by means of a number of channels, including through financial flows back to the country of origin, otherwise referred to as “remittances”. Remittances can assist development on a number of levels. At the individual level they provide an important boost to household income and can thus increase investments in education and health. In this respect, there is a positive contribution to development through the improvement health, housing, education and, more generally, family welfare. At the macro level, collective remittances to develop, for example, community assets such as schools and roads, can have a positive effect on development. In addition, remittances can remove credit constraints and provide some risk insurance to households that operate agricultural micro-enterprises. Remittances can also assist in the improvement of farm production, development of small and micro-enterprises and promotion of entrepreneurial skills – all of which can contribute to development at the micro or local level.

On the other hand, excessive reliance on remittances can mean that countries postpone or avoid necessary structural reform. The result is a vicious cycle of inefficient allocation of resources, depressed export-driven growth and further reliance on remittances. Reliance on remittance receipts can also make a country’s economy very vulnerable to sudden economic downturns in destination countries.¹ Remittance flows might also reduce labour supply and work effort in so far as they act as a substitute for labour income. In some cases, this has led to adverse effects on development at the micro level through reductions in agricultural production. Remittances have also been shown to contribute to poor export performance by con-

¹ B. Ghosh: *Migrants’ remittances and development: Myths, rhetoric and realities* (Geneva, IOM and the Hague Process on Refugees and Migration, 2006), http://www.iom.int/jahia/webdav/site/myjahiasite/shared/shared/mainsite/published_docs/books/ghosh_pdf.pdf (accessed 13 February 2010).

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tributing to an appreciation of the external value of a country's currency and the economy vulnerable to sudden economic downturns.²

Regardless of some of these caveats, for many developing countries, workers' remittances are the largest source of foreign financing, after FDI, often exceeding both official development assistance and portfolio investment by a wide margin. Given their importance, this chapter seeks to provide a clearer understanding of the role of remittances in North and West Africa. Section A will examine recent trends in remittances in the region, taking into consideration – to the extent possible – the economic and financial crisis. Section B will analyse the underlying determinants of remittances with a view to understanding better how they might make a positive contribution to development.

A. Remittance trends

Migrant remittances, compiled principally by the IMF and central banks, are the sum of: (i) migrant workers' remittances; (ii) compensation of employees; and (iii) migrants' transfers:³

- *migrant workers' remittances*: current private transfers from migrant workers staying abroad for one year or more to recipients in their country of origin;⁴
- *compensation of employees*: wages, salaries and other benefits earned by seasonal or other short-term workers who are in the country of destination for less than a year, and;
- *migrants' transfers*: are the net worth of migrants, which are transferred from one country to another at the time of migration (for a period of at least one year).

1. Trend increase in remittance flows

Remittance inflows have been rising globally at a steady pace since the early 1980s. Between 1985 and 1990 alone, global remittances nearly doubled to over US\$68 billion, rising to an estimated US\$443,514 million in 2008. Developing countries – with over US\$337,761 million in remittance inflows – account for over three-quarters of the total. In North and West Africa, remittances have grown at a similar pace, rising threefold since 1990 alone to reach over US\$12,253 million in 2008.⁵

² C. Amuedo-Dorantes and S. Pozo (2006) found that, on average, a doubling of remittances leads to a 22 per cent appreciation of the real exchange rate. Stagnation in the export market can slow down growth in employment and lead to further pressure for emigration.

³ World Bank: *Global Development Finance 2003*, Washington, DC, 2003 and IMF: *International Transactions in Remittances: Guide for Compilers and Users*, Washington, DC, 2009.

⁴ IMF: *Balance of Payment Manual*, Washington, DC, 2009.

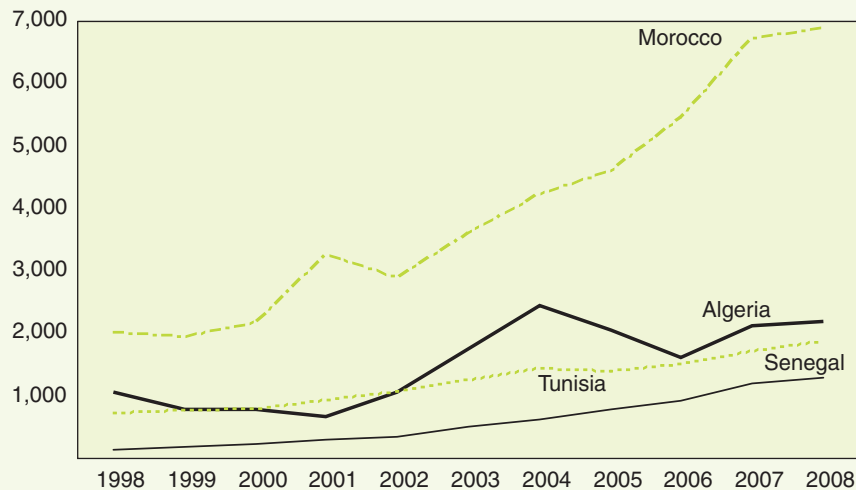
⁵ To some extent the increase in remittance flows is due to better measurement practices. Mechanisms for tracking informal remittances have improved, and thus the official figures have been able to capture an increasing share of total remittances.

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Much of the strong recent growth in remittances (in terms of US\$) for the region is due to developments in Morocco (Figure 3.1):

- since 1998, inward remittances to Morocco more than tripled rising to nearly US\$7 billion;
- remittances to Senegal have grown by approximately US\$1 billion over a decade or by more than a factor of eight;
- in Algeria and Tunisia, growth in remittances has been more tepid (doubling in the past 10 years), and;
- for Mauritania, estimates for remittances have remained relatively unchanged and are substantially lower compared to other countries.

Figure 3.1 Evolution of officially recorded inward remittance flows, 1998-2008 (US\$ millions)



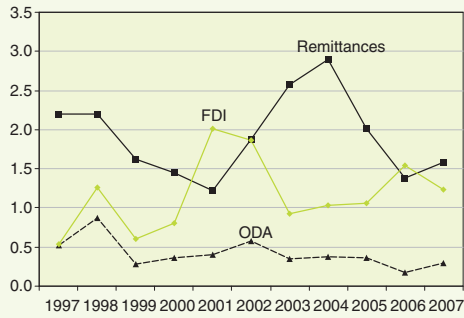
Source: World Bank, 2009, *World Bank Migration and Development Brief*, 11, 3 November.

In relative terms, in 2007, in all countries except Mauritania, remittances exceeded both official development aid (ODA) and foreign direct investment (FDI) as a percentage of GDP (Figure 3.2). The trend increase in the relative importance of remittances is particularly evident in Morocco and Senegal where the gap between remittances and ODA and FDI has risen markedly in the past decade.

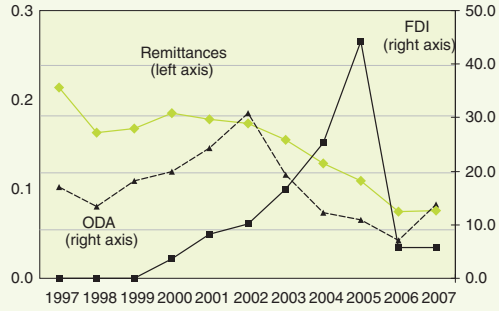
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Figure 3.2 Evolution of officially recorded inward remittance flows, official development aid (ODA) and foreign direct investment (FDI) net inflows in selected countries, 1997-2007 (percentage of GDP)

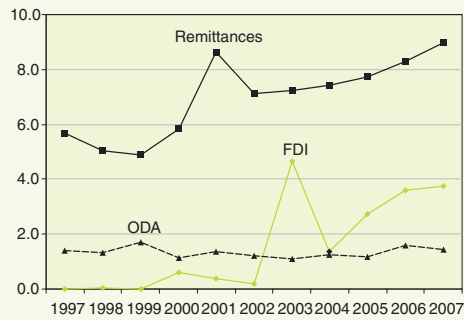
Panel A. Algeria



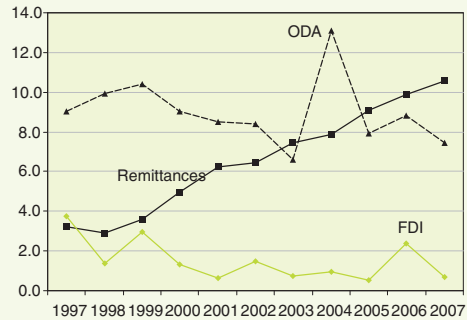
Panel B. Mauritania



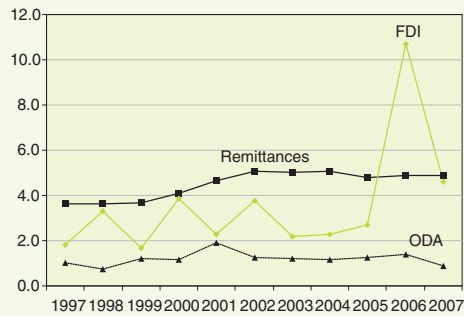
Panel C. Morocco



Panel D. Senegal



Panel E. Tunisia

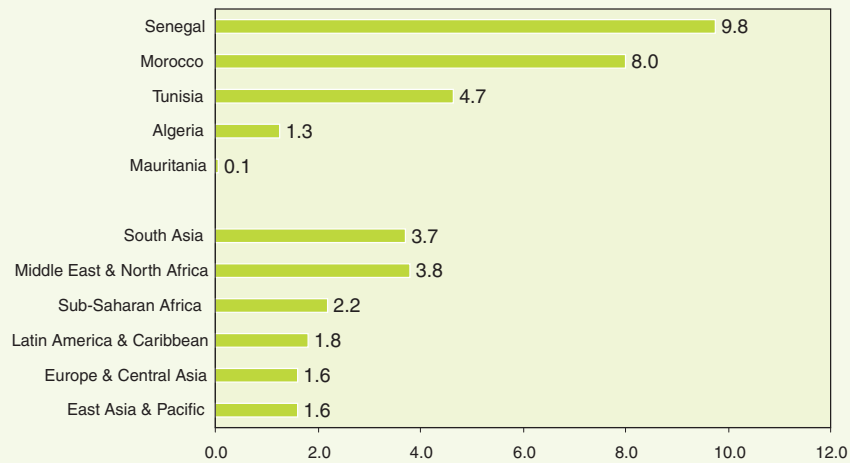


Note: The true size of remittances is believed to be larger due to unrecorded flows through a number of other channels (see below).

Source: World Bank, World Development Indicators (WDI).

In fact, Figure 3.3 illustrates that, in comparison to other countries (and regions), both Morocco and Senegal (8.0 and 9.8 per cent, respectively) and, to a lesser extent, Tunisia, have comparably high inward remittances as shares of GDP.⁶ In 2008, Senegal and Morocco ranked 21st and 27th, respectively, among 152 countries with available data. In contrast, in Algeria and Mauritania, remittances comprise only 1.3 and 0.1 per cent, respectively, of GDP.

Figure 3.3 Officially reported inward remittance flows as a percentage of GDP, 2008



Note: The true size of remittances is believed to be larger due to unrecorded flows through a number of other channels (see below).

Source: World Bank, 2009, *World Bank Migration and Development Brief*, 11, 3 November.

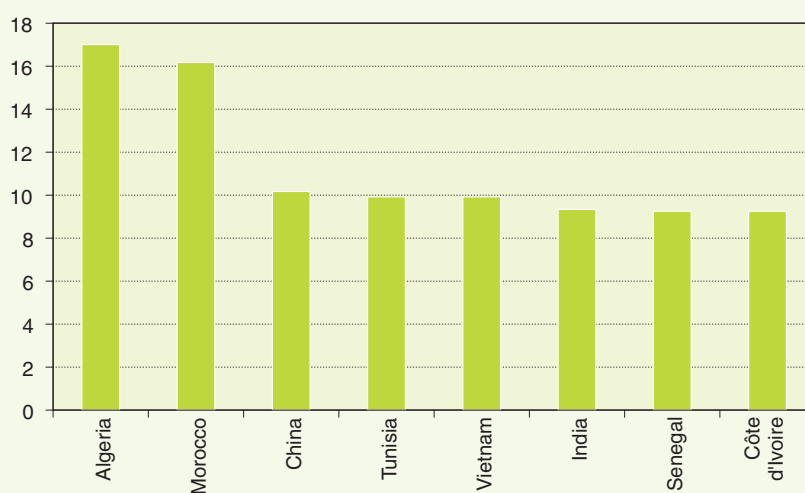
It is important to note that these figures reflect only those remittances sent through formal channels – which, in some cases, represent only a small proportion of financial flows. This is particularly the case in North and West Africa (and Africa in general) since nearly 40 per cent of the population reside in rural areas, to which remittances are more likely to flow and where they are less likely to arrive via formal channels. Indeed, in many remittance-receiving developing countries, financial institutions and other formal channels of remitting do not extend to rural and other remote areas. This constrains their capacity to transfer funds to households in these areas and thus encourages the use of informal channels by migrants abroad as an alternative. Among North and West African migrants in Spain, less than half of the money is sent via traditional means, such as postal or bank transfer (see Annex 3A for further details).

⁶ In 2008, among the top receiving countries (e.g. Tajikistan, Tonga, Moldova, Kyrgyz Republic and Lesotho), remittances exceeded 25 per cent of GDP.

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Additionally, limited competition and the strict regulatory framework leads to increased recourse to informal channels and may even restrict the flows of remittances where costs are prohibitive or informal channels are less easily accessed or limited.⁷ For example, in Western Africa it is estimated that over two-thirds of formal remittance transfers are handled by one source, thus keeping transfer fees relatively high.⁸ In fact, the fees associated with sending remittances from France to Algeria or Morocco constitute more than 16 per cent of the total (Figure 3.4). Even for transfers to Senegal and Tunisia where the fees are much lower, they still represent over 8 per cent of the total amount of money remitted.

Figure 3.4 Cost of remitting (unweighted average) from France, 2008 (average fees and other costs as a per cent of remittances)



Note: For comparability purposes, the cost is based on the initial reference amount of 200 US\$.

Source: World Bank Remittances Prices Worldwide (<http://remittanceprices.worldbank.org>).

⁷ Ghosh (2006) op. cit.

⁸ IFAD: *Sending Money Home: Worldwide Remittance Flows to Developing and Transitions Countries*, 2006.

2. Evidence to date regarding the financial crisis

Past crises reveal that remittance flows are often countercyclical, i.e. migrant workers increase their support to family members via remittances to compensate for adverse economic, labour and social consequences.⁹ This is especially the case in developing countries, where basic social security coverage is often limited or even absent. In particular, past crises were such that developing countries were impacted most severely and migrant workers abroad – unaffected by the crises – were able to cushion the negative impact on households in their countries of origin by increasing remittance flows. In such cases, remittances acted as an automatic stabilizer to smooth out fluctuations in the business cycle.¹⁰

However, the nature of the current crisis – originating in developed countries – means that, as Chapter 2 illustrated, in many instances migrant workers abroad were disproportionately affected, and were among the first to endure its effects. In financial crises such as the present one, where migrant-receiving countries suffer economic difficulties, remittances are likely to play a pro-cyclical role.

Indeed, remittance flows have fallen for the first time in decades (Table 3.1). Worldwide remittance flows are predicted to decrease by 5.3 per cent during 2009. And compared to all developing countries, the fall in remittances to North and West Africa – close to a 10 per cent reduction – is relatively high. Much of this decline is being driven by falling remittances to Morocco where flows are estimated to have declined by 17 per cent (Morocco accounts for over half of the remittances sent to the region, see above). Although remittances are primarily private transfers, the way in which they are spent by recipients back home may have important multiplier effects on the broader economy.¹¹ Empirical analyses on the role of the growth potential of remittances point to a multiplier effect in the order of 1.6.¹² For the four African countries analysed (and with available information) this implies that the estimated decrease of 1.2 billion US\$ in 2009 would translate into a GDP contraction of around 2 billion US\$ and may also have important implications for poverty.¹³

⁹ S. Seyan, *Business cycles and workers' remittances: How do migrant workers respond to cyclical movements of GDP at home?*, Working Paper No. 52 (Washington, DC, IMF, 2006); S. Gupta et al.; *Impact of remittances on poverty and financial development in sub-Saharan Africa*, IMF Working Paper No. 38 (Washington, DC, IMF, 2007).

¹⁰ *ibid.*

¹¹ For example, migrant expenditures on housing may create new income and job opportunities for low-income people working in construction as well as increase sales for firms selling building supplies, etc.

¹² See for example, N. Glytsos: "Measuring the Income Effects of Migrant Remittances: A Methodological Approach Applied to Greece," in *Economic Development and Cultural Change*, Vol. 42, No. 1, 1993, pp. 131-168; E. Taylor: *Micro Economy-Wide Models for Migration and Policy Analysis: An Application to Rural Mexico*, Development Center of Organization for Economic Cooperation and Development (Paris, OECD, 1995); E. Taylor et al.: "Migration and Incomes in Source Communities: A New Economics of Migration Perspective from China" in *Economic Development and Cultural Change*, Vol. 52, 2003, pp. 75–101.

¹³ In developing countries, the poverty-reducing effect of remittances is estimated at 10:1, signifying that a 10 per cent fall in the remittances-to-GDP ratio is associated with a rise of more than 1 per cent in the share of people living on less than \$1 a day. This is based on an empirical analysis using data from 233 poverty surveys in 76 developing countries. S. Gupta et al.: "Making Remittances Work for Africa", in *Finance and development*, quarterly magazine of the IMF, Vol. 44, No. 2, 2007, <http://www.imf.org/external/pubs/ft/fandd/2007/06/gupta.htm> (accessed 15 Mar. 2010).

Table 3.1 Inward remittance flows, 2007-09 (change from previous year in percentages)

	2007	2008	2009*
World	21.3	15.3	-5.3
All developing countries	22.9	16.7	-6.1
Sub-Saharan Africa	47.6	13.4	-2.9
North and West Africa	23.8	4.2	-9.8
Algeria	31.7	3.9	-0.4
Morocco	23.3	2.4	-17.0
Senegal	28.9	8.1	-0.9
Tunisia	13.6	9.0	-0.5

Note: Figures for 2009 are preliminary estimates. Mauritania's inward remittance flow has remained constant since 1998.

Source: World Bank, 2009, *World Bank Migration and Development Brief*, 11, 3 November.

B. Determinants of remittances

Much of the theoretical analysis of migration addresses individual decisions based on prevailing earnings differentials between origin and destination countries.¹⁴ According to this theory, the individuals who could gain more from migration were the most likely to migrate. The so-called "New Economics of Labour Migration (NELM)" is something of a departure from this neoclassical approach because it focuses on the household when modelling the migration decision.¹⁵ In this conceptual framework, the individual migrates for a variety of economic reasons, among which is the diversification of risk or insurance against future adverse events – in which remittances can play an important role.

In recent analyses of determinants, altruism and exchange have been considered as the main reasons for remitting. The altruism motive is considered in the models based on the assumption that migrants obtain some benefit from the use of remittances by family members at home, whose welfare improves in turn. The exchange reason refers to an agreement or contract between the migrant and the recipient of remittances for specific uses of the funds transferred. Those intended uses range from the purchase of goods, services or assets to payments for child-care provisions. This contractual foundation for remitting underlines the fact that part of the money which the migrant sends goes to compensate the family member for their effort in taking care of the absentee's interests at home. The family member becomes a special agent who, by rendering a trustworthy service (e.g. child

¹⁴ M.P. Todaro: "Internal Migration and Urban Employment: Comment/Reply", in *American Economic Review*, vol. 77, 1986, pp. 566-572.

¹⁵ O. Stark and D. Bloom: "The New Economics of Labor Migration", in *American Economic Review*, vol. 75, 1985, pp. 173-178.

care), elicits a particularly altruistic response from the migrant. Of course, these two motivations should not be considered independently from one another; indeed, the NELM approach emphasizes the household-based, mutually beneficial contractual relationship in the decision to remit.

With that in mind, the purpose of this next subsection is to shed light on the interactions between migration, remittances and their impact on development in general, and more specifically the well-being of relatives and family in the country of origin with whom they retain some ties.

1. Macroeconomic factors: overview

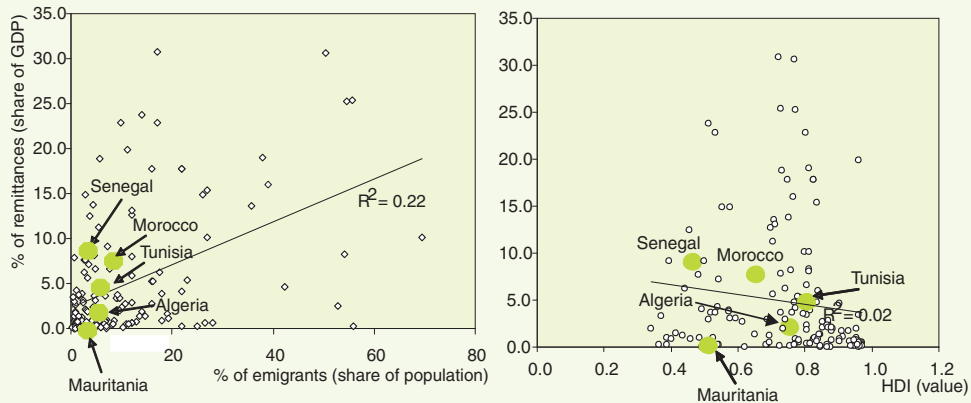
A number of macroeconomic factors are said to influence the extent to which migrant workers send remittances. In the first instance, the total volume of remittances would probably be a function of the number of migrants abroad. A simple bivariate analysis of emigrants as a share of the population and remittances as a share of GDP, however, reveals only a very weak link (Figure 3.5, panel A). Such a weak relationship holds for the region: for example, whereas Senegal and Algeria have similar shares of migrants outside their respective countries of origin (between 4 and 5 per cent), the latter has more than 5 times the remittances as a share of GDP.

Others have suggested that migrants from less developed countries are likely to send more remittances back to their country of origin. But there appears to be an even weaker link between remittances as a share of GDP and human development index (HDI) value (Figure 3.5, panel B). Similarly, Adams (2008) finds that the level of poverty in a labour-sending country has no (positive) impact on the amount of remittances received by a country. The author establishes an inverted-U shaped curve between the level of per capita GDP income in a country and receipt of remittances, and finds that middle-income countries receive proportionately more remittances than low- or high-income countries.

Figure 3.5 Officially recorded inward remittance flows: emigrants and HDI, 2008 (percentage of GDP)

Panel A: Remittances and emigrants

Panel B: Remittances and HDI



Source: World Development Indicators, 2009.

A number of other macro factors are also said to influence remittances flows, e.g. costs of remitting, interest rate differentials and exchange rate movements between country of origin and country of destination currencies, but with mixed results (Sayan, 2006).

Overall, according to Chami et al. (2008), once the cross-country heterogeneity in remittances is taken into account, the relationship between remittances and macroeconomic variables and performance is complex, and there are likely to be a variety of factors influencing remittance flows. As such, the purpose of the following section is to examine a number of individual or micro-level determinants of remittances from Spain.

2. Micro level determinants of remittances

The analysis of micro level determinants might prove more insightful, given that remittances are, for the most part, a flow of funds between households and therefore have an intrinsic micro-economic nature. In addition, microanalysis of the determinants and effects of remittances can be very useful in understanding the economic behaviour of migrant workers and the impact of that behaviour on the well-being of those with whom they retain some ties.

To investigate the determinants of remittances more effectively, micro-level data from individuals and households which remit are needed. For this purpose, the *Encuesta Nacional de Inmigrantes* is used to examine this issue (Box 3.1). In addition to a large series of questions related to the individual's experience before and after migrating, basic characteristics are col-

lected for all members of the household, including labour market outcomes such as employment and earnings of migrant workers.¹⁶

Box 3.1 *Encuesta Nacional de Inmigrantes (ENI) 2007*

The survey which was carried out between November 2006 and February 2007 is based on a nationwide representative sample of migrant workers in Spain. It covers the foreign-born population aged 16 or older and comprises 15,465 individuals who, during the survey, lived in Spain for at least one year or planned to live in Spain for at least one year. One individual is randomly selected in each sampled household.

The survey has a number of limitations with regard to establishing levels of remittances. First, around 20 per cent of individuals did not specify the amount of remittances sent and, second, the questionnaire does not distinguish clearly between money sent by the individual and money sent by other members of the household. As a result, it is not possible to obtain a complete picture of the volume of remittances. Nevertheless, the survey is a good resource for the study of migrants' economic behaviour in Spain, including estimating the probability of remitting money to countries of origin.

Descriptive analysis

In examining the descriptive statistics of the survey, the number of migrant workers and source countries is generally consistent with the information presented in Chapter 2. In particular, according to the survey, the dominant group of migrants in Spain are from Morocco, constituting nearly 12 per cent of all migrant workers (followed by Romania, Ecuador and Colombia). Algerian and Senegalese migrants together represent over 2.5 per cent, while the share of Tunisian and Mauritanian migrants in Spain is limited.

In terms of the likelihood of sending remittances to North and West Africa, there are notably large differences between men and women (Table 3.2). For example, just over 51 per cent of Moroccan men send money to Morocco compared to 22 per cent of Moroccan women. Similar differences – roughly 30 percentage points – are present in other North and West African countries. Although gender gaps are present in all other countries (with the exception of Romania), the difference is notably less (e.g. less than 7 percentage points in the case of Ecuador and only 1.4 percentage points in the case of Colombia). Interestingly, the share of Mauritanian and Senegalese migrants remitting is comparably high, at 90 and 80 per cent respectively (compared to 40 and 20 per cent for Moroccan and Algerian migrants).

¹⁶ Similar approaches were undertaken in Botswana, Germany and Mexico. See, for example, Lucas and Stark (1985); Amuedo-Dorantes and Pozo (2006); and E. Holst et al.: *Gender, migration, remittances: Evidence from Germany*, German Socio-Economic Panel Study (SOEP) paper No. 111 (Berlin, Deutsches Institut für Wirtschaftsforschung, 2008).

Table 3.2 Share of migrants who remit from Spain, by country of origin and gender, 2007 (percentages)

	Men	Women	Total
Algeria	39.0	6.7	29.1
Morocco	51.3	22.4	40.8
Mauritania	93.5	50.8	89.8
Senegal	84.6	57.1	80.2
Tunisia	75.4	0.0	54.9
Colombia	64.2	62.8	63.4
Ecuador	70.8	64.5	67.5
Romania	61.8	62.4	62.1
All countries	41.1	36.7	39.0

Note: In this and other tables of the chapter, “all countries” refers to all migrants.

Source: *Encuesta Nacional de Inmigrantes (ENI) 2007*; *Instituto Nacional de Estadística (INE) 2009*.

The average amount of remittances sent each year also varies considerably by country, with an average of 1,900 euros sent per person each year with men remitting slightly more on average (approximately 2,000 euros by men and 1,700 euros by women (Table 3.3). The gap between men and women also varies but is present across all countries. In terms of amounts, among North and West African countries, Mauritanian and Senegalese migrants send the most, on average, per annum. Remittances are also sent on a frequent basis – the overwhelming majority being sent at least once a month, or every three months.¹⁷

¹⁷ See Annex 3.A. for more detailed information on frequency of remitting

Table 3.3 Average annual migrant remittances from Spain, by gender (euros), 2007

	Mean amount sent by person		
	Men	Women	Total
Algeria	1 220	722	1 179
Morocco	1 381	1 168	1 340
Mauritania	2 587	1 200	2 484
Senegal	1 507	1 135	1 439
Tunisia	1 112	–	1 112
Colombia	2 778	2 066	2 361
Ecuador	2 376	2 183	2 279
Romania	1 664	1 380	1 536
All countries	2 026	1 737	1 895

Note: In this and other tables of the chapter, “all countries” refers to all migrants.

Source: *Encuesta Nacional de Inmigrantes (ENI) 2007*; *Instituto Nacional de Estadística (INE) 2009*.

Between two-thirds and three-quarters of all remittances are destined for either the spouse/partner or parent (Table 3.4). Some interesting results emerge in analysing the distribution among North and West African countries. For example, Algerian and Moroccans remit principally to their parents, suggesting perhaps a younger cohort of migrants (consistent with the findings in Chapter 2). For other countries, the distribution of recipients is more evenly shared between spouses and parents. Indeed, some of the reasons behind individuals’ decisions to remit and their choice of recipient are linked to a series of individual characteristics, such as age, family composition and labour market performance – the examination of which is the purpose of the next section.

Table 3.4 Person to whom the money was sent, 2007

	Men			Women		
	Spouse or partner	Parent	Other	Spouse or partner	Parent	Other
Algeria	17.7	76.6	5.7	0.0	30.9	69.1
Morocco	18.4	67.0	14.5	0.0	75.8	24.2
Mauritania	64.9	35.1	0.0	0.0	0.0	100.0
Senegal	55.8	41.5	2.7	0.0	69.1	30.8
Tunisia	–	–	–	–	–	–
Colombia	10.7	56.3	33.0	3.9	58.9	37.2
Ecuador	11.1	59.4	29.5	2.6	61.6	35.7
Romania	11.0	62.4	26.7	2.7	68.3	29.0
All countries	16.1	57.3	26.5	3.8	59.5	36.7

Note: In this and other tables of the chapter, “all countries” refers to all migrants.

Source: *Encuesta Nacional de Inmigrantes (ENI) 2007*; *Instituto Nacional de Estadística (INE) 2009*.

Multivariate analysis of the probability of remitting

To estimate the probability of remitting, a probit model is used in order to control for a large set of variables related to the individual characteristics of the migrants and those of the sending household (see Box 3.2 and Annex A). While it was not possible to include in the analysis probabilities associated with the amount remitted, the analysis sheds light on the important issue of the characteristics associated with remitting.

Box 3.2 Multivariate analysis and model specifications

Six probit models, in which the dependent variable takes the value of 1 if the individual indicated they sent money outside of Spain and zero otherwise, were specified. The first two regressions refer to both men and women, differentiating individuals by their labour force status (total sample and only employed individuals considered). The other four regressions consider each gender separately in order to identify possible differences between men and women in their behaviour in terms of remittances. In all regressions sampling weights were used.

An individual's labour force status is taken into consideration by including variables that consider whether the person holds a job (self-employed, salaried or other situation), is searching for work (11.7 per cent); is studying (5 per cent) or falls into another category, mainly inactivity (7 per cent of men and 23 per cent of women).

Residents in Spain born in the following countries were excluded from the sample: Australia, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Iceland, Italy, Liechtenstein, Luxemburg, Monaco, Netherlands, New Zealand, Norway, Portugal, Sweden, Switzerland, the United Kingdom and the United States.

See Annex 3A for more details regarding the regression results.

Consistent with many other studies, the results presented here point to a mixture of motives for remitting. The results are summarized according to the following grouping of explanatory variables: (i) labour force status and work-related variables; (ii) personal and demographic variables, including education; (iii) marital status and household composition; (iv) year of arrival and residency status; (v) migration experience related variables; and, (vi) country of origin and other variables (see Annex 3A for detail results).

→ *Labour force status and work-related variables*

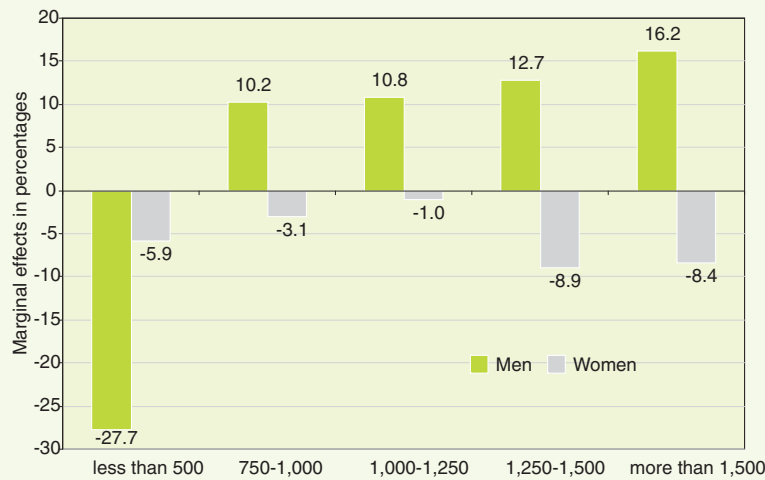
While some of the employment status-related variables are not statistically significant in terms of predicting remittance behaviour, a number of work-related variables reveal some interesting findings:

- employment security (temporary versus permanent contract) does not seem to influence the remittance probability;
- working in the same job since arriving in the country of destination has a negative and very significant effect on the probability of migrant workers remitting. This may be due to the fact that those with more job stability may be more likely to stay in the country of destination and thus perhaps remit less, and;
- individuals who arrived in the destination country with a job offer are 8 per cent more likely to remit (the positive marginal effect is much higher for women at 14.2 per cent versus 5.4 per cent for men).

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However, being jobless drastically reduces the probability of remitting. In particular, unemployed migrants are 12 per cent less likely to remit than wage and salary workers. In particular, earnings appear to be a strong indicator of the likelihood to remit (Figure 3.6). Very low earnings (500-750 euros per month) have a negative impact on the probability of remitting. The threshold seems to be around 750 euros per month, after which the likelihood of remitting for men increases with monthly earnings. For example, male migrant workers who earn a monthly salary of 1,500 euros or more are 16.2 per cent more likely to remit than men who earn in the range of 500-750 euros. For female migrants workers, remitting and earnings are negatively associated but the results are not statistically significant.

Figure 3.6 Marginal effects of earnings on the probability of remitting money to countries of origin, by gender (percentages)



Note: Coefficients of earnings dummies in the regression for women are not statistically significant. The omitted earnings bracket is 500-750 euros per month. See Table 3A5.

Source: *Encuesta Nacional de Inmigrantes (ENI) 2007; Instituto Nacional de Estadística (INE) 2009.*

→ Personal and demographic characteristics, including education

In terms of age and education, a number of results emerge regarding the likelihood to remit. Firstly, younger migrants are less likely to remit, especially if they are male. Secondly, the first level of tertiary education is associated with a significantly lower probability of remitting although earnings and education are highly correlated (37). Finally, migrants who finished their studies in Spain or who have received recognition for previous education activities show a much lower probability of remitting than others.

Figure 3.7 Marginal effects of education levels on the probability of remitting money to countries of origin by human capital-related variables (percentages)



Note: The only dummy significantly different from zero is tertiary first level. The omitted dummy is primary education. For educational levels, see Table 3A5.

Source: *Encuesta Nacional de Inmigrantes (ENI) 2007*; *Instituto Nacional de Estadística (INE) 2009*.

→ *Marital status and household composition*

In terms of remitting behaviour, married migrants behave differently to those who are single. In particular, if the spouse is in the country of origin, the probability of remitting is 23 per cent higher than that for a single person. This effect is equally strong for men and women. However, if the migrant worker is married and the spouse is in the country of destination, the probability of remitting is lower than that of single men, but it is not the case for single women.

A set of variables is also included in order to assess the influence of household composition and family structure. In particular, a series of dummies is created to reflect the number of adults (16 years and over) and children in the household in the country of destination. The hypothesis – which turns out to be correct – is that the probability of remitting by a given migrant worker decreases with the number of other emigrants from the same household.

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→ *Year of arrival and residency status*

With respect to year of arrival and residency status (two highly correlated variables), migrant workers who arrived in the period between 2003 and 2004 are the most likely to remit, regardless of gender. Generally, the results regarding year of arrival are mixed; however, the evidence with respect to residency status is more conclusive. Moroccan migrants in Spain with permanent or temporary residency status are more likely to remit compared to nationalised citizens or other types of status, e.g. irregular, with the latter being statistically significant. Similarly, for migrants in Spain from the other four countries of origin, those with permanent residency status demonstrate the highest propensity to remit. Moreover, the propensity of women to remit is more negatively affected by Spanish citizenship than that of men. In addition, temporary residents are significantly more likely to remit when compared to permanent residents.

→ *Variables related to the migration experience and future plans*

Some interesting results in the probit analysis are obtained when controlling for a variety of measures intended to capture the migrant workers' experience and reasons for migrating. For example, migrants who left either to find employment or to improve their working conditions (who constitute the majority of migrants), are 14 per cent more likely to remit money than people who migrated for other reasons. In addition, and consistent with theory, migrants who had to finance their migration are significantly more likely to remit when compared with those who did not. Similarly, male migrants who transited through another country before arriving in Spain were significantly more likely to remit. This latter result may be associated with higher financing costs associated with migrating.

A crucial determinant of remittances is the intention of the migrant to return to their country of origin, which is also a relevant issue for development of origin countries (Durand et al., 1996).¹⁸ Some studies have found that remittances can be motivated by the desire to accumulate resources that can then be used for setting up a business on returning to the country of origin. Thus, plans to return should encourage the migrant to remit part of their savings (Dustmann and Kirchkamp, 2002).¹⁹ Interestingly, in the ENI survey, those who do have a clear intention are significantly more likely to send remittances (for women without any clear intentions, the probability of remitting remains positive and highly significant).

→ *Country of origin and other variables*

The final set of variables refers to the country of origin and the region within the country of destination. The result is that there are significant differences in the propensity to remit by country of origin. In particular, for the five countries of interest in this report, migrants from Algeria are less

¹⁸ J. Durand et. al: "International migration and development in Mexican communities", in *Demography*, Vol. 33, No. 2, 1996, pp. 249–264.

¹⁹ C. Dustmann and O. Kirchkamp: "The optimal migration duration and activity choice after remigration" in *Journal of Development Economics*, 2002, Vol. 67, No. 2, pp. 351-372.

likely to remit than migrants from Mauritania, Senegal and Tunisia (these three countries were aggregated due to sample size) and Morocco.

Additionally, there are significant differences in the coefficient associated with country of origin when estimating regressions for each gender separately. For instance, the coefficient for Moroccan migrants is strongly significant but positive for men and negative for women. Although Algerian migrants yield negative signs for both genders, it is much more significant for women. Note that, in general, the country of origin specific effect tends to be less positive, or more negative, among women than among men, but that differences in country-specific effects on the probability of remitting deserve more attention in future research.

C. Concluding considerations

Over the past decade, remittance flows to North and West Africa have increased rapidly – reaching over 12 billion US\$ in 2008. However, the onset of the financial and economic crisis has brought a number of challenges with remittance flows falling substantially in 2009 compared to 2008. These trends have highlighted the importance of remittances in the context of development

The purpose of this chapter was to shed light on the nature with which migrants from remit money from Spain, with a view to better understanding the implications for development. The analysis illustrated that remittances are principally financial flows between family members – between two-thirds and three-quarters of remittances to North and West Africa are destined for either the spouse/partner or parent. Not surprisingly, the limited evidence suggests that the bulk of remittances are used to support household subsistence. For example, a 2007 survey by the African Development Bank found that priority in most cases for remittances is given to household consumption (essential goods and services) and health. For instance, 69 and 98 per cent of family expenses are financed from remittances in Morocco and Senegal respectively (Table 3.5). Similarly, the MIREM report of Maghreb countries found that two-thirds of the remittances were intended to provide for immediate family needs.²⁰

²⁰ However, 20 per cent went to helping with children's education, while 10 per cent went into business investment and 7 per cent towards investment in agricultural equipment (J. P. Cassarino: *Return migrants to the Maghreb Countries: Reintegration and development challenges*, MIREM Global Report, Robert Schuman Centre for Advanced Studies (Florence, European University Institute, 2008)).

Table 3.5 Utilization ratios per budget item of remittances (percentages)

	Senegal	Mali	Morocco
Family expenses	98	94	69
Health	81	87	30
Education/training	55	59	26
Family construction	19	47	10
Individual	14	29	6
Productive investments	11	46	13
Social project	5	25	1

Source: African Development Bank (AfDB) survey, 2007.

The more influential factors determining the remittance decision seem to be found at the micro level, notably likelihood of remitting increases with the levels of earnings but falls, generally, with education. Another crucial determinant of remittances, which has significant development implications, is that migrant workers who have the intention to return to the country of origin are more likely to remit.

For North and West African countries, these micro-level insights are important because of the linkages between the macro and micro dimensions of remittances in terms of implications for development. Indeed, positive welfare improvements at the household level (e.g. poverty reduction) can improve overall development via multiplier and macroeconomic effects – as well as having important distributional implications.²¹

To ensure the mutually reinforcing nature of remittances, a number of possible considerations merit attention. First, consider ways in which remittances can be leveraged to enhance the overall multiplier effects. To do this, efforts are needed to strengthen the linkages between remittance-sending households, receiving households, communities, and national authorities in countries of origin. Second, and related, is that without the necessary economic infrastructure, remittances will be unable to realise their full potential at the national levels. Third, there are important connections – potentially mutually reinforcing in terms of development – to be made between remittances and return migration, the latter which is discussed in the following chapter. And finally, permanent residency status (and in some cases temporary residency) is associated with a higher probability of remitting and as such, consideration should be given to how a more orderly or regulated migration process could benefit both countries of origin and destination. Chapter 5 considers a number of ways to address these challenges.

²¹ See also A. Mansoor and B. Quillin: *Migration and remittances: Eastern Europe and the former Soviet Union* (Washington, DC, World Bank, 2006).

Annex 3.A Detailed results of micro-level determinants of remitting.

Table 3A1 Amount of annual remittances from Spain to selected countries, 2007

	Total amount remitted by population (Non-missing amount in million Euros)			Median amount sent by individuals (Euros)		
	Men	Women	Total	Men	Women	Total
Algeria	13.4	0.7	14.1	1 200	600	1 000
Morocco	193.0	38.8	231.7	1 000	600	1 000
Mauritania	12.4	0.5	12.9	1 100	1 200	1 200
Senegal	17.0	2.9	19.9	1 200	1 500	1 200
Tunisia	0.9	0.0	0.9	300	0.0	300
Colombia	173.0	182.0	355.0	2 000	1 500	1 800
Ecuador	249.0	230.7	479.7	1 440	1 400	1 440
Romania	194.0	131.3	325.0	1 000	700	800
All countries	1549.0	1102.0	2651.0	1 200	1 000	1 000

Source: *Encuesta Nacional de Inmigrantes (ENI) 2007*; *Instituto Nacional de Estadística (INE) 2009*.

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Table 3A2 With what frequency do you send the money overseas?

	Once a week	At least once a month	At least one every three months	At least once every four months	At least once a year	Less than once a year	Occasionally, when it is possible or needed	Total
Men								
Algeria	1.5	24.6	28.1	8.2	2.4	0.6	34.4	100
Morocco	0.3	41.9	24.7	4.7	3.5	0.9	24.0	100
Mauritania	0.0	11.1	6.8	20.1	12.6	0.0	49.4	100
Senegal	2.6	62.4	5.5	0.3	4.4	0.0	24.7	100
Tunisia	0.0	8.7	0.0	16.1	52.1	0.0	23.2	100
Colombia	1.7	62.6	15.3	3.9	1.4	0.0	15.0	100
Ecuador	1.4	65.6	12.4	5.4	1.6	0.2	13.5	100
Romania	0.8	35.6	14.2	9.9	5.3	0.7	33.5	100
All countries	1.1	48.1	18.8	6.6	3.5	0.5	21.5	100
Women								
Algeria	0.0	25.0	31.3	0.0	0.0	0.0	43.7	100
Morocco	0.7	38.0	27.5	8.5	6.3	0.5	18.5	100
Mauritania	0.0	100.0	0.0	0.0	0.0	0.0	0.0	100
Senegal	0.0	1.0	0.0	17.5	59.6	0.0	21.8	100
Tunisia								
Colombia	2.6	66.3	10.0	3.5	1.9	0	15.7	100
Ecuador	1.4	65.2	12.8	5.6	1.6	0.2	13.3	100
Romania	0.2	31.3	27.0	8.9	5.8	0.3	26.5	100
All countries	1.0	49.0	18.2	7.1	5.1	0.6	19.0	100

Source: *Encuesta Nacional de Inmigrantes (ENI) 2007*; *Instituto Nacional de Estadística (INE) 2009*.

Table 3A3 What was the most frequent way of sending the money?

	Postal transfer	Bank transfer	Other agency	Other people	Other way	Total
Men						
Algeria	15.8	7.8	20.3	49.2	7.0	100
Morocco	16.8	11.9	62.5	6.9	1.9	100
Mauritania	9.1	10.0	68.3	12.6	0.0	100
Senegal	14.4	10.5	75.2	0.0	0.0	100
Tunisia	23.2	52.1	24.7	0.0	0.0	100
Colombia	15.0	29.2	54.5	0.9	0.4	100
Ecuador	13.9	28.2	57.4	0.4	0.0	100
Romania	15.7	19.1	58	6.1	1.1	100
All countries	13.6	27.3	52.8	4.9	1.4	100
Women						
Algeria	36.1	0.0	23.3	40.4	0.0	100
Morocco	26.8	14.9	50.1	4.8	3.5	100
Mauritania	0.0	0.0	0.0	100	0.0	100
Senegal	59.6	30.9	9.5	0.0	0.0	100
Tunisia						
Colombia	14.9	25.5	57.7	0.6	1.3	100
Ecuador	10.7	35.6	52.1	0.9	0.8	100
Romania	15.6	19.3	57.8	6.2	1.0	100
All countries	14.1	29.3	51.1	3.7	1.8	100

Source: *Encuesta Nacional de Inmigrantes (ENI) 2007*; *Instituto Nacional de Estadística (INE) 2009*.

Table 3A4 Propensity to remit money by country of origin and residency status (percentages)

	Morocco	Rest of Africa
Nationalised Spanish	9.1	17.8
Other EU-25	0.0	4.8
Resident, permanent	47.7	66.2
Resident, temporary	52.2	60.5
Resident, with EU card	26.7	61.1
Resident, other	31.3	45.5
Total	36.4	50.2

Source: *Encuesta Nacional de Inmigrantes (ENI) 2007*; *Instituto Nacional de Estadística (INE) 2009*.

Table 3A5 Probit estimates of the probability of sending money to home country - All migrants by gender

	Total			Men			Women		
	Marginal Effect	Robust Std. Error	Mean of covariate	Marginal Effect	Robust Std. Error	Mean of covariate	Marginal Effect	Robust Std. Error	Mean of covariate
Personal and demographic variables									
Female	0.034 **	0.015	0.475						
Aged 16-19	-0.214 ***	0.042	0.063	-0.255 ***	0.060	0.066	-0.185 ***	0.056	0.059
20-24	-0.047 *	0.028	0.111	-0.091 **	0.042	0.101	-0.031	0.036	0.122
25-29	0.026	0.023	0.175	0.023	0.034	0.184	0.016	0.030	0.165
30-34			0.173			0.180			0.164
35-39	0.018	0.023	0.149	-0.010	0.034	0.159	0.049	0.031	0.139
40-44	0.042	0.027	0.109	0.067 *	0.040	0.104	0.029	0.035	0.114
45-49	0.045	0.030	0.079	0.066	0.045	0.078	0.034	0.039	0.080
50 or more	-0.039	0.028	0.141	-0.021	0.045	0.128	-0.045	0.034	0.156
Education									
Less than primary	-0.048	0.044	0.033	-0.091	0.058	0.041	0.046	0.064	0.024
Primary			0.251			0.255			0.248
Secondary first level	-0.020	0.024	0.163	-0.010	0.036	0.173	-0.024	0.032	0.151
Secondary second level	0.023	0.020	0.372	0.030	0.029	0.366	0.016	0.026	0.378
Tertiary first level	-0.047 *	0.025	0.166	-0.071 *	0.039	0.149	-0.038	0.031	0.185
Tertiary second level	-0.018	0.059	0.015	0.028	0.085	0.016	-0.055	0.084	0.015

	Total			Men			Women		
	Marginal Effect	Robust Std. Error	Mean of covariate	Marginal Effect	Robust Std. Error	Mean of covariate	Marginal Effect	Robust Std. Error	Mean of covariate
Finished studies in Spain	-0.112 ***	0.024	0.145	-0.096 **	0.039	0.143	-0.121 ***	0.031	0.148
Credential recognition	-0.085 ***	0.026	0.073	-0.028	0.044	0.066	-0.127 ***	0.032	0.081
Marital status									
Single			0.488			0.476			0.501
Married, spouse home country	0.234 ***	0.033	0.067	0.224 ***	0.042	0.096	0.189 ***	0.050	0.034
Married, spouse host country	-0.021	0.016	0.446	-0.092 ***	0.025	0.428	0.043 **	0.021	0.465
Household composition									
1 adult			0.039			0.043			0.036
2 members, 1 adult	-0.033	0.031	0.067	-0.012	0.052	0.044	-0.077 *	0.041	0.092
2 members, 2 adults	0.013	0.032	0.099	0.070 **	0.045	0.107	-0.061	0.045	0.091
3 members, 1 adult	-0.051	0.033	0.050	-0.011	0.056	0.036	-0.111 **	0.042	0.066
3 members, 2 or 3 adults	0.006	0.031	0.175	0.081 *	0.043	0.179	-0.090 **	0.042	0.171
4 members, 1 adult	-0.124 ***	0.037	0.036	-0.161 ***	0.056	0.033	-0.138 ***	0.049	0.039
4 members, 2 or more adults	-0.061 **	0.031	0.205	-0.001	0.045	0.213	-0.142 ***	0.041	0.197
5 members, 1 adult	-0.103 *	0.051	0.012	-0.147	0.090	0.009	-0.115 *	0.063	0.015
5 members, 2 or more adults	-0.054	0.033	0.138	-0.020	0.048	0.141	-0.105 **	0.045	0.135
6+ members, 1 adult	-0.065	0.062	0.006	-0.179	0.131	0.004	-0.053	0.075	0.009
6+ members, 2+ adults	-0.046	0.034	0.172	0.033	0.048	0.192	-0.146 ***	0.045	0.150

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	Total			Men			Women		
	Marginal Effect	Robust Std. Error	Mean of covariate	Marginal Effect	Robust Std. Error	Mean of covariate	Marginal Effect	Robust Std. Error	Mean of covariate
Year of arrival									
Arrived in 1980 or before	-0.073 *	0.044	0.085	-0.066	0.063	0.085	-0.099 *	0.056	0.085
1981-1990	-0.049	0.038	0.064	-0.088	0.055	0.066	-0.040	0.052	0.061
1991-2000	-0.011	0.024	0.280	-0.050	0.037	0.292	0.009	0.031	0.266
2001-2002	-0.039 *	0.022	0.228	-0.089 ***	0.034	0.218	0.000	0.028	0.239
2003-2004			0.192			0.185			0.200
2005-2007	-0.097 ***	0.025	0.151	-0.117 ***	0.039	0.153	-0.073 **	0.032	0.149
Residency status									
Nationalised Spanish	-0.154 ***	0.025	0.189	-0.174 ***	0.038	0.171	-0.138 ***	0.033	0.210
Resident, permanent			0.169			0.355			
Resident, temporary	0.024	0.022	0.368	0.014	0.032	0.384	0.022	0.030	0.350
Resident, with EU card	0.023	0.036	0.055	0.075	0.061	0.047	-0.017	0.043	0.064
Resident, other	-0.037	0.029	0.174	-0.028	0.044	0.169	-0.066 *	0.037	0.180
Other EU-25	-0.243 ***	0.039	0.045	-0.233 ***	0.059	0.046	-0.261 ***	0.045	0.044
Migration experience									
Migrated for work	0.140 ***	0.017	0.557	0.141 ***	0.026	0.625	0.128 ***	0.022	0.482
Migrated family reunification	-0.069 ***	0.018	0.310	-0.091 ***	0.029	0.237	-0.053 **	0.022	0.392
Migrated for other reasons			0.133			0.138			0.127
Did not pay for trip			0.299			0.287			0.312

	Total			Men			Women		
	Marginal Effect	Robust Std. Error	Mean of covariate	Marginal Effect	Robust Std. Error	Mean of covariate	Marginal Effect	Robust Std. Error	Mean of covariate
Yes, paid by installments	0.143 ***	0.030	0.076	0.120 ***	0.048	0.062	0.156 ***	0.038	0.091
Yes, paid cash did not borrow	0.089 ***	0.020	0.499	0.080 ***	0.031	0.535	0.093 ***	0.026	0.460
Yes, paid cash borrow bank	0.184 ***	0.064	0.009	0.075	0.103	0.008	0.276 ***	0.074	0.011
Yes, paid cash borrow family	0.270 ***	0.055	0.012	0.277 ***	0.075	0.012	0.279 ***	0.081	0.013
Yes, paid cash borrow moneylender	0.166 ***	0.028	0.092	0.111 **	0.044	0.088	0.232 ***	0.034	0.096
Yes, paid cash borrow others	0.271 ***	0.055	0.013	0.378 ***	0.050	0.009	0.234 ***	0.076	0.018
Went to other country before Spain	0.028	0.024	0.117	0.077 **	0.032	0.140	-0.039	0.032	0.091
Not going back in 5 years			0.798			0.806			0.789
Yes, going back in 5 years	0.110 ***	0.026	0.077	0.125 ***	0.043	0.070	0.103 ***	0.033	0.086
Don't know if going back	0.041 *	0.022	0.125	-0.004	0.032	0.124	0.089 ***	0.030	0.125
Labour force status and work related variables									
Working, self-employed	-0.038	0.028	0.075	-0.043	0.041	0.079	-0.031	0.037	0.071
Working, salaried			0.579			0.669			0.481
Working, other situation	0.181 ***	0.042	0.031	0.203 ***	0.071	0.023	0.153 ***	0.050	0.039
Searching for work	-0.118 ***	0.021	0.118	-0.122 ***	0.032	0.113	-0.117 ***	0.026	0.123
Studying	-0.352 ***	0.028	0.050	-0.433 ***	0.041	0.045	-0.288 ***	0.036	0.055
Other situation	-0.195 ***	0.020	0.148	-0.226 ***	0.039	0.071	-0.177 ***	0.023	0.232

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	Total			Men			Women		
	Marginal Effect	Robust Std. Error	Mean of covariate	Marginal Effect	Robust Std. Error	Mean of covariate	Marginal Effect	Robust Std. Error	Mean of covariate
Country of origin									
Rest of countries of birth			0.298			0.277			0.321
Bulgaria	-0.097 **	0.045	0.028	-0.068	0.067	0.028	-0.118 ***	0.056	0.028
Poland	0.128 *	0.071	0.013	0.229 **	0.091	0.014	0.052 *	0.094	0.013
Romania	0.063 **	0.025	0.122	0.071 *	0.038	0.125	0.070 ***	0.034	0.120
Ukraine	0.040	0.054	0.019	0.125	0.083	0.017	-0.051 ***	0.063	0.021
Russian Federation	-0.058	0.082	0.010	0.197	0.150	0.006	-0.198 ***	0.058	0.014
Mexico	-0.201 ***	0.065	0.009	-0.308 **	0.101	0.007	-0.180 ***	0.072	0.011
Colombia	0.156 ***	0.026	0.085	0.212 ***	0.041	0.066	0.118 ***	0.032	0.106
Ecuador	0.123 ***	0.027	0.106	0.211 ***	0.036	0.097	0.050 *	0.036	0.115
Peru	0.146 ***	0.037	0.039	0.219 ***	0.051	0.040	0.071 *	0.050	0.039
Uruguay	-0.105 **	0.047	0.023	-0.089	0.073	0.022	-0.094 *	0.059	0.024
Venezuela	-0.192 ***	0.039	0.030	-0.211 ***	0.066	0.028	-0.172 ***	0.047	0.032
Algeria	-0.189 ***	0.050	0.015	-0.105	0.068	0.020	-0.345 ***	0.051	0.010
Morocco	0.017	0.026	0.153	0.125 ***	0.036	0.186	-0.146 ***	0.032	0.117
Mauritania, Tunisia, Senegal	0.315 **	0.061	0.012	0.359 ***	0.054	0.019	0.082 *	0.196	0.004
Other African countries	0.126 ***	0.038	0.038	0.114 **	0.050	0.051	0.157 ***	0.052	0.024
Proportion of sample remitting		0.490			0.513			0.464	
Pred. probability (at means)		0.469			0.492			0.438	

	Total			Men			Women		
	Marginal Effect	Robust Std. Error	Mean of covariate	Marginal Effect	Robust Std. Error	Mean of covariate	Marginal Effect	Robust Std. Error	Mean of covariate
Number of observations		11607			5200			6407	
Pseudo R-squared		0.238			0.260			0.243	
Log pseudolikelihood		-6128			-2665			-3352	

Note: Significant levels: * 0.05<=p<0.1; ** 0.01<=p<0.05; *** p<0.01

Source: *Encuesta Nacional de Inmigrantes (ENI) 2007*; *Instituto Nacional de Estadística (INE) 2009*.

Table 3A6 Probit estimates of the probability of sending money to home country - All employed workers and by gender

	Total			Men			Women		
	Marginal Effect	Robust Std. Error	Mean of covariate	Marginal Effect	Robust Std. Error	Mean of covariate	Marginal Effect	Robust Std. Error	Mean of covariate
Personal and demographic variables									
Female	0.049 **	0.020	0.410						
Aged 16-19	-0.135 *	0.075	0.024	-0.171 *	0.101	0.025	-0.091	0.110	0.024
20-24	-0.066 *	0.035	0.106	-0.090 *	0.048	0.102	-0.052	0.048	0.112
25-29	0.020	0.027	0.191	0.013	0.037	0.197	0.020	0.037	0.184
30-34			0.191			0.199			0.181
35-39	0.030	0.026	0.167	0.012	0.036	0.176	0.055	0.036	0.154
40-44	0.044	0.030	0.121	0.080 *	0.041	0.114	0.019	0.042	0.130
45-49	0.057 *	0.033	0.090	0.063	0.046	0.086	0.062	0.045	0.094
50 or more	0.020	0.033	0.110	0.029	0.048	0.101	0.026	0.043	0.122
Education									
Less than primary	-0.078	0.057	0.029	-0.083	0.068	0.038	-0.104	0.094	0.016
Primary			0.225			0.243			0.200
Secondary first level	-0.023	0.029	0.153	0.019	0.039	0.165	-0.072 *	0.042	0.137
Secondary second level	0.000	0.024	0.400	0.027	0.032	0.387	-0.038	0.034	0.418
Tertiary first level	-0.064 **	0.031	0.175	-0.050	0.045	0.150	-0.085 **	0.041	0.210
Tertiary second level	0.004	0.065	0.018	0.044	0.091	0.017	-0.061	0.102	0.019

	Total			Men			Women		
	Marginal Effect	Robust Std. Error	Mean of covariate	Marginal Effect	Robust Std. Error	Mean of covariate	Marginal Effect	Robust Std. Error	Mean of covariate
Finished studies in Spain	-0.130 ***	0.032	0.121	-0.105 **	0.047	0.114	-0.149 ***	0.043	0.131
Credential recognition	-0.111 ***	0.033	0.072	-0.062	0.049	0.065	-0.148 ***	0.045	0.083
Marital status									
Single			0.481			0.450			0.526
Married, spouse home country	0.205 ***	0.032	0.081	0.187 ***	0.044	0.105	0.200 ***	0.048	0.046
Married, spouse host country	-0.045 **	0.019	0.438	-0.117 ***	0.028	0.445	0.024	0.026	0.427
Household composition									
1 adult			0.038			0.042			0.033
2 members, 1 adult	-0.057	0.038	0.062	-0.029	0.058	0.036	-0.114 **	0.055	0.101
2 members, 2 adults	0.019	0.037	0.104	0.089 *	0.048	0.107	-0.070	0.060	0.100
3 members, 1 adult	-0.069 *	0.042	0.047	0.009	0.065	0.032	-0.154 ***	0.059	0.068
3 members, 2 or 3 adults	0.028	0.035	0.184	0.095 **	0.045	0.188	-0.078 **	0.057	0.177
4 members, 1 adult	-0.171 ***	0.047	0.038	-0.230 ***	0.067	0.037	-0.178 **	0.069	0.040
4 members, 2 or more adults	-0.040	0.037	0.212	0.016	0.049	0.222	-0.140 **	0.057	0.197
5 members, 1 adult	-0.101 *	0.061	0.011	-0.211 **	0.098	0.009	-0.046	0.087	0.013
5 members, 2 or more adults	-0.031	0.041	0.131	0.012	0.054	0.133	-0.122 *	0.063	0.128
6+ members, 1 adult	-0.041	0.075	0.006	-0.195	0.171	0.003	-0.025 *	0.098	0.010
6+ members, 2+ adults	-0.025	0.041	0.167	0.053	0.052	0.192	-0.137 **	0.065	0.132

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	Total			Men			Women		
	Marginal Effect	Robust Std. Error	Mean of covariate	Marginal Effect	Robust Std. Error	Mean of covariate	Marginal Effect	Robust Std. Error	Mean of covariate
Year of arrival									
Arrived in 1980 or before	-0.067	0.054	0.070	-0.080	0.073	0.070	-0.074	0.078	0.070
1981-1990	-0.049	0.048	0.059	-0.115 *	0.065	0.065	-0.012	0.071	0.050
1991-2000	-0.039	0.030	0.299	-0.069 *	0.041	0.316	-0.016	0.041	0.274
2001-2002	-0.055 **	0.027	0.253	-0.095 **	0.038	0.238	-0.028	0.036	0.274
2003-2004			0.190			0.186			0.196
2005-2007	-0.023	0.033	0.129	-0.006	0.047	0.124	-0.032	0.045	0.136
Residency status									
Nationalised Spanish	-0.130 ***	0.031	0.173	-0.138 ***	0.044	0.156	-0.118 ***	0.044	0.196
Resident, permanent			0.348			0.196			0.145
Resident, temporary	0.053 **	0.026	0.409	0.034	0.034	0.420	0.074 *	0.038	0.392
Resident, with EU card	0.068	0.043	0.047	0.110	0.064	0.043	0.017	0.057	0.052
Resident, other	0.022	0.036	0.151	0.016	0.050	0.137	0.041	0.050	0.170
Other EU-25	-0.203 ***	0.057	0.046	-0.224 ***	0.071	0.048	-0.207 **	0.081	0.044
Migration experience									
Migrated for work	0.114 ***	0.021	0.640	0.149 ***	0.030	0.674	0.063 **	0.028	0.591
Migrated family reunification	-0.047 **	0.022	0.238	-0.093 ***	0.033	0.195	-0.012	0.029	0.301
Migrated for other reasons			0.122			0.132			0.108
Did not pay for trip			0.249			0.252			0.245
Yes paid by installments	0.141 ***	0.032	0.087	0.123 **	0.049	0.067	0.145 ***	0.043	0.115

	Total			Men			Women		
	Marginal Effect	Robust Std. Error	Mean of covariate	Marginal Effect	Robust Std. Error	Mean of covariate	Marginal Effect	Robust Std. Error	Mean of covariate
Yes paid cash did not borrow	0.086 ***	0.025	0.524	0.077 **	0.034	0.559	0.076 **	0.035	0.473
Yes paid cash borrow bank	0.159 **	0.070	0.009	0.133	0.106	0.008	0.172 *	0.087	0.012
Yes paid cash borrow family	0.279 ***	0.044	0.015	0.269 ***	0.062	0.013	0.292 ***	0.062	0.018
Yes paid cash borrow moneylender	0.169 ***	0.031	0.100	0.093 *	0.048	0.091	0.242 ***	0.037	0.112
Yes paid cash borrow others	0.265 ***	0.048	0.016	0.372 ***	0.027	0.010	0.216 **	0.069	0.024
Went to other country before Spain	0.034	0.027	0.120	0.095 ***	0.034	0.141	-0.080 *	0.042	0.089
Not going back in 5 years			0.802			0.820			0.776
Yes, is going back in 5 years	0.133 ***	0.029	0.079	0.114 **	0.043	0.068	0.147 ***	0.037	0.095
Don't know if going back	0.042	0.025	0.119	0.002	0.035	0.112	0.084 **	0.035	0.129
Labour force status and work related variables									
Working, self-employed	-0.029	0.031	0.109	-0.040	0.046	0.102	-0.017	0.042	0.120
Working, salaried			0.846			0.868			0.814
Working, other situation	0.151 ***	0.039	0.045	0.206 ***	0.064	0.030	0.119 **	0.046	0.067
Holds 2 or more jobs	0.034	0.035	0.057	-0.023	0.065	0.037	0.068 *	0.039	0.086
Holds indefinite contract	-0.015	0.019	0.398	-0.013	0.026	0.403	-0.003	0.027	0.390
Works still in same job	-0.080 ***	0.019	0.347	-0.072 ***	0.027	0.335	-0.091 ***	0.026	0.364
Came with a job offer	0.082 ***	0.022	0.153	0.054 *	0.031	0.164	0.142 ***	0.031	0.139

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	Total			Men			Women		
	Marginal Effect	Robust Std. Error	Mean of covariate	Marginal Effect	Robust Std. Error	Mean of covariate	Marginal Effect	Robust Std. Error	Mean of covariate
Found work after 3 months search	-0.032	0.070	0.048	0.049	0.099	0.040	-0.096	0.089	0.060
Has been jobless for a year or longer	-0.019	0.059	0.064	-0.001	0.088	0.052	-0.038	0.076	0.081
Earnings									
Earnings is missing	-0.002	0.058	0.032	0.082	0.076	0.037	-0.019	0.077	0.026
> 0 & <500	-0.074	** 0.037	0.069	-0.277	*** 0.098	0.019	-0.059	0.038	0.142
>=500 & <750			0.157			0.071			0.282
>=750 & <1000	0.008	0.027	0.299	0.102	** 0.050	0.274	-0.031	0.031	0.334
>=1000 & <1250	0.016	0.030	0.235	0.108	** 0.050	0.312	-0.010	0.039	0.124
>=1250 & <1500	0.014	0.037	0.090	0.127	** 0.051	0.124	-0.089	0.064	0.041
>=1500	0.030	0.036	0.118	0.162	*** 0.050	0.164	-0.084	0.062	0.051
Country of origin and other variables									
Rest of countries of birth			0.297			0.259			0.328
Bulgaria	-0.117	** 0.056	0.031	-0.117	0.073	0.031	-0.136	*	0.030
Poland	0.063	0.082	0.013	0.182	* 0.092	0.013	-0.114	0.113	0.013
Romania	0.061	** 0.028	0.134	0.057	0.040	0.133	0.054	0.039	0.137
Ukraine	0.037	0.058	0.022	0.084	0.082	0.020	-0.024	0.077	0.026
Russia	-0.060	0.115	0.008	0.184	0.157	0.006	-0.242	** 0.096	0.012
Mexico	-0.346	*** 0.084	0.008	-0.364	** 0.119	0.008	-0.379	*** 0.085	0.008

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	Total			Men			Women		
	Marginal Effect	Robust Std. Error	Mean of covariate	Marginal Effect	Robust Std. Error	Mean of covariate	Marginal Effect	Robust Std. Error	Mean of covariate
Colombia	0.167 ***	0.027	0.089	0.194 ***	0.042	0.064	0.150 ***	0.035	0.124
Ecuador	0.139 ***	0.028	0.117	0.210 ***	0.036	0.103	0.060	0.042	0.138
Peru	0.137 ***	0.037	0.043	0.204 ***	0.045	0.042	0.038	0.060	0.045
Uruguay	-0.115 **	0.055	0.024	-0.127	0.078	0.024	-0.064	0.078	0.025
Venezuela	-0.248 ***	0.049	0.030	-0.266 ***	0.075	0.028	-0.229 ***	0.066	0.032
Algeria	-0.173 **	0.075	0.012	-0.097	0.088	0.015	-0.309 **	0.127	0.007
Morocco	0.050	0.031	0.123	0.122 ***	0.037	0.171	-0.119 **	0.052	0.054
Mauritania, Tunisia, Senegal	0.374 ***	0.027	0.010	0.354 ***	0.044	0.016			
Other African countries	0.118 ***	0.042	0.038	0.134 **	0.052	0.067	0.084	0.069	0.020
Proportion of sample remitting		0.579			0.577			0.582	
Pred. probability (at means)		0.590			0.589			0.594	
Number of observations		7751			4004			3747	
Pseudo R-squared		0.201			0.230			0.214	
Log pseudolikelihood		-4213			-2102			-2002	

Note: Significant levels: * 0.05 ≤ p < 0.1; ** 0.01 ≤ p < 0.05; *** p < 0.01

Source: Encuesta Nacional de Inmigrantes (ENI) 2007; Instituto Nacional de Estadística (INE), 2009.

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Chapter 4:

Leveraging return migration for development

Introduction

The return of migrants can contribute to development through the promotion, mobilization and utilization of productive resources.¹ In practice, however, gauging the extent to which return migrants contribute to development is complex, and much consideration needs to be given to understanding: (i) the composition (e.g. in terms of age and skill level) and the motivation of return migrants; and (ii) their ability to reintegrate into the labour markets of their countries of origin.

In general, the contribution of return migration to development will depend on a number of factors. In particular, the prevailing circumstances in countries of origin, such as local labour market conditions and the business climate, can play an important role in determining the success of return migrants. It is also a function of a number of important individual factors, including their employability and the relevance of their skills (notably those attained in countries of destination) to their country of origin.

The focus of this chapter will be on the individual characteristics associated with improved labour market performance upon return, with the principal assumption being that one of the main channels through which return migrants can contribute to development of countries of origin is via productive employment. Using data from Spain, the first section of this chapter briefly examines the characteristics associated with the intention of migrants to return to their countries of origin. Section B contains a descriptive analysis of return migration to Algeria, Morocco and Tunisia, including an analysis of the factors that are associated with positive labour market outcomes.

¹ In line with recent studies in this area, the definition of “returnee” used here is someone who is “returning to his or her country of origin within the period of ten years, having been an international migrant in another country. Return may be permanent or temporary and independently decided by the migrant or forced by unexpected circumstances” (Source: MIREM, European University Institute).

A. Intentions to return to North and West Africa: case of Spain

1. Overview of the intention to return to North and West Africa

The 2007 *Encuesta Nacional de Inmigrantes* (ENI)² includes information on the extent to which migrants residing in Spain intend to return to their countries of origin, stay in Spain or move to another country.³

The survey shows that the overwhelming majority (81 per cent) of migrants from the five countries of North and West Africa did not intend to return to their countries of origin. Only 6 per cent indicated that they had plans to return, with the remainder unsure. There were minor country-level and gender-related variations in the responses (Figure 4.1):

- men were more uncertain about the intention to return, especially those of Mauritanian origin, among whom over 40 per cent did not have any firm plans covering the next five years;
- at just over 15 per cent, male migrants from Senegal were reported as having the highest likelihood or firmest plans to return; and,
- women from Mauritania and Tunisia were reported as having no intentions of returning to their countries of origin.

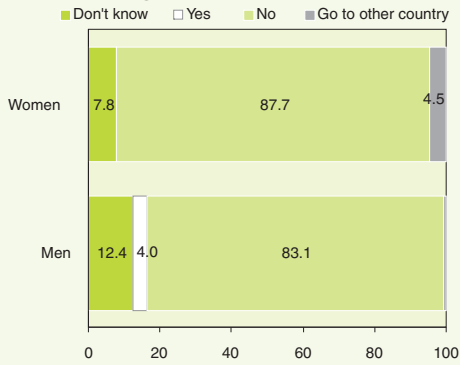
There were no substantial differences in the intention to return by labour market status. Looking at the region as a whole, 85 per cent of those working indicated that they had no plans to return, compared with 75 per cent for unemployed migrant workers (the figure for those migrants who are studying or involved in other pursuits is 87 per cent).

² The *Encuesta Nacional de Inmigrantes* (National Immigrant Survey) 2007 aims to study the demographic and social characteristics of individuals (aged 16 and over) born outside Spain, including their migratory itineraries, as well as work and residential history (see Box 3.1 of Chapter 3 for more information).

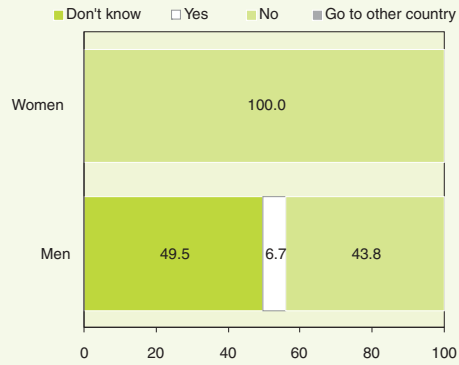
³ Information is only available on the return intention but not on the planned duration of stay.

Figure 4.1 Responses to the question “Are you going back home in the next five years?”, by gender and country of origin, 2007 (percentages)

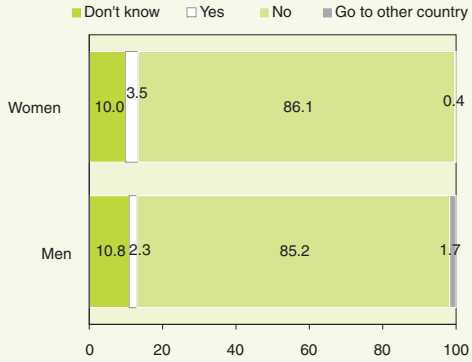
Panel A. Algeria



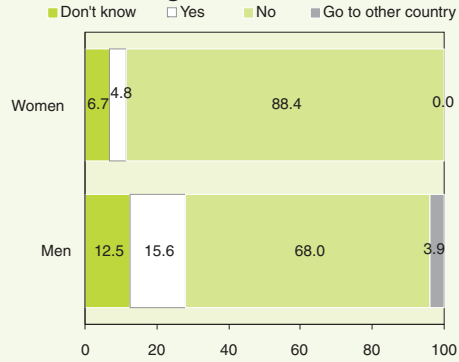
Panel B. Mauritania



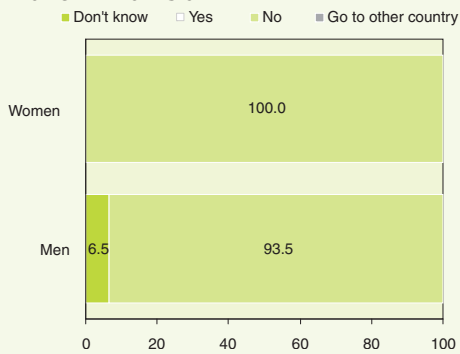
Panel C. Morocco



Panel D. Senegal



Panel E. Tunisia



Note: Country of origin is defined by country of birth.

Source: *Encuesta Nacional de Inmigrantes (ENI)*, 2007.

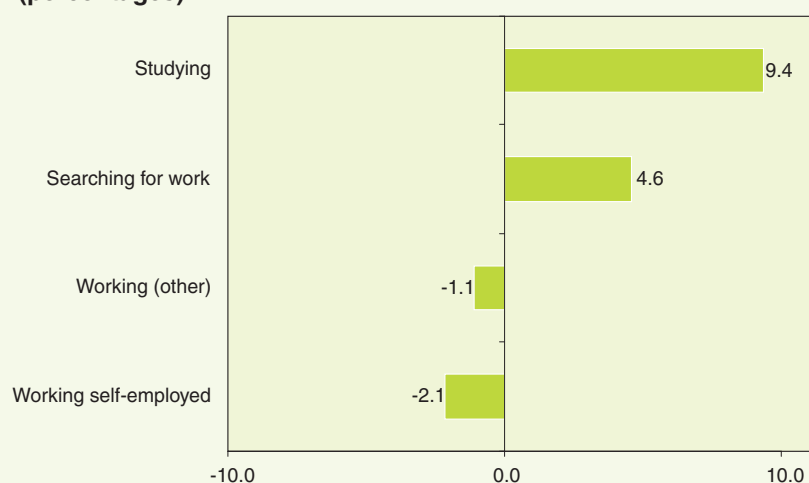
2. Multivariate analysis of the intention to return

While the overwhelming majority of migrants from North and West Africa have no plans to return to their countries of origin, this section examines the characteristics that are associated with those who do plan to return (by comparison, section B examines characteristics and determinants of labour force outcomes among a sample of returned migrants).⁴ In particular, the following factors are considered:⁵ (i) labour market status; (ii) gender, age and education; (iii) marital status and household composition; and, (iv) year of arrival, residency status, remittances and country-specific effects.

Labour market status

With respect to labour force status, being unemployed or studying has the most positive impact on the intention to return. As Figure 4.2 illustrates, being unemployed increases the likelihood of plans to return by 4.6 per cent and studying by 9.4 per cent, although the former is only statistically significant for men. On the other hand, male migrant workers who are self-employed are significantly less likely to have plans to return to their countries of origin.

Figure 4.2 Likelihood of planning to return in 5 years by labour force status, 2007 (percentages)



Note : See Annex 4.A for detailed results.

Source: ILS estimates based on *Encuesta Nacional de Inmigrantes (ENI)*, 2007.

⁴ A probit regression was estimated where the dependent variable equals one if the migrant is intending to return to his or her country of birth within the coming five years (see Annex 4.A for detailed results). Due to sample size, migrants from North and West Africa are grouped together with other migrants but country of origin effects are captured in country-specific dummy variables.

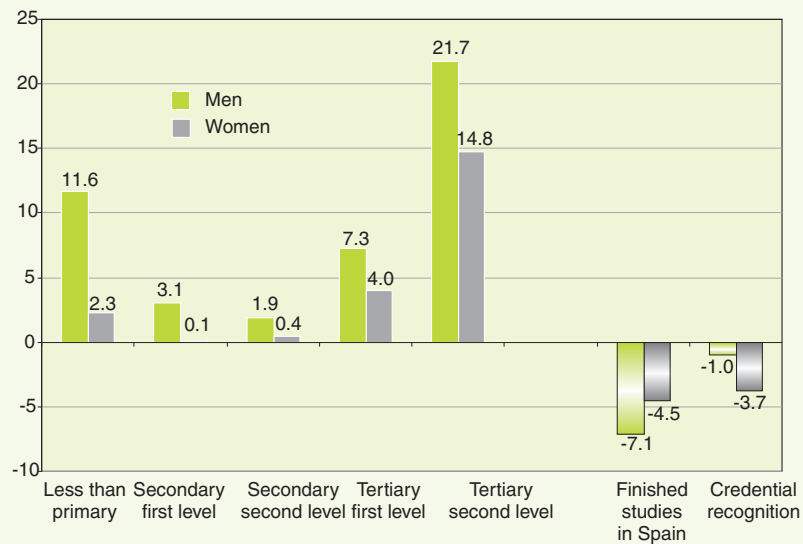
⁵ Residents in Spain who are born in the following countries are excluded from the sample: Australia, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Iceland, Italy, Liechtenstein, Luxemburg, Monaco, Netherlands, New Zealand, Norway, Portugal, Sweden, Switzerland, the United Kingdom and the United States

Gender-, age- and education-related variables

Holding other observed characteristics constant, women are more likely than men to have plans to return to their country of origin in five years' time.

Interestingly, education levels also seem to be good predictors of plans to return; notably, those with tertiary education, but also those with less than primary education (especially among men, Figure 4.3), seem most likely to plan to return. However, those who completed their studies in Spain are less likely to plan on returning.

Figure 4.3 Likelihood of planning to return in 5 years time, by education, 2007 (percentages)



Note: Only tertiary first level is statistically significant. See Annex 4.A for detailed results.

Source: IILS estimates based on *Encuesta Nacional de Inmigrantes (ENI)*, 2007.

Marital status and household composition

Consistent with the literature, family structure is an important determinant of migration plans. In particular, when the family is reunited, returning is a less attractive option.⁶ The results indicate that, if the spouse continues to live in the country of origin, the probability of return migration is 8.2 per cent higher (slightly higher among men than among women). Similarly, household size and composition are important factors in migrants' plans to return: compared to households composed of just one individual, the return intention declines with the number of children present.

⁶ The ENI 2007 contains a question about the migrant's plan for bringing some family members to Spain – 30 per cent of individuals answered "yes".

Year of arrival, residency status, remittances and country-specific effects

The results also indicate that the longer the stay in the country of destination, the less the interest in returning.⁷

Controlling for year of arrival, the residency status reveals that not yet having a residence permit (17.5 per cent of the sample) makes women very likely to indicate that they are planning to return – but this is not the case for men. In addition, possession of Spanish citizenship decreases the probability of having plans to return, but the results are statistically insignificant when estimated by gender.

Migrant workers who had paid cash for their migration expenses are less likely to have intentions to return. In addition, having remitted money in the previous year reduces the likelihood of return within five years.

B. Evidence on return migration: Algeria, Morocco and Tunisia

This section presents empirical findings regarding characteristics and labour market outcomes associated with return migrants.

1. Descriptive overview

The information available on return migrants (e.g. levels, patterns and trends) is generally quite limited; even less is known about the factors shaping migrants' patterns of reintegration in their country of origin. However, the survey *Migration de Retour au Maghreb* (MIREM), undertaken between September 2006 and January 2007, gathered information on profiles of return migrants to Algeria, Morocco and Tunisia and their patterns of labour market reintegration.⁸ In particular, the survey contains questions related to three phases of the migration process: (i) composition of the return migrant population; (ii) conditions before migration; and, (iii) the conditions faced by the returned migrants in the country of origin.^{9,10}

⁷ The results show that year of arrival is correlated to duration of stay and, taking individuals who arrived in the period 2003-04 as the reference category, it is found that those who arrived earlier are less likely to report plans to return within the next 5-year period.

⁸ For this study, the micro data provided through the following link is used: <http://www.mirem.eu/donnees/enquete/donnees-brutes>.

⁹ For more methodological details see J.-P. Cassarino (ed.) (2008).

¹⁰ The sample distribution by age may not be considered representative of the whole population of migrants who have returned to these three countries.

Bearing in mind that the sample distribution by gender and age may not be considered representative of the whole population of migrants who have returned to these three countries, significant differences in the gender distribution among the returnees are apparent. In particular, the vast majority were men – a pattern consistent across all three countries: 86.4 per cent in Algeria, 87.3 per cent in Morocco and 88.5 per cent in Tunisia (Table 4.1). In contrast, only around 13 per cent of the returnees in those countries were women.

Table 4.1 Gender distribution of returnees (percentages)

	Algeria	Morocco	Tunisia
Male	86.4	87.3	88.5
Female	13.6	12.7	11.5
Total	100	100	100

Source: MIREM, European University Institute.

With respect to age (at time of return), more than half of the return migrants were over the age of 40 (Table 4.2). At 16.3 per cent, migrant workers under 30 years of age appear less likely to return to their countries of origin. Even among youth who do return, limited evidence from Morocco suggests that a high proportion (86 per cent) of young return migrants would consider migrating again.¹¹

Table 4.2 Returnees by age group (percentages)

Age group	%
Up to 30	16.3
31-40 years old	26.9
41-50 years old	21.7
50-64 years old	21.1
65 +	14.0
Total	100

Source: MIREM, European University Institute.

The motivation of migrants to return to their country of origin can play a significant role in their stability and success and, as discussed above, their contribution to development. While the primary reasons for returning were rather diverse, Table 4.3 shows that retirement was one of the major deciding factors (22.9 per cent among Algerian returnees and 16.1 per cent among Tunisian returnees). This is perhaps not surprising, given the age distribution of return migrants. At the same time, for Moroccan and Tunisian return migrants, one of the main reasons was to engage in a business activity or for reasons of investment.

¹¹ Poll Ass. Maroc Entrepreneurs in "Return Migration in Maghreb Countries". PowerPoint presentation prepared by Abdesselam El Ftouh for the Metropolis conference, Bonn, 27–31 Oct. 2008.

Table 4.3 Return motivations of migrants who made the decision to return to their country of origin, 2007

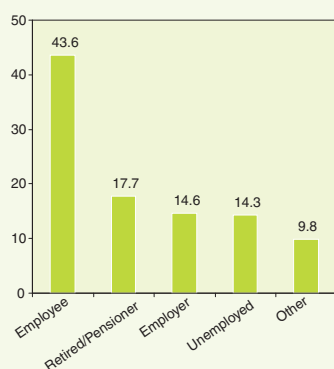
	Algeria	Morocco	Tunisia
Decided return % (number)	79.8 (265)	70.0 (231)	80.3 (265)
Employment-oriented	7.5	4.2	10.3
Family-oriented	16.8	9.7	12.1
Retirement	22.9	4.2	16.1
Investment/business management	7.5	19.1	18.8
Problem integrating into the immigration country	11.4	13.3	11.8
End of education/training	7.2	3.0	3.9
Other	6.3	16.4	7.2
Compelled return % (number)	20.2 (67)	30.0 (99)	19.7 (65)
Total % (number)	100.0 (332)	100.0 (330)	100.0 (330)

Source: MIREM, European University Institute.

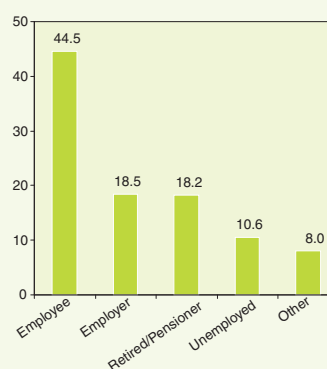
In looking at the principal status of return migrants to Algeria, Morocco and Tunisia, the majority (approximately 60 per cent) were employed in the country of destination when they decided to return (Figure 4.4 panel A). A little more than 14.3 per cent were unemployed just before returning, while another 17.7 per cent were considered to be retired. And, while Table 4.3 illustrates that employment-oriented reasons figured less prominently in the decision to return, economic activity actually rose marginally upon return – by nearly 6 percentage points – to two-thirds. This was accompanied by a fall in the share of those looking for work to 10.6 per cent from 14.3 per cent. The share of retirees among return migrants rose to 18.2 per cent.¹²

Figure 4.4 Status of return migrants to country of origin (percentages)

Panel A: Status in country of destination



Panel B: Status in country of origin (time of survey)

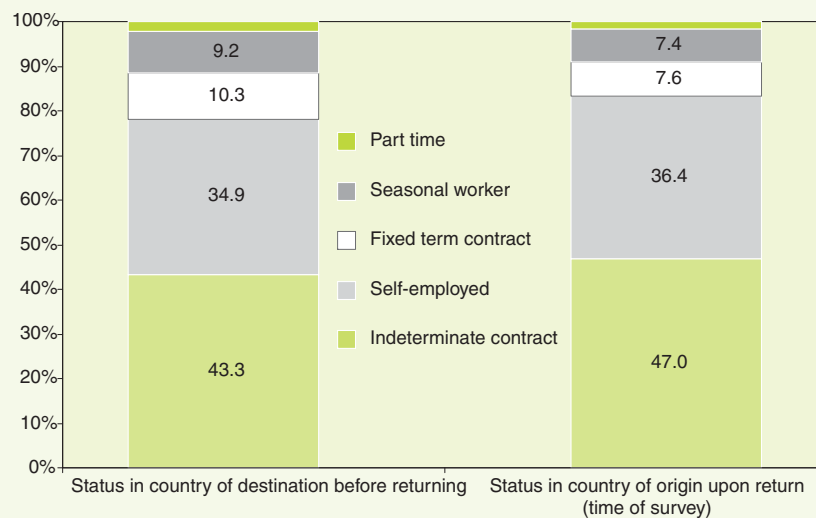


Source: MIREM, European University Institute.

¹² These are compositional shifts and should not be interpreted as individuals moving from one status to another.

As for economic activity within the share of those employed, there is a sizeable increase in the number of individuals running a business and those with an indeterminate contract (Figure 4.5). Conversely, the share of part-time, seasonal and fixed-term contracts decreased after a period of time (back) in the country of origin.

Figure 4.5 Employment status of return migrants to country of origin, 2007 (percentages)



Source: MIREM, European University Institute.

2. Multivariate analysis of factors underlying labour market performance

The preceding subsection illustrated the fact that approximately 60 per cent of return migrants were engaged in an economic activity at the time of the survey. The purpose of this subsection is to examine some of factors that help explain or predict the probability of being economically active (see Annex 4.B for more detailed results).

One of the strongest predictors of employment status upon return is, in fact, whether the person is unemployed upon returning to the country of origin. The results show that over 65 per cent of those who reported being unemployed at the time of returning were still unemployed at the time of the survey.¹³ The analysis also reveals that women and workers aged 55 and over are less likely to be employed.¹⁴ The latter aligns with the analysis of

¹³ The survey contains a variable that takes the value of 1 if the person reported that they were unemployed and had been seeking work since returning to the country of origin. However, the length of job search since returning is unavailable.

¹⁴ Note, however, that, as discussed earlier, women represented only 13 per cent of the sample.

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intentions to return, i.e. for many the motivation to return is to retire. In addition, having returned to North Africa involuntarily is negatively associated with being employed. It is therefore not surprising that involuntary return is associated with the likelihood of migrating again. In this survey, half of return migrants report contemplating the possibility of re-migrating

With respect to labour force status at survey date, to provide a clear understanding of the factors contributing to successful labour market integration back in the country of origin, four categories are considered: (i) employed as wage and salary workers; (ii) self-employed individuals with employees; (iii) self-employed individuals without employees; and (iv) non-employed. A multinomial logit model is used taking non-employed as the reference category (Annex 4.B presents the results in form of relative risk ratios).

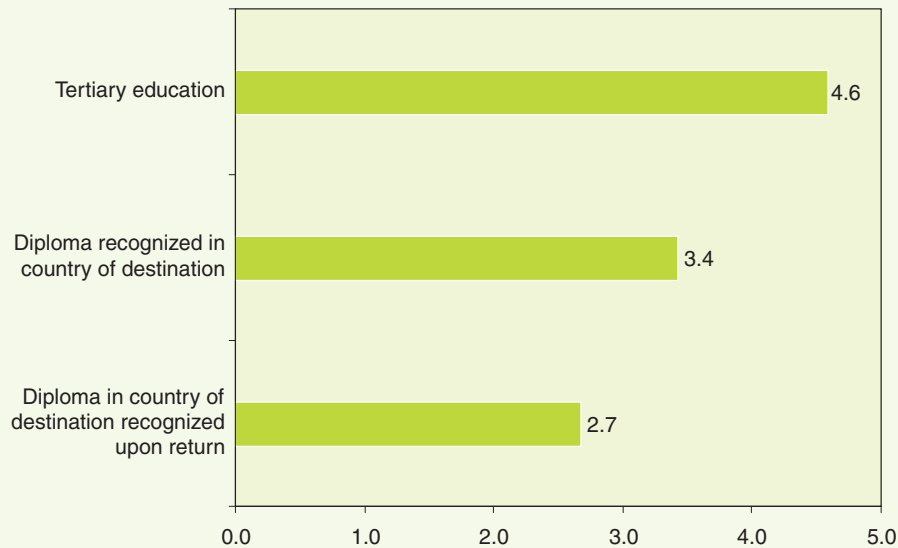
Wage and salary workers

The education level of participants in the MIREM survey was generally high: 65 per cent had completed at least secondary education and 27 per cent had completed tertiary education. Education-related variables are strong predictors of being employed as a wage and salary worker (Figure 4.6). Those with a tertiary education are 4.6 times more likely to be employed as wage and salary workers (see note to Figure 4.6 for a definition of relative “risk” ratios).

Interestingly, recognition of credentials and education – in both countries of destination and origin (upon return) – are important determinants of successful integration. If educational qualifications are recognised in the country of destination during the migration process, the individuals are 3.4 times more likely to be employed upon return. Similarly, among those who undertook educational-related activities in the country of destination and that are recognised when the migrant returns, the individual is 2.7 times more likely to be employed. This is an important consideration given that, as Chapter 2 illustrated, a good number of migrant workers in Spain partake in training activities. It also appears that among return migrants, many acquired further education abroad. In fact, more than one-third of persons with secondary education obtained additional education in the country of destination. The indicated proportion is almost half for persons who migrated with tertiary education. In this respect, recognition (and applicability) of the newly acquired skills is an important element to consider in the migration process.¹⁵

¹⁵ In terms of family characteristics, an analysis was undertaken, based on questions about marital status before migrating and whether migration was undertaken with or without family members. The results indicate that migrating without family members strongly increases the odds of being employed as a wage and salary worker on returning to the country of origin.

Figure 4.6 Factors influencing employment as wage and salary workers after returning to North Africa, 2007 (relative “risk” ratios)



Note: A relative risk ratio is a ratio of the probability of an event occurring to one group compared to another group. For example, the figure above illustrates that having a tertiary education is associated with a relative risk ratio of being a wage and salary worker of 4.6. This means that an individual is 4.6 times more likely to be employed (as a wage and salary worker) if they have a tertiary education compared to those who do not. A ratio of 1 means there is no difference in risk between the two groups. See Annex 4.A for detailed results.

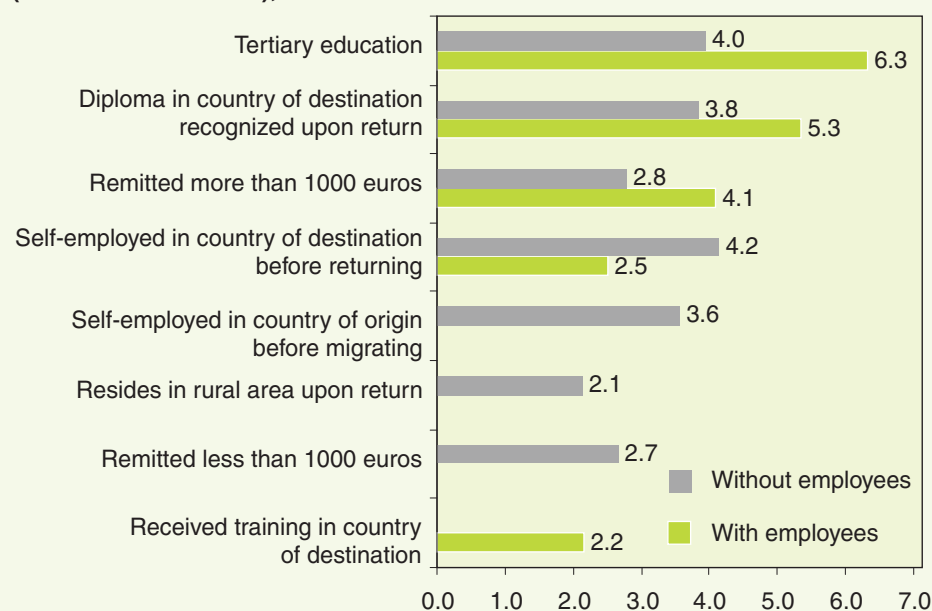
Source: IILS estimates based on *Encuesta Nacional de Inmigrantes (ENI)*, 2007.

Self-employed: with and without employees

With respect to being self-employed (with or without employees), educational factors again play an important role, but so does previous experience. As shown in Figure 4.7, a tertiary education level increases the likelihood of a migrant becoming self-employed with employees on returning to the country of origin by a factor of 6.3 (4.0 in the case of those without employees).

As was the case with wage and salary workers, education received while in the country of destination that is recognized upon return increases the chance of being self-employed by a factor of 5.3 (with employees) and 3.8 (without employees). Receiving training in the country of destination is also pertinent but seemingly only for self-employed persons with employees.

Figure 4.7 Factors influencing self-employment after returning to North Africa (relative “risk” ratios), 2007



Note: See note to Figure 4.6 for a definition of relative “risk” ratios. See Annex 4.B for detailed results.

Source: ILS estimates based on *Encuesta Nacional de Inmigrantes (ENI)*, 2007.

Prior professional-related experience also proves to be an important element associated with opening a business upon returning. Experience gained in the country of destination is important for those with and without employees (relative risk ratios are 2.5 and 4.2 respectively); whereas experience before emigrating is relevant for self-employed persons operating without employees.

Some important linkages to remittances are also found. Remitting more than 1,000 euros (on average per year) increases the likelihood of self-employment, especially with employees. But even remitting less than 1,000 euros per year means that the return migrant is 2.7 more likely to be self-employed than non-employment.

In terms of other factors, returning with a spouse is positively associated with being self-employed with employees, as is returning to Tunisia.¹⁶ This country of origin specific effect suggests that there are unobserved characteristics associated with return migrants to Tunisia that may make them

¹⁶ Inferred from a coefficient that is significantly greater than zero at a 1 per cent significance level. Dummies for country of origin and country of destination were included in the multinomial logit model (see Annex 4A).

more entrepreneurial. This country-of-origin specific effect suggests that there are unobserved characteristics associated with return migrants to Tunisia that potentially make them more entrepreneurial – a finding which merits further investigation.

C. Concluding considerations

One of the main assumptions underlying the analysis presented here is that one of the principal ways in which return migrants can contribute to development in North and West Africa is through productive employment. Indeed, the chapter shows that returnees are relatively well educated and their education is a key determinant of being economically active upon return. Returnees also demonstrate a high propensity for entrepreneurship, at close to one-fifth, with their likelihood of being self-employed significantly improved by tertiary education, up-skilling in countries of destination and previous sending of remittances to their country of origin. In addition, the empirical findings revealed that having acquired educational qualifications in the country of destination recognized upon return were key factors underpinning the degree to which return migrants were self-employed.

However, the region also faces a number of challenges. First, very few migrants indicate that they have any plans to return – at least in the foreseeable future. Moreover, the likelihood of returning seems to decline the longer the migrant stays in the country of destination. Second, migrants who are less successful in terms of labour market performance in the country of destination (i.e. unemployed), are more prone to return and, on their return, likely to remain unemployed. Third, one of the primary reasons for returning to the region is to retire and thus the contribution of those migrants in terms of development is limited (albeit potentially positive).

The above analysis suggests that, in order to harness the development potential of return migration, a number of considerations need to be borne in mind, including, but not limited to: (i) more work needs to be done in the region to promote an environment that facilitates return migration; (ii) recognition of skills upon return is key to labour market reintegration (as is initial education); (iii) there are important connections between remitting behaviour and entrepreneurial activity; and, (iv) providing support to unemployed return migrants could reduce the instances of persistent unemployment and discourage another spell of migration.

Chapter 5 suggests some preliminary ideas for policies to promote the productive reintegration of return migrants and to leverage these resources most effectively in an effort to drive development in North and West Africa.

Annex 4.A: Probit estimates on the intention to return to country of origin in next 5 years

	Total			Men			Women		
	Marginal Effect	Robust Std. Error	Mean of covariate	Marginal Effect	Robust Std. Error	Mean of covariate	Marginal Effect	Robust Std. Error	Mean of covariate
Personal and demographic variables									
Female	0.029 ***	0.011	0.475						
Aged 16-19	-0.037	0.028	0.063	-0.080 **	0.030	0.066	0.014	0.046	0.059
20-24	-0.004	0.019	0.111	-0.033	0.025	0.101	0.028	0.027	0.122
25-29	0.028 *	0.017	0.175	0.029	0.023	0.184	0.035	0.023	0.165
30-34			0.173			0.180			0.164
35-39	-0.004	0.016	0.149	-0.010	0.022	0.159	0.006	0.023	0.139
40-44	-0.015	0.018	0.109	-0.011	0.025	0.104	-0.016	0.024	0.114
45-49	-0.005	0.022	0.079	-0.027	0.029	0.078	0.013	0.029	0.080
50 or more	-0.004	0.020	0.141	-0.021		0.128	0.002	0.027	0.156
Education									
Less than primary	0.073 **	0.039	0.033	0.116 **	0.055	0.041	0.023	0.048	0.024
Primary			0.251			0.255			0.248
Secondary first level	0.019	0.017	0.163	0.031	0.025	0.173	0.001	0.023	0.151
Secondary second level	0.012	0.014	0.372	0.019	0.019	0.366	0.004	0.018	0.378
Tertiary first level	0.054 ***	0.019	0.166	0.073 ***	0.030	0.149	0.040 *	0.024	0.185
Tertiary second level	0.173 ***	0.053	0.015	0.217 ***	0.081	0.016	0.148 **	0.071	0.015
Finished studies in Spain	-0.058 ***	0.016	0.145	-0.071 ***	0.021	0.143	-0.045 *	0.022	0.148

	Total			Men			Women		
	Marginal Effect	Robust Std. Error	Mean of covariate	Marginal Effect	Robust Std. Error	Mean of covariate	Marginal Effect	Robust Std. Error	Mean of covariate
Credential recognition	-0.023	0.018	0.073	-0.010	0.028	0.066	-0.037	0.023	0.081
Marital status and household composition									
Single			0.488			0.476			0.501
Married, spouse home country	0.082 ***	0.025	0.067	0.097 ***	0.032	0.096	0.066 *	0.038	0.034
Married, spouse host country	-0.012	0.011	0.446	0.008	0.017	0.428	-0.024	0.015	0.465
1 adult			0.039			0.043			0.036
2 members, 1 adult	-0.053 **	0.019	0.067	-0.093 ***	0.022	0.044	-0.017	0.031	0.092
2 members, 2 adults	0.012	0.023	0.099	-0.014	0.028	0.107	0.044	0.038	0.091
3 members, 1 adult	-0.079 ***	0.018	0.050	-0.102 ***	0.023	0.036	-0.051	0.029	0.066
3 members, 2 or 3 adults	0.008	0.022	0.175	-0.027	0.026	0.179	0.062 *	0.037	0.171
4 members, 1 adult	-0.093 ***	0.020	0.036	-0.099 ***	0.026	0.033	-0.078 **	0.031	0.039
4 members, 2 or more adults	-0.017	0.021	0.205	-0.037	0.026	0.213	0.017	0.034	0.197
5 members, 1 adult	-0.066 *	0.030	0.012	-0.104 **	0.036	0.009	-0.032	0.046	0.015
5 members, 2 or more adults	-0.004	0.023	0.138	-0.027	0.028	0.141	0.034	0.038	0.135
6+ members, 1 adult	0.047	0.056	0.006	-0.030	0.073	0.004	0.099	0.083	0.009
6+ members, 2+ adults	-0.013	0.023	0.172	-0.018	0.029	0.192	-0.003	0.036	0.150

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	Total			Men			Women		
	Marginal Effect	Robust Std. Error	Mean of covariate	Marginal Effect	Robust Std. Error	Mean of covariate	Marginal Effect	Robust Std. Error	Mean of covariate
Year of arrival and residency status									
Arrived 1980 or before	-0.068 **	0.025	0.085	-0.069 *	0.034	0.085	-0.062	0.036	0.085
1981-1990	-0.077 ***	0.022	0.064	-0.116 ***	0.023	0.066	-0.024	0.037	0.061
1991-2000	-0.021	0.016	0.280	-0.029	0.022	0.292	-0.012	0.021	0.266
2001-2002	-0.030 **	0.014	0.228	-0.027	0.021	0.218	-0.036 *	0.019	0.239
2003-2004			0.192			0.185			0.200
2005-2007	0.076 ***	0.019	0.151	0.058 **	0.027	0.153	0.096 ***	0.026	0.149
Nationalised Spanish	-0.038 **	0.018	0.189	-0.044	0.025	0.171	-0.035	0.025	0.210
Resident, permanent			0.169			0.184			0.152
Resident, temporary	0.010	0.016	0.368	-0.003	0.021	0.384	0.024	0.022	0.350
Resident, with EU card	-0.023	0.024	0.055	-0.067 *	0.032	0.047	0.019	0.033	0.064
Resident, other	0.061 ***	0.022	0.174	0.026	0.029	0.169	0.092 ***	0.031	0.180
Other EU-25	0.015	0.031	0.045	0.006	0.042	0.046	0.027	0.046	0.044
Migration experience									
Migrated for work	-0.020	0.013	0.557	-0.039 **	0.019	0.625	-0.002	0.016	0.482
Migrated family reunification	-0.035 ***	0.012	0.310	-0.009	0.020	0.237	-0.044 ***	0.015	0.392
Migrated for other reasons			0.133			0.138			0.127
Did not pay for trip			0.299			0.287			0.312
Yes, paid by installments	-0.008	0.020	0.076	-0.002	0.031	0.062	-0.015	0.026	0.091

	Total			Men			Women		
	Marginal Effect	Robust Std. Error	Mean of covariate	Marginal Effect	Robust Std. Error	Mean of covariate	Marginal Effect	Robust Std. Error	Mean of covariate
Yes, paid cash did not borrow	-0.046 ***	0.015	0.499	-0.039 *	0.021	0.535	-0.048 **	0.019	0.460
Yes, paid cash borrow bank	-0.051	0.041	0.009	-0.018	0.073	0.008	-0.085 *	0.036	0.011
Yes, paid cash borrow family	0.063	0.055	0.012	0.001	0.060	0.012	0.145 *	0.092	0.013
Yes, paid cash borrow moneylender	-0.016	0.019	0.092	-0.034	0.026	0.088	-0.007	0.026	0.096
Yes, paid cash borrow others	-0.060	0.032	0.013	-0.034	0.059	0.009	-0.078 *	0.036	0.018
Went to other country before Spain	-0.022	0.016	0.117	-0.037 *	0.019	0.140	-0.005	0.025	0.091
Working, self-employed	-0.021	0.020	0.075	-0.058 **	0.026	0.079	0.015	0.028	0.071
Working, salaried			0.579			0.669			0.481
Working, other situation	-0.011	0.028	0.031	0.000	0.050	0.023	-0.024	0.031	0.039
Searching for work	0.046 ***	0.017	0.118	0.079 ***	0.027	0.113	0.025	0.022	0.123
Studying	0.094 ***	0.035	0.050	0.214 ***	0.061	0.045	-0.006	0.036	0.055
Other situation	0.009	0.017	0.148	0.030	0.036	0.071	0.004	0.020	0.232
Remitted money home	0.043 ***	0.011	0.490	0.029 *	0.016	0.513	0.060 ***	0.015	0.464
Country of origin									
Rest of countries of birth			0.298			0.277			0.321
Bulgaria	-0.084 ***	0.024	0.028	-0.043	0.041	0.028	-0.119 ***	0.024	0.028

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	Total			Men			Women		
	Marginal Effect	Robust Std. Error	Mean of covariate	Marginal Effect	Robust Std. Error	Mean of covariate	Marginal Effect	Robust Std. Error	Mean of covariate
Poland	0.039	0.053	0.013	0.102	0.089	0.014	-0.027	0.052	0.013
Romania	-0.038	** 0.016	0.122	0.004	0.026	0.125	-0.081	*** 0.018	0.120
Ukraine	-0.059	* 0.029	0.019	-0.043	0.050	0.017	-0.065	0.035	0.021
Russian Federation	-0.098	** 0.029	0.010	-0.072	0.060	0.006	-0.105	** 0.033	0.014
Mexico	0.004	0.041	0.009	-0.038	0.061	0.007	0.047	0.056	0.011
Colombia	-0.066	*** 0.015	0.085	-0.022	0.027	0.066	-0.100	*** 0.017	0.106
Ecuador	0.042	** 0.019	0.106	0.049	* 0.029	0.097	0.037	0.025	0.115
Peru	-0.029	0.026	0.039	-0.022	0.039	0.040	-0.038	0.032	0.039
Uruguay	-0.034	0.030	0.023	-0.020	0.047	0.022	-0.043	0.038	0.024
Venezuela	-0.071	** 0.024	0.030	-0.057	0.036	0.028	-0.095	** 0.029	0.032
Algeria	-0.060	* 0.030	0.015	-0.032	0.042	0.020	-0.113	0.037	0.010
Morocco	-0.069	*** 0.015	0.153	-0.056	** 0.021	0.186	-0.066	*** 0.021	0.117
Mauritania, Tunisia, Senegal	0.010	0.056	0.012	0.072	0.067	0.019	-0.119	0.058	0.004
Other African countries	-0.019	0.025	0.038	-0.009	0.033	0.051	-0.012	0.040	0.024
Proportion of sample remitting	0.202			0.194			0.211		
Pred. probability (at means)	0.177			0.166			0.182		
Number of observations	11607			5200			6407		
Pseudo R-squared	0.088			0.096			0.108		

Annex 4.B: Multinomial logit for labour force status of return migrants to Algeria, Morocco and Tunisia

	Wage worker		Employer		Self-employed	
	Relative risk ratio	Std. error	Relative risk ratio	Std. error	Relative risk ratio	Std. error
Personal and demographic variables						
Female	0.398 **	0.145	0.124 ***	0.063	0.101 ***	0.061
Aged 16-24	0.454	0.332	0.395	0.448	0.851	0.791
25-29	0.797	0.351	1.288	0.700	1.228	0.671
30-34						
35-39	0.417 **	0.176	0.578	0.279	1.206	0.584
40-44	0.511	0.229	0.908	0.454	0.728	0.384
45-49	0.638	0.329	0.623	0.357	0.306 *	0.198
50-54	0.676	0.405	0.470	0.310	1.108	0.769
55-59	0.154 ***	0.095	0.319 *	0.212	0.199 **	0.146
60 or more	0.067 ***	0.044	0.074 ***	0.051	0.202 **	0.136
Education and training						
Primary or less						
Secondary first level	1.054	0.603	0.846	0.516	0.756	0.505
Secondary second level	1.170	0.499	2.618 **	1.182	1.073	0.493
Tertiary first level	2.036	1.218	0.919	0.637	0.280	0.226

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	Wage worker		Employer		Self-employed	
	Relative risk ratio	Std. error	Relative risk ratio	Std. error	Relative risk ratio	Std. error
Tertiary second level	4.590 **	2.635	6.333 **	4.173	3.955 **	2.591
Credential recognition at host country, yes	3.435 **	1.493	1.985	0.945	3.832 **	1.990
Credential recognition at host country, no	1.076	0.429	1.284	0.536	1.404	0.615
Credential recognition at home country, yes	2.676 *	1.376	5.342 **	3.153	2.753	1.962
Credential recognition at home country, no	0.599	0.344	2.228	1.517	0.403	0.376
Speak 1 foreign language	0.428 *	0.187	0.648	0.303	1.697	0.765
Speak 2 foreign languages	0.710	0.332	0.639	0.331	1.270	0.663
Trained at home country	0.598	0.194	0.835	0.283	0.546 *	0.192
Trained at host country	0.780	0.260	2.149 **	0.700	1.502	0.551
Migration experience						
Migrated alone (single), yes						
Migrated alone (single), no	0.670	0.233	0.716	0.265	0.796	0.296
Migrated alone (married), yes	3.162 ***	1.157	0.963	0.398	1.711	0.646
Migrated alone (married), no	1.098	0.445	0.617	0.285	0.718	0.355
Migrated for work	1.313	0.588	0.374 *	0.196	0.757	0.398
Migrated family reunification	0.414 **	0.136	0.431 **	0.154	0.597	0.214
Migrated for study	0.680	0.308	0.682	0.353	0.990	0.613
Migrated for other reasons						
Return characteristics						

	Wage worker		Employer		Self-employed	
	Relative risk ratio	Std. error	Relative risk ratio	Std. error	Relative risk ratio	Std. error
Involuntary return						
Voluntary return with problems	1.217	0.402	4.160 ***	1.661	1.159	0.424
Voluntary return after retirement	0.075 ***	0.064	0.445	0.301	0.113 ***	0.071
Voluntary return for other reason	1.486	0.470	5.867 ***	2.260	1.227	0.450
Unemployed after return	0.063 ***	0.023	0.104 ***	0.043	0.050 ***	0.022
Returned alone						
Returned with spouse	1.153	0.358	1.861 *	0.594	1.332	0.465
Returned with other family members	2.036	0.947	0.929	0.514	0.932	0.634
Owned property at home country before migration	0.538 **	0.146	0.859	0.244	0.603 *	0.175
Invested in host country	0.303 **	0.165	1.685	0.756	0.351 *	0.188
Self-employed in home country before migration	0.237 ***	0.113	1.737	0.632	3.564 ***	1.173
Self-employed in host country before return	1.154	0.508	2.510 **	0.961	4.150 ***	1.532
Migrated several times	0.868	0.241	0.532 **	0.166	0.836	0.259
Stayed less than 5 years	1.446	0.506	0.623	0.263	1.145	0.469
Stayed 5 to less than 10 years	1.426	0.518	1.041	0.414	1.254	0.506
Stayed 10+ years						
Year and country of return						
Returned before 2000						
Returned 2000-2003	1.128	0.385	0.604	0.217	0.677	0.239

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	Wage worker		Employer		Self-employed	
	Relative risk ratio	Std. error	Relative risk ratio	Std. error	Relative risk ratio	Std. error
Returned in 2004 or later	0.617	0.218	0.367 **	0.137	0.286 ***	0.107
Return to Algeria						
Return to Morocco	1.232	0.441	1.018	0.415	0.619	0.251
Return to Tunisia	1.663	0.609	2.845 **	1.101	0.998	0.381
Return from France	1.058	0.320	0.999	0.328	1.338	0.492
Return from Italy	0.608	0.229	0.554	0.234	1.723	0.717
Return from other countries						
Other relevant variables						
Remitted 1,000 or less euros	0.916	0.259	1.065	0.338	2.655 ***	0.902
Remitted more than 1,000 euros	1.314	0.484	4.097 ***	1.552	2.794 **	1.156
Reside in a rural area	1.309	0.501	0.952	0.403	2.136 **	0.793
Number of observations	947					
LR chi2(147)	983.85					
Prob chi2	0					
Pseudo R2	0.391					
Log likelihood	-766.45					

Note: Significant levels: * 0.05<=p<0.1; ** 0.01<=p<0.05; *** p<0.01

Source: ILS estimates based on MIREM Survey, European University Institute.

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Chapter 5:

Making migration, employment and development mutually supportive

Introduction

The purpose of this chapter is to discuss policies which can enhance the interlinkages between migration, employment and development. Section A discusses specific policy initiatives which might enhance these interlinkages in North and West Africa. The assessment is based on the empirical findings of earlier chapters.

Section B discusses areas which merit further development, especially concerning policy coherence, and suggests where improvements can be made. A global policy framework that considers migration as a critical component of development strategies and planning is already in place. However, in some respects this lacks the necessary mechanisms to leverage migration in a way that promotes development and takes into consideration the important role of labour markets and human capital more generally.¹ Many of the issues are complex and involve a range of challenges (and interactions) including, for example, human rights, family reunification, labour markets, education and governance. This means that policy action is required on many fronts and a coherent and coordinated approach is necessary if these actions are to be mutually reinforcing.

Section B also puts forward a new partnership between the agents responsible for designing and executing migration and related policies on the one hand, and the agents in charge of setting up and implementing economic development programmes, including those related to labour markets, on the other hand. Policy innovations are badly needed in order to move gradually away from rules of thumb and to achieve a more pragmatic approach based on experimentation and monitoring.²

¹ 2009 *Annual report on OECD work on policy coherence for development* (OECD, 2009) contains a discussion of the state of the art in policy coherence for development, from a developed country's perspective.

² D. Rodrik: *One economics, many recipes: Globalization, institutions, and economic*

A. Policy opportunities: insights from the empirical analysis and international examples

The five countries all face net emigration, i.e. the number of emigrants from these countries each year exceeds the number migrating inwards. In fact, the stock of emigrants from the region in developed countries is estimated to be close to 3 million – with Europe being the primary destination.

Migration has important potential externalities, notably with regard to the country of origin. In many developing countries there is concern about the risks associated with brain drain, notably the loss of skilled workers and related impact on growth in the domestic economy. But there is also a perception that rewards will accrue from emigration, notably via the return of capital, either financial (remittances) or human (return migration). Indeed, the underlying fundamental question is how to make migration a contributing factor to development for these countries of origin. This section will tease out some of the empirical findings as they relate to North and West Africa and discuss relevant practices and programmes undertaken elsewhere with respect to these issues.³

1. Leveraging remittances to the benefit of all

As already mentioned, consideration should be given to maximising the benefits of remittances in a way that extends beyond the individual family unit. Some examples for consideration include special deposit accounts or matching funds.

Special deposit accounts and matching funds

The purpose of special deposit accounts is to encourage greater remittances by offering added benefits. In Bangladesh and India, commercial banks have introduced accounts in which migrants can deposit their savings with preferential interest rates and/or exchange rates. Other incentives include accounts that are denominated in the currency of the country of origin, or accounts where the interest is exempt from tax, as is the case in Egypt and Sudan.⁴

Matching funds attempt to tap and leverage remittances by offering to match funds with government funding (often development assistance) from countries of destination. Such schemes are often particularly successful if undertaken with the active participation of migrant networks or associations.⁵ This is due to the fact that the networks in countries of destination

³ The international examples discussed in this chapter are taken from Programme for the Study of Global Migration, Graduate Institute, *A Review of International Migration Policies*, background paper developed for the purpose of this project (Geneva, 2009). Available at: <http://www.ilo.org/inst-migration> [30 Mar. 2010].

⁴ C. Sander and S.M. Maimbo: *Migrant labour remittances in Africa: Reducing obstacles to developmental contributions*, Africa Region Working Paper Series No. 64 (Washington, DC, World Bank, 2003).

⁵ See for example, D.R. Agunias: *Remittances and development: Trends, impacts, and policy options. A review of the literature* (Washington, DC, Migration Policy Institute, 2006).

are often working collaboratively with communities in countries of origin, as is the case in Senegal.

For example, the *Sous le Sabel Solidarité Sénégal* (SSSS) is an association focused on improving the living conditions of the people of the Sahel. The members of the association are a dynamic mix of migrants (principally from the Sahel region) and Senegalese residents. In total, the association has over 1,500 members (including 200 in Dakar, 520 in France and 30 in the United States). Approximately 10 per cent of members contribute financially (1,000 CFA per month or 1.50 euros for Senegalese residents) and, for migrant workers, special contributions are levied to finance specific projects. For example, migrants contributed 50 euros every 3 months (over 2 years) to raise close to 20 million CFA to build a school in the Sahel (an additional 65 million was co-financed by co-development initiatives in France). Currently, the association is engaged in several projects, such as the expansion of the town's market.⁶

Another example is the Mexican *Iniciativa Ciudadana 3x1*, under which every dollar remitted by Mexican Hometown Associations is matched with three dollars, one each from the federal, state and municipal governments.⁷ As is the case in Senegal, these pooled resources are often used for infrastructure-related investment activities, such as the renovation of churches and schools. The emphasis on infrastructure projects appeals to migrant workers because such projects are tangible and are directly linked with the community of origin. Other schemes attempt to tap directly into investment via preferential prices for property ownership (e.g. Egypt, Moldova, the Philippines and Sudan).

A key element to consider in the case of Mexico is that the governments which are leveraging the remittances are national and local governments of countries of origin. On the one hand, ownership on the part of governments of origin can enhance the success of the programme in terms of, for example, implementation and sustainability, but, on the other hand, it is important to consider that such programmes could potentially distort the use of public funds if local governments shift their investments from communities with fewer migrant networks and smaller remittance inflows to focus on communities where such practices are widespread. In this respect, and similar to the use of special deposit accounts and preferential asset pricing, trust in local governments – as well as in the migrant networks and associations – is at the heart of the development impact.

Reducing transfer costs

There is also the issue of the cost of sending remittances, which seems comparatively high for the region. For example, the fees associated with sending remittances from France to Algeria or Morocco constitute more than 16 per cent of the total, and thus also partly explain why more than half of all transfers occur outside formal institutional channels. In this re-

⁶ More information is available at www.pseau.org/pmie [19 Feb. 2010].

⁷ J. Carling: *Migrant remittances and development cooperation* (Oslo, PRIO, 2005).

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spect, there may be scope for policies in the region – in cooperation with countries of destination – to help reduce such costs. This measure is in both private and public interests, given that, as discussed earlier, remittances can have important multiplier and countercyclical effects.⁸

While receiving countries with relatively large rural populations and limited access to financial institutions will inevitably face higher remittance costs, competition among the providers and the extent of bank participation are important determining factors.⁹ There are a number of ways to reduce transfer costs and improve the use of formal channels for remittances, not only by fostering greater competition (as is the case in the United States) but also through the use of more efficient technology and partnerships.¹⁰

One of the most prominent examples of the use of technology is that of the Philippines, where Smart Communications and Globe Telecom (two telecom companies) offer remittance transactions by mobile phone. Mobile phone users register themselves by entering personal information, such as a mother's maiden name, for identification purposes. Their relatives abroad can visit an authorized outlet in their neighbourhood, fill in a form and present identification, and money is credited to their phone account. Apart from ease of use, the fee per transaction is approximately 1 per cent of the transfer amount – compared to double-digit fees for many North and West African countries. The money can also be transferred to another phone in the Philippines using the sender's PIN, a simple code and the recipient's phone number.

Partnerships can also be very effective in reducing transfer costs. For example, three French banks (the *Banque de l'Habitat du Sénégal*, the *Banque de l'Habitat du Mali* and the *Banque des Ivoiriens de France*) offer significantly lower costs than money transfer agencies for remittances to Senegal, Mali and Côte d'Ivoire. These low rates increased the volume of remittances going through this formal channel and, by 2002, these banks were handling more than 400 money transfers a day.¹¹

2. Encouraging and maximizing benefits of return migration

Overly strict controls on migration flows can have a negative impact on return and circular migration. The policies implemented as a response to the global crisis of 2008 have focused narrowly on limiting the direction of flows to one way – often forcing return migrants to give up all possibilities of ever returning to their countries of destination (see Annex 5A). Such policies are short-sighted, stifling the potential benefits of return and circular

⁸ J. Frankel: *Are bilateral remittances countercyclical?*, NBER Working Paper No. 15419 (2009).

⁹ T. Beck and M. Peria: *What explains the cost of remittances? An examination across 119 country corridors* (Washington, DC, World Bank Policy Research Working Papers, 2009).

¹⁰ Between 1999 and 2003, the number of companies dominating the remittance market to Latin America from the United States doubled (from three to six) and the price charged for transferring US\$200 fell from US\$22 to US\$10 (M. Orozco: *Worker remittances: Issues and best practices* (2003)).

¹¹ IOM: *Managing Migration- Challenges and Responses of People on the Move*, Geneva, 2003; O. Enogo: "Transferts d'argent bon marché", in *Jeune Afrique/L'Intelligent*, No. 2164, 1-7 July 2002.

migration and operate to the detriment of development in countries both of origin and of destination over the long run. To counter this, ILO Conventions No. 97 and No. 143 and their accompanying Recommendations provide a framework for the basic components of a comprehensive labour migration policy, the protection of migrant workers, the development of their potential and measures to facilitate as well as to regulate migration movements.¹²

While one of the main challenges facing North and West Africa is the small number of migrants intending to return, among those that do return, there is a high propensity to be self-employed.¹³ Two elements associated with being self-employed include: (i) having undertaken training during the period of migration; and, (ii) having the qualifications recognized upon return. These findings should not be understated; while many have proposed theoretical arguments for the benefits of circular migration, the evidence from return migrants to North and West Africa illustrates definitively how successful it can be.

Interesting links have also emerged between the issues of return migration and remittances. The findings in Chapter 4 indicate that, among returnees, those who have set up a business were more likely to have remitted money in the past. This suggests that there might be potential benefits in encouraging entrepreneurship among migrant workers. This could come in the form of providing entrepreneurial support e.g. training or through remittance matching (discussed above) – all of which maximizes the probability of their return and their chances of success. Policies and programmes can thus harness the impact of return migrants on development by providing support throughout the migration “cycle”. More research is needed to understand more fully the policy design implications of the links between return migration, remittances and entrepreneurship, but examples of efforts to encourage return migrants, in particular entrepreneurs, might shed light on some of the considerations.

Return migration of entrepreneurs

In 2007, the Inter-American Development Bank (IADB) launched the Voluntary Return Migration Model Based on Entrepreneurship Development to encourage migrants in Spain to start businesses in their home countries.¹⁴ The approach is based on a small, successful programme that was launched by the Galician Regional Government and the *Consolidación Rural de Empresas Agropecuarias* (CREA) foundation.

¹² See Chapter 1 for more information on ILO Conventions.

¹³ See also N. Ilahi: “Return migration and occupational change”, in *Review of Development Economics*, Vol. 3, No. 2, 1998, pp. 170–186; S. Castles: “The impacts of emigration on countries of origin”, in *Local dynamics in the era of globalization*, 2000; B. McCormick and J. Wahba: “Overseas work experience, savings and entrepreneurship amongst return migrants to LDCs”, in *Scottish Journal of Political Economy*, Vol. 48, No. 2, 2001, pp. 164–178; and S. Commander et al.: *Brain drain: Curse or boon?* Institute for the Study of Labor, 2003.

¹⁴ Inter-American Development Bank (IADB): *Voluntary return migration model based on entrepreneurship development*, 2006.

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The IADB project proceeds in five distinct steps. First, a network of institutions is created to operate and market the project's objectives and goals. Second, a business start-up programme is launched and participants are selected and trained to develop business plans and adapting them to local conditions. This includes an examination of the business idea via fieldwork to gather information on the local market. Third, participants obtain credits from local banks in Spain or use remittances to finance businesses in countries of origin. Fourth, an online platform is set up to coordinate a business network between business start-ups in countries of origin and established companies in Spain. Fifth, a database and monitoring system are set up to evaluate and improve businesses and to disseminate experiences. The IADB project aims to create 525 businesses, 1,050 jobs and 4,200 indirect jobs.

In 2005, the IADB also launched the *Dekassegui*¹⁵ entrepreneurs project, which targets Brazilians in Japan who have saved money and would like to open a business in Brazil.¹⁶ The project is limited to three states in Brazil with large Brazilian-Japanese communities. Potential entrepreneurs are selected and trained in Japan. Entrepreneurs are chosen on the basis of self-assessment tests to determine their technical, management and leadership skills. Entrepreneurs undergo three training blocks on basic business know-how and business planning. Training is complemented by an online guide on doing business in Brazil, as well as regular networking sessions among participating entrepreneurs. After each training block, entrepreneurs are evaluated to see whether they meet the criteria necessary to proceed. Of 10,000 eligible entrepreneurs, 5,000 will receive basic training. The top 10 per cent will receive advanced training and 150 will eventually develop a business plan in Japan. Entrepreneurs are trained in Brazil to assist in the reintegration process and new entrepreneurs receive legal advice from a network of *Dekassegui* entrepreneurs. The total cost of the project amounts to US\$3.1 million, half of which is financed by local institutions.

In the Philippines, the Unlad Kabayan Migrant Service Foundation has succeeded in linking community development with migration and entrepreneurship.¹⁷ The Foundation helps returnees to invest in businesses in poor communities and, at the same time, encourages local residents to work with or for returnees in those businesses. Most businesses are in food processing and food production, such as rice production, seed trading and coco plantations. The core of Unlad Kabayan is the "Migrant Savings for Alternative Investment", which was created in the 1990s to channel migrant savings into microfinance institutions in the Philippines, enabling both returnees and local entrepreneurs to tap these resources. For example, a loan of US\$89,000 from 55 expatriates in Korea and Taiwan financed a rice centre that supported 139 farm households and employed 23 regular workers. The Foundation also works with other migrant networks, such as Migrant Forum in Asia and Migrant Rights International.

¹⁵ *Dekassegui* is a Japanese term which refers to Brazilians of Japanese descent.

¹⁶ Inter-American Development Bank (IADB): *Brazil: Dekassegui entrepreneurs* (2005).

¹⁷ Unlad Kabayan: <http://www.unladkabayan.org> [accessed 17 Feb. 2010].

Return of skilled labour

Many countries have established programmes that provide scholars and skilled workers with financial incentives to return and help them find employment at home. In China, universities and government-funded research units, particularly the Chinese Academy of Sciences (CAS), actively encourage expatriate scholars to return and provide financial support for visiting lectures.¹⁸ In 1994, the Chinese Academy of Sciences started the Hundred Talents Programme (*bairen jibua*) to recruit young scientists from abroad. Over three years, the programme funded 240,000 US\$ in research, which was complemented by subsidized housing and a moderate salary. As of September 2002, 839 academics had received funding (95 per cent of these had studied abroad). For universities, the most important programme is the Cheung Kong Scholars Programme (*Changjiang xuezhi jiangli jibua*). Between 1998 and 2004, it brought 537 scholars from overseas to become leaders in key research fields. Most scholars who receive funding have either studied, worked or still work abroad. Rapid economic growth has also helped attract people back to China despite the previous brain drain.

In terms of skilled worker retention, the Albanian Government and the UNDP jointly launched the Brain Gain Programme to encourage the return of students and academics on both permanent and temporary bases.¹⁹ The aim is to improve the quality of universities and research by attracting academics and management staff from abroad with competitive incentive packages. Returnees with a master's or a doctorate degree are eligible to receive 3,000-7,000 euros to cover the costs of return and settlement in Albania, as well as low-interest mortgages for housing. The strength of this programme lies in tying funding to specific job openings that returnees would fill. The funding amounts to 540,000 euros and could support at least 100 positions, including 30 department chairs, 40 lectureships, ten visiting lectureships and 20 research leaders. In the first round of applications in 2008, the programme succeeded in filling more than 70 positions, which ranged from lectureships to research positions in Albanian universities.

Similarly, a programme that encourages circulation migration was launched in Mali. The Malaria Research and Training Centre established a scheme to attract African scientists who are working on malaria research. As part of the programme sends promising young graduates in Mali to leading foreign universities that cooperate with the centre. Students can return during their studies for vacations and to undertake research. The aim is to integrate students with international and local academics and to provide a stimulating environment.²⁰

¹⁸ C. Cao: "China's Brain Drain at the High End: Why government policies have failed to attract first rate academics", in *Asian Population Studies* 4(3), 2008, pp. 331-345.

¹⁹ B. Zeneli and M. Tafaj: *Brain gain programme: Engaging the diaspora in Albania's development* (2008).

²⁰ Malaria Research and Training Centre: <http://obtoure.africa-web.org> [accessed 17 Feb. 2010].

Migrant associations or diaspora networks

Migrant associations can also play a role in encouraging return migration and promoting entrepreneurship. For example, Afford is a think tank and consultancy agency that seeks to mobilize the African diaspora and businesses for African development. It runs a series of programmes to support local entrepreneurs and informs the British business community about opportunities in Africa. Afford also seeks to combine efforts and disseminate best practices of diaspora networks across the United Kingdom. Another Afford programme, Supporting Entrepreneurs and Enterprise Development in Africa (SEEDA), helps African entrepreneurs to expand their operations and create jobs by giving advice and providing capital. Afford supports 600 businesses in Sierra Leone and Ghana by providing training in marketing, bookkeeping and customer service.

Angel Africa aims to support entrepreneurship in Africa by matching business professionals in the diaspora with local entrepreneurs. The former can help the latter with management, financing and marketing. This consultancy service is voluntary. The network also provides information about investment opportunities in Africa and acts as a platform for national investment agencies.

One potential challenge linked to the diaspora network approach however is that the networks often exist only for a short time. For example, of the 61 networks reviewed by Powell and Gerova (2004), 31 per cent were inactive.

3. “Would be” migrant workers: some considerations

Remittances and return migration, however, should be viewed as a complement to development rather than a substitute. Moreover, policies to promote a well-functioning labour market (among others), notably employment and decent work in countries of origin are not only good for development but are also supportive of an environment that encourages return migration and investments in North and West Africa via remittances.

In the case of North and West Africa, the labour market is characterized by informality, high inactivity among women and high unemployment among youth – the latter being of particular concern in the context of migration. As the evidence in the previous chapters demonstrated, the youth cohort in North and West Africa is growing rapidly, while employment opportunities for many remain scarce. It is then perhaps not surprising that the evidence from Spain indicates that recent migrant flows from North and West Africa are increasingly younger.

The problem is not unique to North and West Africa – youth unemployment is widespread and has exacerbated in the context of the global economic and financial crisis that started in 2008. For example, in December 2009, more than one-fifth of youth under the age of 25 in the EU-27 were looking – albeit unsuccessfully – for work. In sub-Saharan Africa it is esti-

mated that three in five of the total unemployed are youth and 72 per cent of the population between the ages of 15 and 24 live with less than US\$ 2 a day.²¹

With the vast majority of the African youth population residing in rural areas, the issue is intrinsically linked to harnessing rural development, including focusing on employment-intensive investments in agriculture and other rural non-farm activities.²² It also means ensuring increased access to basic skills and education for youth and promoting decent work opportunities.

Promoting youth education and decent work

In terms of improving educational outcomes, measures such as flexible schooling can help to reduce drop-out rates or provide “second chances” to youth to upgrade skills. This is particularly useful in rural areas where students may work at home part-time and attend school at other times. For example, in Guatemala students who do farm work in the morning, are allowed to start school later and compensate the time with independent study or they can complete a 1,000 hours of schooling with no time restrictions. Gambia and Lesotho have implemented a programme that also targets school drop-outs and trains them to carry out environmental rehabilitation and income-generating activities in both rural and urban areas. Activities include ecotourism, soil conservation, and market gardening.²³

Entrepreneurial programmes have been proven to be particularly successful in improving employment and earnings of young people.²⁴ Evidence suggests that a significant proportion of young people in West Africa would actually prefer to be self-employed rather than salaried.²⁵ In fact many of the young people in African countries are already working in small family businesses or are self-employed in the agriculture sector. Developing these young peoples’ entrepreneurial skills is an important opportunity for growth. A good example is “The Youth Dairy Farm Project” in Uganda. The programme supports youth entrepreneurship by training youth in the management of husbandry and farm products that they then sell.

Informal apprenticeships are another major provider of skills for poorer and uneducated youth who work in the informal economy. A successful example is Kenya’s *Jua Kali* voucher programme to give unemployed youth training opportunities. Of course governments must ensure that such programmes have sufficient guidance and regulations to avoid exploitation. Part of the success of the programme was derived by leveraging public and private partnership.²⁶

²¹ The World Bank. *Youth and Employment in Africa: The Potential, the Problem, the Promise*, (Washington, 2008)

²² The World Bank (2008) op. cit.

²³ UNOWA: *Youth Unemployment and Regional Insecurities in West Africa*, Issue papers, 2008.

²⁴ The World Bank (2008) op. cit.

²⁵ UNOWA (2008) op. cit.

²⁶ The World Bank, (2008) op. cit.

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Improvements could also be in terms of labour market information, i.e. providing adequate collection, analysis, and dissemination of labour market information to inform young jobseekers of opportunities. This includes the sometimes harsh realities that migrant workers face in countries of destination. This could be part of a longer-term strategy to develop proper public employment services that provide labour market support, both active (e.g. vocational training) but also passive (e.g. unemployment benefits). Other efforts can focus on retaining workers who are already engaged in productive employment. A number of countries have introduced programmes to encourage “potential migrants” to stay, or at least extend the time they remain, in countries of origin.

Worker retention: incentives and bonding

In Zimbabwe, health professionals indicated a desire to migrate due to economic instability, low wages and poor working conditions.²⁷ Workers, especially those in rural areas, also complained about a lack of recognition of their work, the absence of further training and unclear career objectives.²⁸

As a result, in 2005, the Health Service Board launched an incentive programme to motivate health professionals to remain in Zimbabwe. Salaries were raised, notably by 10 per cent in rural areas. In addition, workers were offered bursaries and loans at low rates of interest to pay for further studies and training, and salaries were reviewed more frequently to reward those staff with records of good performance. Other incentives included state-provided transportation, housing, child-care services, family healthcare, subsidized staff canteens and improved security equipment. Moreover, bureaucratic structures were streamlined to give key staff more autonomy and increase cost efficiency.

The impact of the programme has been mixed.²⁹ Although the number of general staff has increased, the outflow of experienced staff remains high. Survey results indicated that the general retention package was still not sufficiently attractive. The main problems were hyperinflation, which eroded the salary increase, and budget constraints that limited the financial support available for housing, canteens, transport and other incentives.

Kenya has also implemented a similar programme to stem the loss of its health-care workers.³⁰ In general, Kenyan workers demanded better working conditions, better training and better living conditions as incentives to remain in the country. The programme has proved reasonably successful but, unlike in Zimbabwe, the roll-out was not widespread and, consequently, rural areas still suffer from staff shortages. Similar initiatives were

²⁷ M.-J. Chimbari et al. : *Retention incentives for health workers in Zimbabwe*, EQUINET Discussion Paper 65 (2008).

²⁸ In 2003, the country only had about half of the 1,500 doctors that it needed to run health institutions effectively. See A. Meldrum: *Mugabe says we are being stolen. All we want is better pay* (The Observer, 2003).

²⁹ Chimbari et al. (2008) op. cit.

³⁰ D. M. Ndeti et al.: *Incentives for health worker retention in Kenya: An assessment of current practice*, Discussion Paper 62 (Harare, 2008).

launched in other African countries.³¹ In Zambia, for example, more training opportunities have led to higher retention rates.³² In Ethiopia, more qualification opportunities, housing support and better career structures have worked well.

Although the success of some of these programmes is rather limited and poor data collection hinders a comprehensive evaluation of many, a number of potential lessons emerge that might prove pertinent in the case of North and West Africa. The first is that, in some instances, non-financial incentives (e.g. career development) are an important consideration when fiscal budgets are limited. Second, given the financial realities (i.e. much higher wages elsewhere), there may be scope for countries of origin to coordinate efforts with destination countries to promote temporary stay and return for workers of all skill categories.

B. Policy coherence and the role of ILO

1. The global recession and policy responses: country of destination

The global crisis that began in 2008 has highlighted the important role that countries of destination play in the migration process. In particular, the crisis has disproportionately affected migrant workers in many countries. The case of Moroccan migrants working in Spain, analysed in an earlier chapter, provides a vivid illustration of this.³³

With many countries confronted by massive increases in unemployment across most sectors, a number of programmes have been introduced to, for example, limit further migration, encourage return migration and even restrict stimulus spending measures to non-migrant workers (Annex 5.A). The programmes have had limited success, at least in terms of encouraging return migration. This is probably due to the fact that returning might mean losing access to social benefits (rare or non-existent in some countries of origin) or because it might entail relinquishing the possibility of re-emigrating.

More fundamentally, there is a need for moving away from short-term measures and adopting a more comprehensive and orderly migration strategy, including stronger cooperation between countries of origin and destination.

³¹ Ndeti et al. (2008) op. cit.

³² I. Mathauer and I. Imhoff: "Health worker motivation in Africa: The role of non-financial incentives and human resource management tools", in *Human Resources for Health*, Vol. 4, p. 24 (2004).

³³ See also I. Awad: *The global economic crisis and migrant workers: Impact and response* (Geneva, International Labour Office, 2009).

2. Data collection and programme evaluation

There is also a case for strengthening institutional capacity in North and West Africa and improving data collection and availability. Throughout this report, the challenges associated with being able to access the information which would enable a clearer understanding of the dynamic relationship between migration, development and labour markets have been repeatedly stressed. More specifically, the scarcity of reliable sources of information has hindered efforts to address crucial issues of policy response and coherence. This challenge is not new. The issue of migration data and statistics has been raised in previous work undertaken by the ILO in the region.³⁴

The Spanish ENI survey is a great step forward in compiling much-needed data on the migration experience. Likewise, data from the MIREM project has made a helpful contribution. Sustained, practical efforts are needed to fill this gap. A recent report issued by the Commission on International Migration Data for the Center for Global Development, provides a number of guidelines on this issue: (i) ask basic census questions, and make the tabulated answers publicly available; (ii) compile and release existing administrative data; (iii) centralize labour force surveys; (iv) provide access to micro-data, not just tabulations; and, (v) include migration modules on a greater number of existing household surveys.³⁵

The reality is that migration data can be made available at a relatively low cost and without any new surveys, offices or initiatives. Many of the recommendations of the Commission's report are timely, given that many countries are expected to collect census data in 2010. But more can be done to address the short-term needs for data, such as including migration-related questions within existing surveys (in countries of both origin and destination).³⁶

The experience of practices undertaken elsewhere also highlights the need to gather programme-related information systematically in order to properly evaluate effectiveness of the measures. To achieve this, programmes need to set out clear and measurable objectives to improve monitoring and evaluation. However, the marginal cost of gathering such information is quite low since it can be embodied in the design and implementation of the programme itself.

³⁴ More information is available at <http://migration-africa.itcilo.org/> [accessed 18 Feb. 2010].

³⁵ P. Tomas and L. Summers: *Migrants count: Five steps toward better migration data* (Washington, 2009).

³⁶ J. Schachter: *Enhancing data on migration in West and Central Africa* (2008).

3. Global governance and placing labour markets and human capital on the agenda of migration and development

Policy-makers are faced with both great opportunities and daunting challenges when it comes to taking advantage of international migration as a real tool for development. Economic growth is a necessary condition for improving the well-being of people through the creation of jobs and the reduction of poverty. Migration emerges as a key element linking human capital formation, labour market performance and economic development. Development assistance should set aside rhetoric and move, in a programmatic way, to place migration, decent work and human capital at the centre of human development for economic growth.

The growing concern over the need to integrate migration and development strategies is manifested in the actions undertaken by bodies such as the European Union and the United Nations. With respect to the ILO, in its 92nd Session, in June 2004, the ILO's International Labour Conference adopted the Resolution on a Fair Deal for Migrant Workers in a Global Economy. It states that:

Promotion of policies that maximize the contribution of migration to development is another essential component of a comprehensive policy to address the global context of migration. Among urgent required components are measures to reduce the costs of remittance transfers as well as developing incentives to promote productive investment of remittances. Equitable measures need to be explored to mitigate the loss of critically skilled workers, particularly in the public sectors of developing countries. Consideration may be given to allocating development assistance to projects and programmes generating or increasing employment in decent conditions. Facilitating training and return of migrants, transfer of capital and technology by migrants, and migrant transnational business initiatives are other options that could be promoted (p. 22).

This underscores the two main channels through which labour migration can influence the economic development of sending countries: remittances and return migration. Moreover, the ILO's Multilateral Framework on Labour Migration's Principle IX states that "the contribution of labour migration to employment, economic growth, development and the alleviation of poverty should be recognized and maximized for the benefit of both origin and destination countries".³⁷ The guidelines developed remain relevant in the context of this report and highlight the main policy concerns over the medium term (Box 5.1).

³⁷ Adopted by the Tripartite Meeting of Experts on the ILO Multilateral Framework on Labour Migration, Geneva, 31 Oct. to 2 Nov. 2005.

Box 5.1 Guidelines of the ILO's Multilateral Framework on Labour Migration

- (i) (Integrating and mainstreaming labour migration in national employment, labour market and development policy.
- (ii) (Expanding analyses of the contribution of labour migration and migrant workers to the economies of destination countries, including employment creation, capital formation, social security coverage and social welfare.
- (iii) Promoting the positive role of labour migration in advancing or deepening regional integration.
- (iv) Promoting and providing incentives for enterprise creation and development, including transnational business initiatives and micro-enterprise development by men and women migrant workers in origin and destination countries.
- (v) Providing incentives to promote the productive investment of remittances in the countries of origin.
- (vi) Reducing the costs of remittance transfers, including by facilitating accessible financial services, reducing transaction fees, providing tax incentives and promoting greater competition between financial institutions.
- (vii) Adopting measures to mitigate the loss of workers with critical skills, including by establishing guidelines for ethical recruitment.
- (viii) Adopting policies to encourage circular and return migration and reintegration into the country of origin, including by promoting temporary labour migration schemes and circulation-friendly visa policies.
- (ix) Facilitating the transfer of capital, skills and technology by migrant workers, including through providing incentives to them.
- (x) Promoting linkages with transnational communities and business initiatives.

The ILO's Global Jobs Pact – adopted by the 98th Session of the International Labour Conference on 19 June 2009 as a response to the global crisis – is particularly salient in moving in the right direction in the near term. The Global Jobs Pact is a wide-ranging crisis response framework guided by the Decent Work Agenda (Box 5.2). It is designed for national and international policies aiming at economic recovery, job creation and social protection measures for workers and their families. The framework ensures linkages between social progress and economic development and calls for priority to be given to protecting and growing employment through sustainable enterprises, quality public services and building adequate social protection for all as part of ongoing international and national action to aid recovery and development.

Box 5.2 The ILO's Global Jobs Pact

As the ILO's response to the global financial and economic crisis, a Global Jobs Pact was adopted by the 98th Session of the International Labour Conference on 19 June 2009. The Global Jobs Pact is a wide-ranging crisis response framework guided by the Decent Work Agenda.

The principles of the Global Jobs Pact are the following:

- protecting employment and building social protection;
- supporting vulnerable women and men hit hard by the crisis including youth at risk, low-wage, low-skilled, informal economy and migrant workers;
- facilitating job transitions and access to labour market for the jobless;
- avoiding protectionist solutions;
- promoting core labour standards and other international labour standards that support the economic and jobs recovery and reduce gender inequality;
- engaging in social dialogue, tripartism and collective bargaining;
- ensuring economic, social and environmental sustainability;
- regulating market economies to enable sustainable enterprises and employment; and,
- strengthening policy coherence at the international level.

In this respect, the Decent Work Country Programmes – one of the main vehicles for delivering ILO support to countries – are unique opportunities to integrate migration, in practical terms, into the decent work agenda, where its potential as a strategic component for economic development can best be realized.³⁸

The ILO however cannot act alone. In the wake of the global crisis, it is an opportune time to give a global perspective to migration-related issues. One of the most encouraging aspects of international migration is its potential for development of countries of origin. And it is precisely this potential that can be leveraged in existing and new tools for global governance of migration.

³⁸ In 2006, there was a particularly busy African agenda for official declarations on the development potentials of migration, e.g., two ministerial-level European/African conferences (Rabat and Tripoli) and the Seventh Ordinary Session of the Assembly of African Union Heads of State and Government (Banjul). A year later, the ILO published a document (*The Decent Work Agenda in Africa: 2007–2015*) that acknowledged the need to take concrete action on the issue (see part II, section 5). Also relevant in this respect is *Success Africa Partnership for Decent Work – Improving Peoples' Lives*, second volume, which contains descriptions of cooperation projects in specific African countries, but little precedence is placed on the role of migration in development (see pages 16–18).

*Annex 5.A:
Migration policies in the context of the global recession
of 2009*

Asia and Oceania

Australia: The Government plans to cut quotas for skilled workers by 14 per cent to protect jobs for Australians. This is the first move of its kind in 10 years. The quota will be reduced from 133,500 to 115,000. The new permanent skilled migration programme would bar bricklayers, plumbers, carpenters and electricians – fields that have suffered substantial numbers of redundancies and experienced a significant drop-off in demand.

Malaysia: The Government instructed employers to use foreign workers only when necessary. On 15 March 2009, the Government revoked 60,000 work visas belonging to Bangladeshis, and officials are threatening to round up illegal aliens for deportation.

Philippines: The Government has launched a programme to lend 50,000 pesos to help Filipinos who are overseas and out of work to set up business enterprises abroad. The loan carries an interest rate of 5 per cent and is accompanied by a 10,000 peso grant for business training and counselling. To receive money from the programmes, workers must complete the training.

Japan: The Government has started to offer cash to jobless migrants of Japanese descent as an incentive to return to their countries of origin. Most migrants within this category are from Brazil and Peru. These migrants will receive 300,000 yen or approximately US\$4,565 on their return plus an additional 200,000 yen for each dependent family member. Migrants who accept the money agree not to return to Japan on special work visas. For migrants who intend to stay in the country, the Government has set aside 1 billion yen for vocational training.³⁹

Europe

Spain: In October 2008, the Spanish Government implemented the *Plan of Voluntary Return*. Under this plan, legal migrants can receive unemployment benefits in a lump sum if they agree to leave the country. Participants receive 40 per cent of their unemployment benefit before leaving Spain and 60 per cent after returning to their country of origin. In return, the migrants must give up their residence permit and work visas and agree not to return to Spain for 3 years.⁴⁰

United Kingdom: The Government responded to the economic crisis by tightening admission requirements for migrants. All low-skilled migration schemes were suspended, including the Seasonal Agriculture Workers

³⁹ "Migrants paid to go home" in *The Strait Times*, 1 Apr. 2009. Available at: http://www.straitstimes.com/Breaking%2BNews/Asia/Story/STIStory_357321.html [accessed 17 Feb. 2010].

⁴⁰ "Spain tries to buy out immigrants", in *TIME Magazine*, 20 Oct. 2008. Available at: <http://www.time.com/time/world/article/0,8599,1852000,00.html> [accessed 17 Feb. 2010].

Scheme (SAWS).⁴¹ The United Kingdom also raised the criteria for highly skilled migrants seeking entry. Highly skilled migrants are now required to have a master's degree and must make a minimum salary of 20,000 euros. All jobs must also be advertised through the national employment service before a worker can be brought in from outside Europe.⁴²

Italy: In July 2009, Italy passed a bill that prevented undocumented migrants from accessing public services, such as education and emergency medical care.

Czech Republic: The Government implemented a voluntary return programme in February 2009. The programme covers the cost of return and provides a repatriation bonus legal non-EU workers who have lost their jobs. In exchange, the migrants must give up their Czech documents. The Government also stopped renewing work permits as they expired and rejected new permit applications from abroad.⁴³

Latin America

Ecuador: The Government is trying to encourage Ecuadorians, many of whom have migrated to Spain and the United States, to return home during the economic crisis. The *Welcome Home Plan* offers business subsidies, customs breaks and low-interest loans to those migrants who return home.⁴⁴

North America

United States: The Government has restricted three channels of legal migration. Companies receiving federal bailout money face increased obstacles if they want to hire highly-skilled foreign workers on H-1B visas. The State Department has also asked industries that rely heavily on seasonal migrant labour, such as tourism and agriculture, to cut back on their dependence on foreign workers. The Government is also considering suspending the H-2A visas, which allowed guest farm workers to stay in the country for 10 months at a time. The current H-2A programme requires that growers try to fill jobs with nationals first.⁴⁵

⁴¹ "United Kingdom: A reluctant country of immigration", in *Migration Information Source*, July 2009. Available at : <http://www.migrationinformation.org/Profiles/display.cfm?ID=736> [accessed 17 Feb. 2010].

⁴² Migration and the global recession, Migration Policy Institute, Sept. 2009. Available at: <http://www.migrationpolicy.org/pubs/MPI-BBCreport-Sept09.pdf> [accessed 17 Feb. 2010].

⁴³ *ibid.*

⁴⁴ "Reverse migration: Ecuador lures immigrants back home from U.S. and Spain", in *Feet in 2 Worlds*, 4 Sept. 2009. Available at: <http://feetin2worlds.wordpress.com/2009/09/04/reverse-migration-ecuador-lures-immigrants-back-home-from-u-s-and-spain/> [accessed 17 Feb. 2010].

⁴⁵ S.M. Kalita: "U.S. deters hiring of foreigners as joblessness grows", in *The Wall Street Journal*, 27 Mar. 2009. Available at: http://online.wsj.com/article/SB123810912615352681.html?mod=googlenews_wsj [accessed 17 Feb. 2010].

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Statistics Appendix: Country Profiles

Country profile – Algeria

<i>Capital</i>	Algiers
<i>Area</i>	2 381 741 sq km
<i>Borders</i>	Libya (982 km) Mali (1 376 km) Mauritania (463 km) Morocco (1 559 km) Niger (956 km) Tunisia (965 km) Western Sahara (42 km)
<i>Urbanization</i>	64.6% (2007)
<i>Land use</i>	3.1% arable land 0.3% permanent crops 96.5% other (2005)
<i>Membership in ILO</i>	Since 19 October 1962
<i>Regional organizations</i>	<ul style="list-style-type: none"> • Arab Bank for Economic Development Africa since 1974 • African Development Bank since 1964 • Arab Found. for Economic and Social Development since 1968. • Arab Monetary Fund since 1976 • Arab Maghreb Union since 1989 • African Union since 1963 • Islamic Development Bank since 1974 • League of Arab States since 1962 • Organization of the Islam Conference since 1969 • Organization of Arab Petroleum Exporting Countries since 1970

Economic (2008)		Social (2009)		
<i>GDP (million US\$)</i>	170 452	<i>Population (in thousands)</i>	34 895.5	
<i>GDP per capita (US\$)</i>	4 959	<i>Population growth rate</i>	1.5% (2005-2010)	
<i>GDP real growth rate</i>	3%	<i>Population density (inhabitants per sq km)</i>	14.4	
<i>Major sector 1 (% GDP)</i>	Mining, manufacturing, utilities: 53%	<i>Age structure</i>	0-14	25.4%
<i>Major sector 2 (% GDP)</i>	Other activities: ¹ 13%		15-64	69.5%
<i>Major sector 3 (% GDP)</i>	Wholesale, retail trade, restaurants and hotels: 10%		65+	5.1%
<i>Inflation rate (GDP deflator)</i>	17.2%	<i>Age dependency ratio³</i>	32.4%	
<i>Exports (US\$ and % of GDP)</i>	52.0%	<i>Gender ratio (men/100 women)</i>	102	

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<i>Imports (US\$ and % of GDP)</i>	30.0%	<i>Life expectancy at birth</i>	72 (2007)
<i>Household consumption expenditure</i>	29.0%	<i>Under-5 mortality rate⁴</i>	37 (2007)
<i>General government final consumption expenditure</i>	13.0%	<i>Languages</i>	Arabian (official), French, Berber dialects
<i>Exchange rate (IMF-based rate)</i>	64.5	<i>Human Development Index rank</i>	104th
<i>Revenue, excluding grants (% of GDP)²</i>	40.4% (2007)	<i>Poverty (% less than \$1.25 per day)⁵</i>	7%
<i>Cash surplus/deficit (% of GDP)</i>	6.2% (2007)	<i>Literacy (% of people 15 or over)</i>	75%
<i>Merchandise trade (% of GDP)</i>	67.5%	<i>Educational attainment (primary and secondary school enrolment ratio,⁶ net)</i>	Primary – male 96%
<i>External debt stocks (million US\$)</i>	5 541 (2007)		Primary – female 94%
<i>Foreign direct investment, net inflows (million US\$)</i>	1 665 (2007)		Secondary – male 65%
<i>Official development assistance and official aid (million US\$)</i>	390 (2007)		Secondary – female 68%
Labour market (2008)		Migration	
<i>Labour force</i>	14 268 000	<i>Stock of emigrants (% of population)</i>	1 783 476 (2005) (5.4%)
<i>Economically active (male)</i>	77.0%	<i>Top destination countries</i>	France, Spain, Israel, Italy, Germany, Canada, Tunisia, United Kingdom and Belgium
<i>Economically active (female)</i>	37.7%		
<i>Employment rate</i>	40.9% (2007)	<i>Emigration rate of tertiary educated</i>	6.5% (2000)
<i>Informal employment rate⁸</i>	45.0% (2000s)		
<i>Primary sector employment</i>	13.6% (2007)	<i>Inward remittances (million US\$)</i>	2 202 (2008)
<i>Unemployment rate</i>	13.8% (2007)	<i>Inward remittances (% of GDP)</i>	1.3% (2008)
<i>Urban unemployment rate</i>	14.2% (2007)		
<i>Rural unemployment rate</i>	13.1% (2007)	<i>Stock of immigrants (% of population)</i>	242 446 (2005) (0.7%)

Youth unemployment rate (unemployment less than 25 years old)	TOTAL	27.4% (2007)	Refugees (% of immigrants)	69.7% (2005)
	Male	–	Top source countries	–
	Female	–		

NOTES:

1. *Other activities* includes: agriculture, hunting, forestry and fishing; mining, manufacturing and utilities; construction; wholesale, retail trade, restaurants and hotels; and transport, storage and communication.
2. *Revenue* is cash receipts from taxes, social contributions and other revenues such as fines, fees, rent and income from property or sales. Grants are also considered as revenue, but are excluded here.
3. *Age dependency ratio* is the ratio of the population defined as dependent (the population aged 0-14 and 65 and over) divided by the total population.
4. *Under-5 mortality rate* is the probability of dying between birth and exactly 5 years of age expressed per 1,000 live births.
5. *Poverty* is the percentage of the population living in households with consumption or income per person below \$1.25 per day.
6. *School enrolment ratio* is the number of children enrolled in primary (secondary) school who belong to the age group that officially corresponds to primary (secondary) schooling, divided by the total population of the same age group.
7. *Economically active male and female* includes the economically active males and females as a percentage of the total men and women, respectively.
8. Definition of *informal employment* here is slightly different than ILO convention defined.

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Country profile – Mauritania

<i>Capital</i>	Nouakchott			
<i>Area</i>	1 030 700 sq km			
<i>Borders</i>	Algeria (463 km) Mali (2 237 km) Senegal (813 km) Western Sahara (1 561 km)			
<i>Urbanization</i>	40.7% (2007)			
<i>Land use</i>	0.2 % arable land 0.0 % permanent crops 99.8% other (2005)			
<i>Membership in ILO</i>	Since 20 June 1961			
<i>Regional organizations</i>	<ul style="list-style-type: none"> • Arab Bank for Economic Development Africa since 1974 • African Development Bank since 1964 • Arab Found. for Economic and Social Development since 1968 • Arab Monetary Fund since 1976 • Arab Maghreb Union since 1989 • African Union since 1963. Suspended in 2008 • Council of Arab Economic Unit since 1964 • Economic Community of West African States from 1975-2000 • Islamic Development Bank since 1974 • League of Arab States since 1973 • Organization of the Islam Conference since 1969 			
Economic (2008)		Social (2009)		
<i>GDP (million US\$)</i>	3 270	<i>Population (in thousands)</i>	3 290.6	
<i>GDP per capita (US\$)</i>	1 017	<i>Population growth rate</i>	2.4% (2005-2010)	
<i>GDP real growth rate</i>	2.2%	<i>Population density (inhabitants per sq km)</i>	3.1	
<i>Major sector 1 (% GDP)</i>	Mining, manufacturing, utilities: 29%	<i>Age structure</i>	0-14	41%
<i>Major sector 2 (% GDP)</i>	Other activities: 1 28%		15-64	55.7%
<i>Major sector 3 (% GDP)</i>	Agriculture, hunting, forestry, fishing: 18%		65+	3.4%
<i>Inflation rate (GDP deflator)</i>	-2.6 (2007)	<i>Age dependency ratio³</i>	43.1%	
<i>Exports (US\$ and % of GDP)</i>	58.0%	<i>Gender ratio (men/100 women)</i>	103	
<i>Imports (US\$ and % of GDP)</i>	78.0%	<i>Life expectancy at birth</i>	64 (2007)	

<i>Household consumption expenditure</i>	76.0%	<i>Under-5 mortality rate</i> ⁴	119 (2007)	
<i>General government final consumption expenditure</i>	23.0%	<i>Languages</i>	Arabic (official), Pulaar, Soninke, Wolof, French, Hassaniya	
<i>Exchange rate (IMF-based rate)</i>	241.1	<i>Human Development Index rank</i>	154th	
<i>Revenue, excluding grants (% of GDP)</i> ²	-	<i>Poverty (% less than \$1.25 per day)</i> ⁵	21%	
<i>Cash surplus/deficit (% of GDP)</i>	-	<i>Literacy (% of people 15 or over)</i>	56% (2000-2007)	
<i>Merchandise trade (% of GDP)</i>	122.5%	<i>Educational attainment (primary and secondary school enrolment ratio, ⁶ net)</i>	<i>Primary – male</i>	78%
<i>External debt stocks (million US\$)</i>	1 704 (2007)		<i>Primary - female</i>	82%
<i>Foreign direct investment, net inflows (million US\$)</i>	153 (2007)		<i>Secondary - male</i>	16%
<i>Official development assistance and official aid (million US\$)</i>	364 (2007)		<i>Secondary - female</i>	15%
Labour market (2008)		Migration		
<i>Labour force</i>	1 358 000	<i>Stock of emigrants (% of population)</i>	105 315 (2005) (3.4%)	
<i>Economically active (male)</i>	79.7%	<i>Top destination countries</i>	Senegal, Nigeria, France, Spain, Gambia, United States, Republic of Congo, Italy Germany and Guinea-Bissau	
<i>Economically active (female)</i>	60.3%			
<i>Employment rate</i>	40.0% (2004)	<i>Emigration rate of tertiary educated</i>	23.1% (2000)	
<i>Informal employment rate</i> ⁸	80.0% (1990s)			
<i>Primary sector employment</i>	34.0% (2004)	<i>Inward remittances (million US\$)</i>	2 (2008)	
<i>Unemployment rate</i>	32.5% (2004)	<i>Inward remittances (% of GDP)</i>	0.1% (2008)	
<i>Urban unemployment rate</i>	35.4% (2004)			

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<i>Rural unemployment rate</i>	30.2% (2004)	<i>Stock of immigrants (% of population)</i>	65 889 (2005) (2.2%)	
<i>Youth unemployment rate (unemployment less than 25 years old)</i>	TOTAL	-	Refugees (% of immigrants)	0.7% (2005)
	Male	50.8% (2004)		
	Female	69.0% (2004)		
			Top source countries	Senegal, Mali, Guinea, Algeria, France, Guinea-Bissau, Benin, Cameroon, Morocco and Saudi Arabia

NOTES:

1. *Other activities* includes: agriculture, hunting, forestry and fishing; mining, manufacturing and utilities; construction; wholesale, retail trade, restaurants and hotels; and transport, storage and communication.
2. *Revenue* is cash receipts from taxes, social contributions and other revenues such as fines, fees, rent and income from property or sales. Grants are also considered as revenue, but are excluded here.
3. *Age dependency ratio* is the ratio of the population defined as dependent (the population aged 0-14 and 65 and over) divided by the total population.
4. *Under-5 mortality rate* is the probability of dying between birth and exactly 5 years of age expressed per 1,000 live births.
5. *Poverty* is the percentage of the population living in households with consumption or income per person below \$1.25 per day.
6. *School enrolment ratio* is the number of children enrolled in primary (secondary) school who belong to the age group that officially corresponds to primary (secondary) schooling, divided by the total population of the same age group.
7. *Economically active male and female* includes the economically active males and females as a percentage of the total men and women, respectively.
8. Definition of *informal employment* here is slightly different than ILO convention defined.

Country profile – Morocco			
<i>Capital</i>	Rabat		
<i>Area</i>	446 550 sq km		
<i>Borders</i>	Algeria (1 559 km) Western Sahara (443 km) Spain (15.9 km)		
<i>Urbanization</i>	55.7% (2007)		
<i>Land use</i>	19% arable land 2% permanent crops 79% other (2005)		
<i>Membership in ILO</i>	Since 13 June 1956		
<i>Regional organizations</i>	<ul style="list-style-type: none"> • Arab Bank for Economic Development Africa since 1974 • African Development Bank since 1964 • Arab Found for Economic and Social Development since 1968 • Arab Monetary Fund since 1976 • Arab Maghreb Union since 1989 • Islamic Development Bank since 1974 • League of Arab States since 1958 • Organization of the Islam Conference since 1969 		
Economic (2008)		Social (2009)	
<i>GDP (million US\$)</i>	86 590	<i>Population (in thousands)</i>	31 992.6
<i>GDP per capita (US\$)</i>	2 740	<i>Population growth rate</i>	1.2%
<i>GDP real growth rate</i>	5.4 %	<i>Population density (inhabitants per sq km)</i>	70.8
<i>Major sector 1 (% GDP)</i>	Other activities: 1 38%	<i>Age structure</i>	0-14 30%
<i>Major sector 2 (% GDP)</i>	Mining, manufacturing, utilities: 20%		15-64 64.7%
<i>Major sector 3 (% GDP)</i>	Manufacturing: 15%		65+ 5.2%
<i>Inflation rate (GDP deflator)</i>	3.1%	<i>Age dependency ratio³</i>	34.1%
<i>Exports (US\$ and % of GDP)</i>	38%	<i>Gender ratio (men/100 women)</i>	97
<i>Imports (US\$ and % of GDP)</i>	53%	<i>Life expectancy at birth</i>	71 (2007)
<i>Household consumption expenditure</i>	64%	<i>Under-5 mortality rate⁴</i>	34 (2007)

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<i>General government final consumption expenditure</i>	19%	<i>Languages</i>	Arabic, Berber dialects, French, Spanish	
<i>Exchange rates (IMF-based rate)</i>	7.7	<i>Human Development Index rank</i>	130th	
<i>Revenue, excluding grants (% of GDP)²</i>	34.8% (2007)	<i>Poverty (% less than \$1.25 per day)⁵</i>	3%	
<i>Cash surplus/deficit (% of GDP)</i>	2.5% (2007)	<i>Literacy (% of people 15 or over)</i>	56% (2000-2007)	
<i>Merchandise trade (% of GDP)</i>	71.5%	<i>Educational attainment (primary and secondary school enrolment ratio, net)⁶</i>	Primary – male	91%
<i>External debt stocks (million US\$)</i>	20 255 (2007)		Primary – female	85%
<i>Foreign direct investment, net inflows (million US\$)</i>	2 807 (2007)		Secondary – male	37%
<i>Official development assistance and official aid (million US\$)</i>	1 090 (2007)		Secondary – female	32%
Labour market (2008)		Migration		
<i>Labour force</i>	11 561 000	<i>Stock of emigrants (% of population)</i>	2 718 665 (2005) (8.6%)	
<i>Economically active (male)⁷</i>	79.8%	<i>Top destination countries</i>	France, Spain, Italy, Israel, Netherlands, Germany, Belgium, United States, Canada and Saudi Arabia	
<i>Economically active (female)</i>	24.7%			
<i>Employment rate</i>	51.0%	<i>Emigration rate of tertiary educated</i>	10.3% (2000)	
<i>Informal employment rate</i>	67.1% (2000s)			
<i>Primary sector employment</i>	43.2%	<i>Inward remittances (million US\$)</i>	6 891 (2008)	
<i>Unemployment rate</i>	9.6% (2007)	<i>Inward remittances (% of GDP)</i>	8.0% (2008)	
<i>Urban unemployment rate</i>	15.4% (2007)			

<i>Rural unemployment rate</i>	3.7% (2007)	<i>Stock of immigrants</i> (% of population)	131 564 (2005) (0.4%)	
<i>Youth unemployment rate (unemployment less than 25 years old)</i>	TOTAL	31.5% (2007)	Refugees (% of immigrants)	1.6% (2005)
	Male	40.5% (2007)	Top source countries	–
	Female	35.9% (2007)		

NOTES:

1. *Other activities* includes: agriculture, hunting, forestry and fishing; mining, manufacturing and utilities; construction; wholesale, retail trade, restaurants and hotels; and transport, storage and communication.
2. *Revenue* is cash receipts from taxes, social contributions and other revenues such as fines, fees, rent and income from property or sales. Grants are also considered as revenue, but are excluded here.
3. *Age dependency ratio* is the ratio of the population defined as dependent (the population aged 0-14 and 65 and over) divided by the total population.
4. *Under-5 mortality rate* is the probability of dying between birth and exactly 5 years of age expressed per 1,000 live births.
5. *Poverty* is the percentage of the population living in households with consumption or income per person below \$1.25 per day.
6. *School enrolment ratio* is the number of children enrolled in primary (secondary) school who belong to the age group that officially corresponds to primary (secondary) schooling, divided by the total population of the same age group.
7. *Economically active male and female* includes the economically active males and females as a percentage of the total men and women, respectively.
8. Definition of *informal employment* here is slightly different than ILO convention defined.

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Country profile – Senegal			
<i>Capital</i>	Dakar		
<i>Area</i>	196 722 sq km		
<i>Borders</i>	The Gambia (740 km)Guinea (330 km)Guinea Bissau (338 km)Mali (419 km)Mauritania (813 km)		
<i>Urbanization</i>	42.0% (2007)		
<i>Land use</i>	12.5 % arable land0.2 % permanent crops87.3 % other (2005)		
<i>Membership in ILO</i>	Since 4 November 1960		
<i>Regional organizations</i>	<ul style="list-style-type: none"> • African Development Bank since 1964 • African Union since 1963 • Economic Community of West African States since 1975 • Islamic Development Bank since 1974 • Organization of the Islam Conference since 1969 • West African Economic and Monetary Union since 1994 • West African Development Bank since 1973 		
Economic (2008)		Social (2009)	
<i>GDP (million US\$)</i>	13 288	<i>Population (in thousands)</i>	12 534.2
<i>GDP per capita (US\$)</i>	1 088	<i>Population growth rate</i>	2.6%
<i>GDP real growth rate</i>	2.5%	<i>Population density (inhabitants per sq km)</i>	64.7
<i>Major sector 1 (% GDP)</i>	Other activities: ¹ 29%	<i>Age structure</i>	0-14 42.2%
<i>Major sector 2 (% GDP)</i>	Wholesale, retail trade, restaurants and hotels: 21%		15-64 54.8%
<i>Major sector 3 (% GDP)</i>	Mining, manufacturin, utilities: 18%		65+ 3%
<i>Inflation rate (GDP deflator)</i>	7.3%	<i>Age dependency ratio³</i>	45.7%
<i>Exports (US\$ and % of GDP)</i>	25.0%	<i>Gender ratio (men/100 women)</i>	98
<i>Imports (US\$ and % of GDP)</i>	47.0%	<i>Life expectancy at birth</i>	63 (2007)
<i>Household consumption expenditure</i>	76.0%	<i>Under-5 mortality rate⁴</i>	114 (2007)
<i>General government final consumption expenditure</i>	16.0%	<i>Languages</i>	French (official), Wolof, Jola, Pulaar and Mandinka

<i>Exchange rates (IMF-based rate)</i>	447.8	<i>Human Development Index rank</i>	166th	
<i>Revenue, excluding grants (% of GDP)²</i>	16.9% (2000)	<i>Poverty (% less than \$1.25 per day)⁵</i>	34%	
<i>Cash surplus/deficit (% of GDP)</i>	-0.9% (2000)	<i>Literacy (% of people 15 or over)</i>	43% (2000-2007)	
<i>Merchandise trade (% of GDP)</i>	61.3%	<i>Educational attainment (primary and secondary school enrolment ratio, net)⁶</i>	Primary – male	71% (2000-2007)
<i>External debt stocks (million \$US)</i>	2 588 (2007)		Primary – female	70%
<i>Foreign direct investment, net inflows (million US\$)</i>	78 (2007)		Secondary – male	23%
<i>Official development assistance and official aid (million US\$)</i>	843 (2007)		Secondary – female	18%
Labour market (2008)		Migration		
<i>Labour force</i>	5 484 000	<i>Stock of emigrants (% of population)</i>	463 403 (2005) (4.0%)	
<i>Economically active (male)⁷</i>	86.0%	<i>Top destination countries</i>	Gambia, France, Italy, Mauritania, Spain, Gabon, United States, Republic of Congo, Guinea-Bissau and Nigeria	
<i>Economically active (female)</i>	61.8%			
<i>Employment rate</i>	38.7% (2006)	<i>Emigration rate of tertiary educated</i>	24.1% (2000)	
<i>Informal employment rate</i>	–			
<i>Primary sector employment</i>	55.4%	<i>Inward remittances (million US\$)</i>	1 288 (2008)	
<i>Unemployment rate</i>	10.0% (2006)	<i>Inward remittances (% of GDP)</i>	9.8% (2008)	
<i>Urban unemployment rate</i>	Dakar: 15.9% (2006), Other cities: 11.9% (2006)			
<i>Rural unemployment rate</i>	6.3% (2006)	<i>Stock of immigrants (% of population)</i>	325 940 (2005) (2.8%)	
<i>Youth unemployment rate (unemployment less than 25 years old)</i>	TOTAL	<i>15.0% (2006)</i>	Refugees (% of immigrants)	6.4% (2005)

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	Male	–	Top source countries	Guinea, Mauritania, Guinea-Bissau, Mali, France, Cape Verde, Gambia, Morocco, Syrian Arab Republic and United States
	Female	–		

NOTES:

1. *Other activities* includes: agriculture, hunting, forestry and fishing; mining, manufacturing and utilities; construction; wholesale, retail trade, restaurants and hotels; and transport, storage and communication.
2. *Revenue* is cash receipts from taxes, social contributions and other revenues such as fines, fees, rent and income from property or sales. Grants are also considered as revenue, but are excluded here.
3. *Age dependency ratio* is the ratio of the population defined as dependent (the population aged 0-14 and 65 and over) divided by the total population.
4. *Under-5 mortality rate* is the probability of dying between birth and exactly 5 years of age expressed per 1,000 live births.
5. *Poverty* is the percentage of the population living in households with consumption or income per person below \$1.25 per day.
6. *School enrolment ratio* is the number of children enrolled in primary (secondary) school who belong to the age group that officially corresponds to primary (secondary) schooling, divided by the total population of the same age group.
7. *Economically active male and female* includes the economically active males and females as a percentage of the total men and women, respectively.
8. Definition of *informal employment* here is slightly different than ILO convention defined.

Country profile – Tunisia				
<i>Capital</i>	Tunis			
<i>Area</i>	163 610 sq km			
<i>Borders</i>	ALGERIA (965 km)LIBYA (459 km)			
<i>Urbanization</i>	66.1% (2007)			
<i>Land use</i>	17.0 % arable land13.1 % permanent crops69.9 % other (2005)			
<i>Membership in ILO</i>	Since 1956			
<i>Regional organizations</i>	<ul style="list-style-type: none"> • Arab Bank for Economic Development Africa since 1974 • African Development Bank since 1964 • Arab Found. for Economic and Social Development since 1968 • Arab Monetary Fund since 1976 • Arab Maghreb Union since 1989 • African Union since 1963 • Islamic Development Bank since 1974 • League of Arab States since 1958 • Organization of the Islam Conference since 1969 • Organization of Arab Petroleum Exporting Countries from 1982 to 1986 			
Economic (2008)		Social (2009)		
<i>GDP (million US\$)</i>	39 415	<i>Population (in thousands)</i>	10 271.5	
<i>GDP per capita (US\$)</i>	3 846	<i>Population growth rate</i>	1.0%	
<i>GDP real growth rate</i>	6.1%	<i>Population density (inhabitants per sq km)</i>	63.8	
<i>Major sector 1 (% GDP)</i>	Other activities:1 28%	<i>Age structure</i>	0-14	22.7%
<i>Major sector 2 (% GDP)</i>	Mining, manufacturing, utilities: 26%		15-64	70.1%
<i>Major sector 3 (% GDP)</i>	Manufacturing: 18%		65+	7.2%
<i>Inflation rate (GDP deflator)</i>	2.4%	<i>Age dependency ratio³</i>	30.5%	
<i>Exports (US\$ and % of GDP)</i>	54.0%	<i>Gender ratio (men/100 women)</i>	101	
<i>Imports (US\$ and % of GDP)</i>	57.0%	<i>Life expectancy at birth</i>	74 (2007)	
<i>Household consumption expenditure</i>	63.0%	<i>Under-5 mortality rate⁴</i>	21 (2007)	
<i>General government final consumption expenditure</i>	14.0%	<i>Languages</i>	Arabic (official), French	

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<i>Exchange rates (IMF-based rate)</i>	1.2	<i>Human Development Index rank</i>	98th	
<i>Revenue, excluding grants (% of GDP)²</i>	28.7%	<i>Poverty (% less than \$1.25 per day)⁵</i>	3%	
<i>Cash surplus/deficit (% of GDP)</i>	-3.2%	<i>Literacy (% of people 15 or over)</i>	78% (2000-2007)	
<i>Merchandise trade (% of GDP)</i>	109.3%	<i>Educational attainment (primary and secondary school enrolment ratio)⁶</i>	Primary – male	96% (2000-2007)
<i>External debt stocks (million US\$)</i>	20 231 (2007)		Primary – female	97%
<i>Foreign direct investment, net inflows (million US\$)</i>	1 620 (2007)		Secondary – male	61%
<i>Official development assistance and official aid (million US\$)</i>	310 (2007)		Secondary – female	68%
Labour market (2008)		Migration		
<i>Labour force</i>	3 836 000	<i>Stock of emigrants (% of population)</i>	623 221 (2005) (6.2%)	
<i>Economically active (male)⁷</i>	71.0%	<i>Top destination countries</i>	France, Libya, Germany, Israel, Saudi Arabia, Italy, United States, Switzerland, Canada and Belgium	
<i>Economically active (female)</i>	26.1%			
<i>Employment rate</i>	39.7%	<i>Emigration rate of tertiary educated</i>	9.6% (2000)	
<i>Informal employment rate</i>	35.0% (2000s)			
<i>Primary sector employment</i>	18.3%	<i>Inward remittances (million US\$)</i>	1 870 (2008)	
<i>Unemployment rate</i>	14.1% (2007)	<i>Inward remittances (% of GDP)</i>	4.7% (2008)	
<i>Urban unemployment rate</i>	–			
<i>Rural unemployment rate</i>	–	<i>Stock of immigrants (% of population)</i>	37 858 (2005) (0.4%)	
<i>Youth unemployment rate (unemployment less than 25 years old)</i>	TOTAL	<i>15-19 age: 34.1% (2007), 20-24 age: 30.2% (2007)</i>	Refugees (% of immigrants)	0.2% (2005)

	Male	–	Top source countries	Algeria, Morocco, France, Italy and Libya
	Female	–		

NOTES:

1. *Other activities* includes: agriculture, hunting, forestry and fishing; mining, manufacturing and utilities; construction; wholesale, retail trade, restaurants and hotels; and transport, storage and communication.
2. *Revenue* is cash receipts from taxes, social contributions and other revenues such as fines, fees, rent and income from property or sales. Grants are also considered as revenue, but are excluded here.
3. *Age dependency ratio* is the ratio of the population defined as dependent (the population aged 0-14 and 65 and over) divided by the total population.
4. *Under-5 mortality rate* is the probability of dying between birth and exactly 5 years of age expressed per 1,000 live births.
5. *Poverty* is the percentage of the population living in households with consumption or income per person below \$1.25 per day.
6. *School enrolment ratio* is the number of children enrolled in primary (secondary) school who belong to the age group that officially corresponds to primary (secondary) schooling, divided by the total population of the same age group.
7. *Economically active male and female* includes the economically active males and females as a percentage of the total men and women, respectively.
8. Definition of *informal employment* here is slightly different than ILO convention defined.

Selected statistical databases

General

Capital, area, land use and borders: The World Factbook, Central Intelligence Agency (<https://www.cia.gov/library/publications/the-world-factbook>) [19 Jan. 2010].

Urbanization: United Nations Population Division (http://www.un.org/esa/population/publications/wup2007/2007_urban_rural_chart.xls) [Jan. 2010].

Membership in ILO: International Labour Organization (<http://www.ilo.org/ilolex/spanish/mstataess.htm>) [19 Jan. 2010].

Regional organizations: Présidence de la République Algérienne Démocratique et Populaire (<http://www.el-mouradia.dz/francais/algerie/algeriefr.htm>); Arab Bank for Economic Development Africa (<http://www.badea.org>); African Development Bank (<http://www.afdb.org>), Arab Found for Economic and Social Development (<http://www.arabfund.org>), Arab Monetary Fund (<http://www.amf.org.ae>), Arab Maghreb Union (<http://www.maghrebarabe.org/en>), African Union (<http://www.africa-union.org>), Islamic Development Bank (<http://www.isdb.org>), League of Arab States (<http://www.arableagueonline.org>), Organization of the Islam Conference (<http://www.oic-oci.org>) and Organization of Arab Petroleum Exporting Countries (<http://www.oapecorg.org>) [19 Jan. 2010].

Economic

GDP, sector, imports, exports, exchange rates, consumption and gross capital formation: United Nations Statistics Division, National Accounts Section (<http://unstats.un.org/unsd/snaama/SelectionCountry.asp>) [19 Jan. 2010].

Inflation rate: World Bank – Key Development Data and Statistics (<http://go.worldbank.org/4C55Z0H7Z0>) [19 Jan. 2010].

Revenue, excluding grants, cash surplus/deficit, merchandise trade, external debt stocks, foreign direct investment, net inflows and official development assistance and official aid: World Bank – Key Development Data and Statistics (<http://go.worldbank.org/4C55Z0H7Z0>) [19 Jan. 2010].

Social

Population and related: Nations Statistics Division, Social Indicators Section (<http://unstats.un.org/unsd/demographic/products/socind/population.htm>) [19 Jan. 2010].

Age structure and dependency ratio: Laborstat, Economically Active Population Estimates and Projections (http://laborsta.ilo.org/applv8/data/EAPEP/eapep_E.html) [19 Jan. 2010].

Gender ratio: Nations Statistics Division, Social Indicators Section (<http://unstats.un.org/unsd/demographic/products/socind/population.htm>) [19 Jan. 2010].

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