

**ECONOMIC AND SOCIAL COMMISSION FOR WESTERN ASIA (ESCWA)**

**POPULATION AND DEVELOPMENT REPORT**

**THIRD ISSUE**

**INTERNATIONAL MIGRATION AND DEVELOPMENT  
IN THE ARAB REGION:  
CHALLENGES AND OPPORTUNITIES**

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## **Executive summary**

International migration is a steadily expanding international phenomenon of long standing, which impacts on global economies and the political and economic relations between sending and receiving countries. The development of the phenomenon is correlated with local, regional and international factors and therefore affected by diverse and complex variables and the major production stages in countries receiving and sending migrants. One of the most important indicators of the dynamism and complexity of international migration is perhaps the fact that it is directly, rapidly and instantly affected by the challenges of globalization at the Arab regional and international levels.

The facts indicate the significance of migration in the modern world: in 2005, there were 191 million migrants, of whom 115 million live in developed countries and 75 million in developing countries. The largest increase in the number of migrants was in high-income countries, which received 41 million migrants.

Migration is a selective process, the nature of which has been reinforced by globalization. Migrants face challenges related to their competitiveness in regional and international labour markets. Recent developments related to globalization have emerged in respect of both international and Arab international migration and introduced challenges and new opportunities.

Until the 1980s, the main migration trend from the Arab Mashreq countries was towards Gulf Cooperation Council (GCC) countries. That trend gradually reduced and Arab labour was replaced by a workforce of Asian and European origin. The number of Arabs currently migrating to GCC States is one third of the total in the 1980s.

While most migration from Arab Maghreb countries was originally to specific European countries and, in particular, France and Germany, new trends have emerged towards such other European countries as Italy and Spain, and New World countries including Australia, Canada and the United States of America.

There has been an increase in the Arab brain drain because of the lack of policies and appropriate conditions in the Arab region for employing those scientific specializations, capacities and skills in more suitable development activities and because there is no political context that supports the intellectual and academic freedom sought by the Arab intelligentsia. In contrast, there are many incentives and attractions in receiving European and North American countries that have increased the number of skilled Arab migrants to some million.

In addition to sending their own workforces, Arab Maghreb countries have become transit stations for migrants from Central and West Africa attempting to reach Italy and Spain. Forced migration has increased in the Arab region because of wars and armed conflict, as is the case with Iraq, Palestine, Somalia and the Sudan, and some migrants have become refugees. After the second Gulf war, Arab sending countries experienced an unexpected, forced reverse migration of some 2 million workers.

Illegal trans-Mediterranean migration was linked to the emergence of the phenomenon of death boats and the increasing role and profits of traffickers in migrants. Those migrants who reached the receiving country were given work opportunities, in the unofficial sector in particular, where working conditions are difficult and returns are low.

There has been an increase in the number of Arab women migrating as part of a family or, less usually, as individuals and, in particular, of women working in education and domestic service, regardless of all the constraints and unfairness of their pay and conditions of employment.

In 2005, global migrant remittances amounted to some \$232 billion, of which \$167 billion were to developing countries. In 2004, some \$21.6 billion were remitted to the Arab region. Of that sum,

43 per cent was sent to Lebanon and Morocco. Those remittances continue to be the most obvious evidence of the impact of migration at the individual, national and regional levels.

A relatively large number of remittances are made through unofficial channels: some are delivered by migrants during seasonal visits and on final return, while others take the form of unofficial exchanges between migrants and other parties in their country of origin. Such channels are used because of restrictions and Government measures in Arab countries and the relatively high cost of official channels.

According to various estimates, remittances exceed all Arab and non-Arab official assistance. Increasingly, they contribute to the reduction of the foreign currency balance of payments deficit. The proportion of gross domestic product (GDP) represented by remittances has increased against exports and the main local economic sectors, including construction, tourism and trade and certain education, health and transport services. International migration in the Arab region has enhanced the standard of living of migrants and their families by helping to meet their basic needs for housing, education, medical treatment and food, establishing some small trade and agriculture projects and upgrading certain production tools, as is the case in Egypt, Morocco and Tunisia. Migration has also helped to reduce the poverty rate by some 2 per cent and prevented some individuals and families from falling below the international poverty line, particularly in Arab sending countries. Migration therefore has value-added by improving standards of living for migrants, their families and their immediate circle.

An objective evaluation of the impact of international migration on the Arab region requires a profound understanding of the social circumstances in which migration takes place and remittances are invested in development projects. Against that background, a number of important questions may be asked in order to understand the impact of migration at the individual, national and regional levels. Those questions include the following:

- Why are migrant remittances not mobilized in support of development projects and in building capacities to create new employment opportunities, for new entrants to labour markets in particular?
- Why is the Arab brain drain and loss of skills continuing to increase? What have the Arab countries done for skilled persons who have not yet emigrated?
- Why do Arab countries and, in particular, the GCC States, receive foreign labour, while unemployment among their own nationals is increasing and, in particular, among qualified women?

With respect to migration policies, the receiving/sending country division is no longer so commonly employed because the number of countries falling into both categories is increasing, requiring the adoption of two migration policies. Policies range from disincentive to encouragement, according to period and context. However, certain countries, namely, Egypt, Morocco, Tunisia and Yemen, have adopted pro-migration policies as part of their national strategy. Over time, the policy of Morocco has proved to be the most coherent. While some policies have limited the migration of skills, the impact of those policies has waned as the result of unemployment.

Reports clearly reveal that, in contrast to European countries, migrant integration policies are lacking in Arab countries. The integration of Arab migrants in Arab countries is not an object of concern for any party. Reports also reveal a change in the concept of work itself. During the first oil boom, work was a means of transforming oil revenue into welfare and capital: foreigners did the work and nationals kept the capital. More recently, nationals and foreigners have been competing for jobs. That situation is reflected in policies on illegal migration, under which migrants are deported rather than permitted to legalize their status.

Migration policies in Arab countries are dynamic: they have evolved in tandem with the evolution of migration and the relative importance of migration movement, size and impetus. Some countries, namely, Algeria, Egypt, Morocco, the Syrian Arab Republic and Tunisia, have established migration and expatriates ministries or special bodies within ministries of labour while other sending countries were content with sending manpower and using migrant remittances to adjust imbalances in labour markets, reduce balance of payments deficits and finance certain private sector projects. In general, current stances and policies aim to reduce migration, at the regional and international levels. All GCC States, with the exception of Bahrain, consider that incoming migration rates are high and should be reduced.

Those countries adopt policies which are aimed at reducing incoming migration. Other Arab countries, including Egypt, Morocco, Tunisia and Yemen, have adopted policies that promote migration as part of their national development strategies. While Jordan and Lebanon attempt to restrict the number of incoming migrants, they have not adopted any policies to reduce the number of their migrant citizens abroad. Political factors and stances relating to workforces have moral significance when it comes to identifying the countries of origin, based on their stances and the nature of their regulations and ideologies. At the global level, reports on current policies in western Europe show that Governments wish to reduce the migration of labour forces and seek other ways and, in particular, the replacement of manpower migration with work migration and the issuance of short-term work contracts. At the regional level, after the second Gulf war, migration policies became, to some extent, correlated to the stances of Arab Governments on that war.

GCC States have established a number of regulations and laws to keep abreast of the nature of incoming labour forces and ensure some balance between the supply of those forces, on the one hand, and the locally available labour force on the other hand. The GCC States impose extremely strict controls on the movement of incoming labour, involving both ministries of interior, with respect to visas, residence and deportation formalities, and ministries of labour and social affairs in regard to work permits and cards. The current status of Asian labour, for example, is precisely the outcome of such strict control and could not be considered as a breach or violation thereof. No provisions give preferential treatment to Arab manpower, apart from some articles of the Labour Law in Qatar, and a decision in the United Arab Emirates whereby Arabs should comprise 30 per cent of the workforce.

GCC States have adopted more policies that aim to reduce the flow of migrants and their integration to the population and labour force. In Kuwait, for example, policies adopted since the Gulf war do not permit ministries to re-employ more than 35 per cent of the foreigners working for them. Saudi Arabia recently announced the implementation of a 10-year plan to reduce the number of expatriates and their families to a maximum of 20 per cent of the workforce.

In Jordan, migration policy comprised three main parts, namely, an open door policy, a bilateral convention policy and a policy for organizing the transfer of workforces. In parallel, the Government took appropriate measures to receive foreign workers. The size of the foreign labour force in some sectors was restricted, taxes imposed on illegal entry were clamped down on and work permits for foreigners were suspended in an attempt to give priority to local labour. Private sector companies were compelled to adopt that policy.

Lebanon, as both a receiving and sending country, at one stage had a Ministry of Emigrants that was independent of the Ministry of Foreign Affairs. Lebanon has no policy on migrant outflows. The slogan "Lebanon is a brains exporter" is not controlled by any Government regulation or instruction; migration is an individual decision linked to absorptive capacities, employment policies and development-related progress at the national or regional levels in foreign or neighbouring countries.

In Egypt, where migration is a recent concern, a set of measures relating to migration and employment has been adopted which constitutes an integrated policy. However, Government migration policies did not provide implementation mechanisms, albeit they give either explicit or implicit encouragement to such



migration and facilitate it. From the legal perspective, the constitution of Egypt guarantees the right of citizens to permanent or temporary migration.

With respect to the Maghreb countries, Tunisia has not adopted a specific policy in favour of migration but urges migrants to return. It should be noted that Tunisian migrants remit some \$700 million per annum, and that migration contributed to the creation of more than 20,000 employment opportunities in the period 1993-1999. The majority of migrants continue to move to Europe: remittances from Europe amounted to \$4.19 billion in 1993-1998, as compared with \$352 million from Arab countries and, in particular, the GCC States and the Libyan Arab Jamahiriya. Algeria, being an oil and gas exporter, has adopted a strict stance, encouraging expatriates to return, but very few have done so. The Government of that country is caught between two contrary stances, one related to internal policies and the other to external policies. While encouraging citizens to return, Algeria cannot ignore the fact that unemployment has reached a critical level and that the expatriates who continue to live in France play a positive part in alleviating pressure on the local labour market and, accordingly, on the State itself. Morocco has adopted clear and stable migration policies. Since 1968, Morocco has provided in its five-year plans for an increase in the number of migrants, with a view to reducing the rate of unemployment in the local labour market, attracting the maximum possible amount of foreign currency through bank remittances that boost the national economy, and benefiting from returning migrants to upgrade the skills of local workforces. When European Governments closed their borders to most incoming migrant labour, the Government of Morocco maintained the same stance. Two million migrants from Morocco remit more than \$2 billion annually. Over the past two years, there was a clear increase in the number of returning migrants.

A review of migration literature shows that variations in definitions and statistics have affected estimates of migration numbers and trends. One such difference is that between statistics on foreigners and on those born in the GCC States. It has been difficult to estimate migrant and refugee numbers because both groups overlapped. Furthermore, migration data and various definitions of migrants are inadequate and that is reflected in the statistics of Arab sending and receiving countries and their international comparability and affects the capacity to keep abreast of changes in migration and benefit from administrative records.

## Introduction

The *Population and Development Report* is one of a series of analytical reports published biennially by the Economic and Social Commission for Western Asia (ESCWA). It aims to enhance knowledge about the vital relationship between population issues and development and generate advance awareness of the challenges presented by the demographic, economic, social and political dimensions of population dynamics. The third issue of the *Population and Development Report* is entitled *International Migration and Development in the Arab Region: Challenges and Opportunities*. This Report is part of the ESCWA programme of work in the field of population and development for the 2006-2007 biennium. Pertinent activities focus on the need to adopt development strategies that are based on the principle of integrating economic, social and demographic factors, and integrating human rights principles with the basic components of development.

This Report was prepared in the light of discussions held at the Expert Group Meeting on International Migration and Development in the Arab Region: Challenges and Opportunities, which was held in Beirut from 15 to 17 May 2005, and the outcome of the analysis of major issues included in the research papers submitted to that Meeting. ESCWA organized that Meeting in collaboration with the United Nations Department of Economic and Social Affairs (Population Division), in recognition of the growing importance of migration at the regional and international levels. The issue of international migration is currently a priority at the international level. The United Nations played a major role in drawing attention to the issue through two initiatives. In the first, in 2002, it established the Global Commission on International Migration on the recommendation of the United Nations Secretary-General, with a view to formulating an integrated, coordinated international response to the migration issue. The second initiative was taken by the General Assembly, which decided on 23 December 2005 to prepare for a high-level discussion on international migration, to be held during its sixty-first session in order to discuss the issue of international migration and identify the best ways and programmes to minimize its negative impacts and maximize its development benefits.

The Report adopted an analytical methodology supported by statistical data to describe the trends, patterns and tendencies that characterize international migration in Arab countries and identify the challenges and opportunities that international migration presents in the development context. Given the scarcity of statistical data that are both coherent as regards the period covered and gender aggregated, some Report contents were based on the data available for non-consecutive periods of time which were, nevertheless, sufficient to clarify general migration trends and identify the opportunities and challenges resulting from the migration of Arab workforces.

This Report considers the phenomenon of international migration in all its dimensions, and its repercussions and links to the national and regional international contexts that affect its movement, trends, cost and effectiveness. Numbers of migrants have increased: millions of men and women leave their homes annually and cross national borders seeking better human and social security for themselves and their families, impelled by the desire for higher salaries and better life and work opportunities. However, some of them are compelled to leave their houses because of famine, poverty, natural disasters, environmental degradation, armed conflicts and persecution. Historically, most migration has been to the closest location where there are opportunities to obtain information about foreign labour markets, and the cost of movement is low. Many countries are currently either sending or receiving countries for migrants, or both.

Migration policies have become more selective: migrants are selected in accordance with the requirements of labour markets which are changing rapidly as the result of changes in work technologies, a decrease in the number of jobs available in certain specialized areas in receiving countries, the competitiveness of some migrants, and their readiness to accept low wages, as is the case in Gulf States and the unofficial sector in Europe. The forces and factors directing international migration have therefore become more complex and interlinked, and traditional explanations for the motivation, attraction and selection of migrants are no longer sufficient in the study of international migration.

Against that background, the analytical framework of the Report drew on contemporary factors that help to identify migration trends and patterns and influence both general policies and development tracks. The theoretical background of the Report is based on a modern theoretical framework that considers the relation between international migration and the development process as reciprocal and interlocking. International migration has contributed to the growth of local economies, regional and global, the building of various countries and communities, the reduction of social and economic differences between individuals, the enrichment of cultural and intellectual heritage and the refinement of individual skills in sending and receiving countries. Because Arab countries are linked by common economic and social interests, Arab migration could, if appropriate regional policies are adopted, promote integrated regional development.

The principle of confronting the challenges and attracting the opportunities offered by international migration must be included in a framework that is based on regional interests and endeavours to exploit economic and social opportunities within a national and regional framework for international migration. Many factors significantly affect migration, including demographic changes in northern countries, the imbalance in the distribution of gross world product, worsening unemployment crises, decline in income, inflation, the shrinking compass of democracy, and the need to support human rights in the countries of the South. International migration must therefore be viewed in its contemporary context as a dynamic inclusive vision that links, through analysis, national and regional global changes, focuses on quality and depth rather than quantity when analysing the phenomenon, and considers more than financial utility and direct motivation, encompassing a deeper and larger development role. Such a vision must also draw on human rights as the basis for the shared responsibility of countries sending and receiving migrants, and support common interests, given that human rights objectives and development objectives share the same important values, including the freedom, welfare and dignity of everyone everywhere.

While the factors that determined patterns of migration in the past continue to exist, the technological and cognitive changes that have accompanied globalization have influenced the educational, cognitive and skills levels of migrants. Ambiguities have arisen in respect of international migration as a result of globalization. While markets, capital, goods and services have been liberalized, a commensurate liberalization of labour markets at both the official and legal levels continues to face obstacles governed by special interests in receiving countries. That is clear when the interests of both sending and receiving countries and of the migrants themselves are considered. Sending countries wish to safeguard migrant remittances that constitute an important source of finance for their economies, while endeavouring to reduce the migration of highly-skilled labour. Receiving countries issue laws restricting the entry of non-skilled labour, while taking various measures to attract manpower with information and technology skills. Migrants need to leave their home countries in search of better opportunities; when they are obstructed by official migration policies in either receiving or sending countries, illegal migration is the only alternative available to them.

The first section of this Report considers the trends and patterns of Arab migration. Since the 1970s, Arab migration has continued to change, not only with respect to size, but also as regards composition, the qualifications of migrants, the countries they target and the repercussions of migration in receiving and sending countries. For decades, the Arab labour market was instrumented in balancing the needs of countries with an excess of labour, high demographic rates and scarce resources, and those of countries with an economic surplus, low demographic rates and a scarcity of labour. In non-oil Arab countries, there has been increasing demographic growth and a consequent excess of labour; that excess is attracted to the demand for labour in oil countries. During the period under review, policies and laws have been based on the principle of giving employment priority to Arab workforces. As oil prices started to decrease on the international market, oil countries began to reconsider their economic policies, investment plans and development agendas. A new, restrictive phase began, involving measures aimed at reducing the number of new contracts, reducing salaries and wages and imposing taxes on the incoming workforce with a view to reducing dependence on such labour.

The second section of the Report addresses international migration and its relevance to development in Arab countries by discussing the relationship between international migration and demographic changes, human development and migrant remittances. The section includes a detailed analysis of the link between international migration and the main constituents of development; it discusses international migration and its link to demographic change, the distribution of the population by age group and gender, the migration of Arab women, human resource development, economic progress and labour markets. The analysis encompasses the opportunities, challenges and local and regional ambiguities generated by that relationship. The section therefore aims to underline the need to abandon the strategy of differentiating between international migration and development, and to adopt the principle of integration when dealing with the constituents of development and migration, thereby paving the way for the formulation of a broad strategy that goes beyond national borders to embrace the whole Arab region. The section also considers the relationship between Arab international migration and the development of human resources, a significant proportion of which moves across borders. The migrant group which is currently provoking most discussion are the women who work in services and specialized skills in the fields of knowledge production, information, scientific research and investment. With the acceleration of globalization and the openness of world markets, involving the removal of geographical and legal barriers to the flow of goods and services, the selective principle in support of skills migration became prevalent. As a result, numbers climbed, with variable repercussions in sending and receiving countries. There is an inseparable relationship between international migration and migrant remittances, of which the dimensions are apparent at the individual, national and regional levels. Real and in-kind migrant remittances, direct or indirect, are some of the best indicators of the real impact of revenue from international migration.

In order to devise a regional strategic vision to be used during consultations over and discussions about migration issues, the third section of this Report focuses on an analysis of the policies adopted by sending and receiving countries over various periods of time; in the past, present and future at the local, regional and international levels, in the light of economic, social and political changes. In this section, the Report considers the impact of migration policies and the need to link them to other policies within a clear development framework that is integrated at all levels. International migration still provides ample opportunities for development, through support for economic growth and by adapting, developing and using knowledge in development, provided that more fully comprehensive policies are in place and integrated with general and sectoral development policies, and management of regional migration is on sound bases that meet the needs of the regional and international situation. In view of the economic, social, political and demographic changes that are expected to occur at the regional level and the political changes and Government stances in sending and receiving countries, Governments must coordinate their positions and strengthen their cooperation, in order to realistically confront the challenges and benefit from the new opportunities produced by those changes within a framework that will help to ensure regional balance when future migration issues are tackled.

## **I. ARAB MIGRATION: PATTERNS, TRENDS AND EVOLUTION OF RELATED POLICIES**

### **A. ARAB MIGRATION: TRENDS AND PATTERNS**

International migration trends in sending Arab countries vary in the Arab Mashreq and the Arab Maghreb. Migrants from the former target the GCC States and Iraq, while those from the latter favour Europe. Since the early 1990s, migration to the GCC States has begun to fall off, and Arab Mashreq migrants have begun to seek alternatives. Migration towards Europe has remained steady, while migration to New World countries, including Australia, Canada, New Zealand and the United States of America, is increasing.

Two main trends have predominated in Arab migration. In the first, Arab oil countries receive incoming manpower because they lack sufficient national labour. In the second, non-oil countries with a relative excess of labour for which they are unable to provide appropriate job opportunities send migrants. Certain changes have imposed a new reality that has had a direct impact on Arab migration trends.

The Arab region includes countries that receive labour, to which numbers of migrants rose from 13 to 20 million in 2005, representing 10 per cent of the migrants in the world, and 25 per cent of all migrants in the least developed countries. The percentage of all migrants in developing countries represented by migrants in the Arab region rose from 18 to 26 per cent between 1990 and 2005. Of every 10 migrants, six live in GCC States: Saudi Arabia alone accounts for one third of all migrants.<sup>1</sup>

In 2005, three Arab countries were among the 20 top labour-receiving countries, namely, Saudi Arabia with 6.4 million migrants, the United Arab Emirates with 3.2 million, and Jordan with 2.2 million, representing 3.3, 1.7 and 1.2 per cent of all migrants in the world. It is estimated that 12.8 million foreigners currently live in GCC States, representing 36 per cent of all residents in those countries, which are estimated to have some 36 million inhabitants. It is estimated that half those migrants live in Saudi Arabia, and that the highest proportion of migrants in the population is in the United Arab Emirates, where they represent some 71 per cent of all residents. GCC States constitute the third largest bloc of receiving countries, after North America and Europe.<sup>2</sup> Studies indicate that migration to GCC States displayed the following features:<sup>3</sup>

1. The first period, 1945-1973: extensive migration of Arab labour to the region constituted some 85 per cent of all migrant labour in the early 1970s.
2. The second period, 1974-1975: a sudden and rapid increase in the number of Arab migrants to 1.8 million in 1975, representing 80 per cent of all foreign migrants in GCC States.
3. The third period, 1976-1979: a rapid increase in rates of migration from South Asia: the number of Pakistani nationals rose in merely three years from 200,000 in 1976 to 1,250,000 in 1979.
4. The fourth period, 1980-1984: the number of activities dependant on the employment of foreigners increased; the construction and services sectors attracted 60 per cent of foreign labour.

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<sup>1</sup> United Nations, Department of Economic and Social Affairs, Population Division, *International Migration in the Arab Region*, United Nations Expert Group Meeting on International Migration and Development in the Arab Region: Challenges and Opportunities, Beirut, 15-17 May 2006, (UN/POP/EGM/2006/14), p. 2.

<sup>2</sup> UN/POP/EGM/2006/9, p. 12.

<sup>3</sup> UN/POP/EGM/2006/8, p. 7 (of the Arabic text).

5. The fifth period, 1990 to date: with respect to Arab labour, sudden changes took place after the second Gulf war: such labour fell to less than 34 per cent of all foreigners, while the number of Asian workers and, in particular, those from South-East Asia, increased to two thirds of the total.<sup>4</sup>

While it is difficult to determine the size of foreign communities in GCC States, estimates indicate that 12.5 million foreigners were living in those countries in 2002, of whom 3.5 million were non-Gulf Arabs, while the remainder were Asians, who outnumber non-Gulf Arabs by a factor of three (see table 1).

TABLE 1. MAJOR EXPATRIATE COMMUNITIES IN GCC STATES  
(Estimates for 2002, thousands)

Receiving countries							
Sending countries	Bahrain	Kuwait	Oman	Qatar	Saudi Arabia	United Arab Emirates	Total
India	100	295	300	100	1 400	1 000	3 200
Pakistan	-	100	70	70	1 000	450	1 740
Bangladesh	-	160	110	-	450	100	820
Philippines	-	60	-	50	500	120	730
Sri Lanka	-	160	-	35	350	160	705

Source: E/ESCWA/SDD/2006/WG.1/3, p. 57 (of the Arabic text).

In the 1990s, a new trend appeared in migration to GCC States, related to the repercussions of the invasion of Kuwait by Iraq and the political stances of certain Arab regimes on that invasion. Statistical estimates in Kuwait show a decrease in the number of Arab migrants relative to the number of foreign inhabitants, from 59 per cent in 1989 to some 45 per cent in 2001<sup>5</sup> (see table 2).

TABLE 2. TRENDS AND DISTRIBUTION OF MIGRANTS IN ARAB RECEIVING COUNTRIES  
BY SENDING COUNTRY  
(Selected years, thousands)

Receiving country	Sending countries											
	Bangladesh		India		Indonesia		Pakistan		Philippines		Sri Lanka	
	1990	2005	1990	2002	1998	2001	1995	2003	1998	2003	2000	2004
Saudi Arabia	75	80	79	99	123	103	74	126	194	169	61	71
United Arab Emirates	8	62	12	95	9	11	28	61	35	49	33	33
Bahrain	5	11	7	21	0	0	1	1	5	6	6	4
Qatar	8	2	0	0	0	0	1	0	11	14	12	30
Kuwait	6	47	1	5	0	0	4	12	17	26	34	37
Oman	14	5	34	41	0	0	9	7	5	4	5	3

Source: UN/POP/EGM/2006/14, p. 5, table 3.

While the Gulf crisis was a major factor in determining migration trends in receiving countries, overlapping historical and economic factors helped to intensify those trends. There is a historical link between the Gulf countries and the Indian subcontinent: many migrants from the latter had settled in the Gulf countries before oil was discovered. Asian labour is considered cheaper than Arab labour and more willing

<sup>4</sup> UN/POP/EGM/2006/9, p. 12.

<sup>5</sup> UN/POP/EGM/2006/14, p. 6.

to accept difficult living conditions. Non-Arabs remain foreigners who are easily identified, and less likely to integrate into the Arab culture through marriage or any other way.<sup>6</sup>

Migration from East and South-East Asia is highly organized: arriving workers hold the nationalities of the companies they work for, which are undertaking major construction projects. They live in large complexes near project locations, well removed from the local population. The number of those migrants has increased in Bahrain, Kuwait, Qatar, Saudi Arabia and the United Arab Emirates.<sup>7</sup>

Arab labour has faced stiff competition from Asian foreign labour in the GCC States. That situation calls for a review of Arab workforce skills and educational training. Cost-effectiveness should not be the only criteria for receiving labour in the Gulf: the impact of Asian labour on the values and culture of the population, particularly children and adolescents, should also be considered.

While numbers of Asian migrants to the GCC oil countries are clearly high, the majority of migrants are not highly skilled: some 54.1 per cent of migrants to Saudi Arabia are illiterate or have received only primary education.<sup>8</sup>

Female migration to GCC States has also increased: from 1 million in 1990 to some 3.7 million in 2005. However, that increase cannot be compared to the increase in male migration of some 3.1 million, bringing the total to 9.1 million. Most migrant women are employed in domestic work: estimates indicate that 39 per cent of Filipinas and 81 per cent of Sri Lankan women work in domestic service.<sup>9</sup>

While the GCC States are predominantly receiving countries, they exhibit another foreign migration trend in that more than 60 per cent of migrants from Kuwait, Qatar and the United Arab Emirates left to pursue their studies, most commonly in European countries.<sup>10</sup>

It may be concluded from the foregoing that migration flows to the GCC oil States which receive most migrants exhibit the following indicators and dimensions:

1. A trend towards replacing Arab labour with Asian labour, particularly after the first Gulf war in the mid 1990s.
2. International migration from certain South-East Asian countries, and, in particular, from Bangladesh, the Philippines and Sri Lanka, is concentrated in the GCC States. Migrants originating from those Asian countries are for the most part poorly educated and low-skilled.
3. Counter-migration takes place from GCC States to European countries, to which educated migrants, mainly students, go to pursue their studies.

#### B. MIGRATION POLICIES IN RECEIVING COUNTRIES AND THEIR REGIONAL DIMENSIONS

Migration policies in GCC States have had to face many challenges, the most significant of which are the following:<sup>11</sup>

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<sup>6</sup> Robert Mayor, *Al amala alwafida waanmat altanmiya alektisadiya fi albuldan alnaftiya*, (Arabic only) in *Foreign Labour in Arab Gulf Countries*, Centre for Arab Unity Studies, Arab Planning Institute, Kuwait, first edition, 1983, p. 383.

<sup>7</sup> E/ESCWA/SDD/2006/WG.1/3, p. 6.

<sup>8</sup> UN/POP/EGM/2006/9, p. 12.

<sup>9</sup> UN/POP/EGM/2006/14, pp. 7-8.

<sup>10</sup> UN/POP/EGM/2006/1, p. 3.

<sup>11</sup> E/ESCWA/SDD/2006/WG.1/3, pp. 19-24.

1. Demographic imbalance: in 2001, United Arab Emirates nationals represented only 22 per cent of the total population and 8.7 per cent of the workforce. The comparable figures for Qatari nationals were 30 per cent and 14.1 per cent respectively.
2. A decrease in the aggregate productivity of the national workforces, in particular between 1980 and 2000, at an annual rate of 2.9 per cent in the United Arab Emirates and 2.5 per cent in Saudi Arabia. That decrease may be attributed to the fact that investment in financial markets exceeds direct investment in local productive projects.
3. An increase between 2001 and 2004 in the unemployment rate of national workforce: in the United Arab Emirates from 2.3 per cent to 3 per cent, in Bahrain from 2.5 to 3.1 per cent, in Saudi Arabia from 5.9 to 6 per cent, and in Oman from 5 to 7.1 per cent. The unemployment rate in Kuwait decreased from 1.8 to 0.7 per cent. Unemployment among young and recent graduates, both male and female, is most widespread in Bahrain, Oman, Saudi Arabia and the United Arab Emirates. Estimates indicate that most unemployment in all GCC States is so-called voluntary unemployment, in that many young people are waiting to get a highly-paid job in the public sector. There is also structural unemployment caused by the low productivity of national workers and the quality of their skills compared with those of migrant workers.
4. Migrant worker remittances increased to \$24 billion per annum in 2004, of which 63 per cent was from Saudi Arabia, 15 per cent from the United Arab Emirates and the remainder from other GCC States. Such remittances represent lost investment opportunities because appropriate investment tools were not available to absorb them within the GCC economies.
5. When migrant workers stay for long periods of time, political, social and cultural trends are affected, and opportunities and challenges are presented. Opportunities for nationals to obtain desirable posts filled by foreigners are reduced, as are the chances of changing the workforce and employing more highly-skilled labour.
6. There is a need to adopt new migration policies based on so-called substitution, whereby jobs in both the public and private sectors are carried out by nationals, in order to reduce, to the extent possible, the number of migrant workers.

GCC States have adopted a set of policies that are appropriate to their circumstances. Set forth below are some of the programmes and measures that have been implemented by certain GCC States with a view to influencing migrant labour:<sup>12</sup>

1. In 2003, Saudi Arabia devised a strategy aimed at reducing the number of foreign workers and their families to some 20 per cent by 2013. In 2004, there were 6.2 million such migrants, representing 27 per cent of the total population.<sup>13</sup> Against that background, in 2003 an initiative was launched through the Ministry of Labour to accelerate the replacement of 9,800 foreigners working in banks and financial institutions by Saudi nationals and promote the so-called nationalization of the labour force.<sup>14</sup>
2. Payment has been required for health services since 1999 in Kuwait and 2001 in Saudi Arabia. In Bahrain, it is obligatory for employers and employees to contribute to health insurance for workers. In the United Arab Emirates, the cost of health treatment is between 500 and 4,000 Dirham (Dh), corresponding to \$136-1,089, depending on the illness and treatment required.
3. Fees for work permits and renewal of some have been increased, as in Kuwait.

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<sup>12</sup> UN/POP/EGM/2006/3, pp. 4-8.

<sup>13</sup> UN/POP/EGM/2006/14, p. 13.

<sup>14</sup> Ibid., p. 14.



4. In Kuwait, employers must pay an annual fee of some 50 Kuwait dinars (KD)/\$170 for each employee.
5. In the United Arab Emirates, documents must be officially verified at a cost of Dh510/\$139.
6. In Saudi Arabia, each foreign worker pays 100 Saudi riyals (SAR)/\$26.6, to support the workforce training programme. Workers whose residence permits have expired and migrants without a legal residence permit are deported.
7. The Saudi authorities have deported some 2,700 migrants who had overstayed their residence permits, most of whom were Arab or African. They also closed 45 illegal clothing factories, deported a number of female under-aged migrants, alcohol sellers, and persons of no fixed abode. Within four months, some 150,000 foreigners were deported.
8. The Government of Bahrain has promulgated a set of penalties to be imposed on persons who employ or harbor foreign workers without official authorization. The penalty is a maximum of three months imprisonment or a fine of up to 500 Bahraini dinars (BHD)/\$1,326. Accordingly, in 2005, 4,013 migrant workers left within a period of eight months.
9. The United Arab Emirates deports migrants whose contracts and residence permits have expired. Some 100,000 workers have been deported. Saudi Arabia has taken similar measures against persons who overstay the migration or pilgrimage period, as a result of which some 700,000 illegal residents have left.
10. New and renewed work permits are strictly controlled and monitored; numbers of work permits to be issued annually are determined on the basis of job opportunities and fields in which nationals are not employed.
11. Monitoring of the trade in entry permits to Arab countries through so-called sponsorship sale has been tightened. It is estimated that 600,000 migrants to the United Arab Emirates have obtained permits in that manner, representing some 27 per cent of the total workforce. The *Kuwait Human Development Report 1997* identified the visa trade as a major factor in the influx of foreign workers to unofficial labour markets. Visa traders earn large amounts: the cost of a visa for an Indian migrant to the United Arab Emirates is Dh7,500/\$2,042. Such measures have already reduced the demand for migrant labour in GCC labour markets.

While nationalization policies in favour of the national labour force have not been as effective as expected, they have helped to reduce the number of foreigners. The proportion of the total population represented by foreigners has either remained steady or increased in most GCC States, with the exception of Saudi Arabia, where the ratio of foreigners in the total labour force declined from 64 per cent in 1995 to 50 per cent in 2002, and Kuwait, where there has been a decline in the proportion of foreigners in the total population, in particular since the Gulf war.<sup>15</sup> GCC States have therefore striven to affect employment supply by adopting new measures, including the following:<sup>16</sup>

1. Spending millions of dollars on training for jobs which are in demand in the Saudi labour market and on technical schools.
2. Offering private sector companies such financial incentives as paying half the monthly salary in order to encourage them to hire Saudi nationals.

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<sup>15</sup> UN/POP/EGM/2006/14, p. 16.

<sup>16</sup> UN/POP/EGM/2006/3, p. 9.

3. Raising the cost of employing foreign workers by imposing constraints on demand for such workers. In Bahrain, the cost of foreign domestic workers is BHD150, as against BHD50 for national labour.
4. GCC States are reluctant to adopt any projects aimed at integrating foreign workers into their societies.<sup>17</sup>

### C. MIGRATION POLICIES IN SENDING COUNTRIES AND THEIR REGIONAL DIMENSIONS

Migration policies in sending countries relate to the occupational and educational profiles of migrants, and whether their migration is temporary or permanent. The majority of Arab countries seek to encourage the migration of low-skilled labour in order to alleviate the structural imbalances of the local labour market, and do not favour the migration of high-skilled labour.<sup>18</sup>

Policies devised by Arab migrant sending countries differ with respect to level and structure depending on the nature of the period during which the migration is taking place, and based on the development philosophy that has been adopted.<sup>19</sup> Arab sending countries have adopted a number of policies to manage and organize the migration process and ensure that a relation is maintained with migrants. Some countries have contracted bilateral agreements with receiving countries with a view to organizing migration inflows and directing excess manpower towards the most labour-intensive industrial sectors.<sup>20</sup>

With that aim in view, Egypt collaborated with Italy in establishing the Integrated Migration Information System (IMIS) project in order to facilitate the mobility of Egyptian migrants willing to take job opportunities made available in the Italian labour market through official agreements between the two countries.<sup>21</sup> Many Arab sending countries have also sought to link migration policies to the national interest through economic and social development plans. Against that background, in 1996 Egypt established the Ministry of Manpower and Immigration, in order to help migrants by providing them with information about available job opportunities in receiving countries. In 1962, Algeria and Tunisia established governmental institutions responsible for migrant issues.<sup>22</sup>

In its 1998 development plan, Morocco included measures aimed to increase emigration with a view to minimizing unemployment in the local labour market, increasing the contribution of migrant remittances to the national economy and raising national workforce skill levels.<sup>23</sup> Tunisia has also sought to adopt policies aimed at enabling the national economy to assimilate migrants returning after the 1974 European migration crisis by finding channels for investments and savings and benefitting therefrom.<sup>24</sup>

The policy in Yemen encourages migration to neighbouring countries. Yemen has made every effort to find new job fields that match the skills of its workforce. The private sector is encouraged to establish training centres to provide workers with the skills necessary to assist them to migrate. In 1973, Algeria concluded an agreement with France aimed at encouraging migrants to return: the government viewed

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<sup>17</sup> UN/POP/EGM/2006/9, p. 20.

<sup>18</sup> Philippe Fargues, Jean-Pierre Cassarino, Abdelkader Latreche, *Mediterranean migration: an overview*, Fargues Phillippe (ed.), Mediterranean Migration 2005, European University Institute, 2005, p. 22.

<sup>19</sup> UN/POP/EGM/2006/9, p. 22.

<sup>20</sup> Philippe Fargues, Jean-Pierre Cassarino, Abdelkader Latreche, *Mediterranean migration: an overview*, Mediterranean Migration 2005, European University Institute, 2005, p. 11.

<sup>21</sup> UN/POP/EGM/2006/14, p. 20.

<sup>22</sup> Philippe Fargues, Jean-Pierre Cassarino, Abdelkader Latreche, *Mediterranean migration: an overview*, p. 11.

<sup>23</sup> Ibid., p. 15.

<sup>24</sup> UN/POP/EGM/2006/9, p. 15.

migrant remittances as much less significant than such other sources of income as oil and gas exports. The Government also views migration as a relic of the colonial era.<sup>25</sup>

While one purpose of migration policies was to rid sending countries of surplus manpower, particularly the less-skilled, the fact is that unemployment in Arab sending countries, especially among university graduates, considerably affects the volume of migration from those countries. Those countries have therefore begun to consider migration as a loss of rare human skill resources rather than as a chance for migrants to enhance their skills and expertise abroad and bring back with them should they decide to return.<sup>26</sup>

Because of the importance of migrant remittances in bridging financial deficits, migration policies contain provisions to facilitate remittances, including establishing branches of national banks in receiving countries, alleviating restrictions on remittances and permitting migrants' current accounts to be in local currency.<sup>27</sup>

Sending countries have endeavoured to maintain migrants' civil rights, and increase their identification with their native culture by organizing language and religious classes for second generation migrants. Some Arab countries consider their migrants as communities and have endeavoured to empower them economically and support their status abroad by establishing many public institutions to communicate with them, enhance their integration in receiving countries and reinforce their ties with their home countries.<sup>28</sup> Some Arab countries, including Algeria, have adopted policies to protect migrants' political rights and, in particular, the right to participate in elections through their embassies, thereby helping to consolidate migrants' ties to their home countries.<sup>29</sup>

Migration in the main sending countries in the Arab region can be summarized as follows:

1. Encouraging migration in order to alleviate the pressure of the local labour market crisis and benefit from migrant remittances as a source of national income.
2. Willingness to encourage the migration of low-skilled workers, who will acquire new skills from which their countries will benefit when they decide to return, and a reluctance to promote the migration of skilled labour because of the importance of their role in modernization and development.
3. Enhancing ties with migrants by establishing branches of national banks in receiving countries and ministries or offices servicing migrants, legislating for the right of migrants to vote through the embassies of their countries, and supporting migrants' organizations abroad.

#### D. CHANGES IN THE VOLUME AND CHARACTERISTICS OF ARAB MIGRATION TO THE GCC STATES

Over the 10 years since 1975, the policies adopted by GCC States reduced the number of Arab migrants to those countries from 72 to 56 per cent. That percentage continued to drop until, in 2002, such migrants represented 25-29 per cent of all foreigners. The highest decrease was in Kuwait and Saudi Arabia. In the latter, the relevant figure fell from 91 per cent in 1975 to 43-47 per cent in 2002. Over the past

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<sup>25</sup> Ibid., p. 15.

<sup>26</sup> Ibid., p. 16.

<sup>27</sup> Ibid., p. 23.

<sup>28</sup> Ibid., p. 24.

<sup>29</sup> Ibid., pp. 24-25.

20 years, the percentage of Arab migrants in Kuwait has dropped from 80 to 34 per cent, while, in 2002, that figure in Bahrain and the United Arab Emirates had fallen to 10 per cent.<sup>30</sup>

According to data from Arab sending countries, 1,912,279 out of 2,736,729 Egyptian migrants resided in Arab countries in 2000, of which some 923,600 in Saudi Arabia, 226,850 in Jordan and 33,260 in the Libyan Arab Jamahiriya. Since 1975, Lebanese migrants have been distributed as follows: North America: 179,281; Western Europe: 148,272; Arab countries: 123,966; rest of world: 75,720.<sup>31</sup>

TABLE 3. ARAB MIGRANTS AS A PERCENTAGE OF THE TOTAL MIGRANT COMMUNITY, 1975-2002  
(Percentage)

Country \ Year	1975	2002
Bahrain	22	10
Kuwait	80	34
Oman	16	11
Qatar	33	25
Saudi Arabia	91	37-43
United Arab Emirates	26	10
GCC States	72	25-29

Source: E/ESCWA/SDD/2006/WG.1/3, p. 58.

The data indicate that in the late 1990s, the number of foreigners in GCC States was estimated at some 10 million, the largest community being Egyptian, followed by Yemenis and Jordanians. The authorities in Yemen estimate the number of migrants to Saudi Arabia at some 1.7 million, while the Saudi estimate is 900,000. In 1990, before the second Gulf war, there were some 605,000 Jordanian and Palestinian migrants.<sup>32</sup>

That war produced a marked change in the composition of foreign workforces in GCC States. The 1.5 million Arabs who left those countries included 1 million Yemenis from Saudi Arabia and 200,000 Jordanian, 150,000 Palestinians and 158,000 Egyptians from Kuwait<sup>33</sup>. As a result, Arab migrants have become a minority in GCC States, representing 46 per cent of all foreigners in Kuwait, 38 per cent in Saudi Arabia, some 25 per cent in Qatar, 10 per cent in the United Arab Emirates and less than 10 per cent in Oman.<sup>34</sup> Once the war was over, certain Arabs, included Egyptians, Lebanese and Syrians, returned to Kuwait; however, opportunities for Iraqi, Palestinian, Sudanese and Yemeni migrants were curtailed.<sup>35</sup>

In the 1980s, the proportion of female migrants of all nationalities to GCC States increased: in Kuwait, for example, the increase was from 20.6 to 36.2 per cent. While the proportion of Arab labour in those countries fell, the proportion of skilled Arab labour compared to Asian labour rose. Arabs work mostly in Arabic teaching schools, while a large number of Asians are employed in such domestic services as nannies, maids and drivers.<sup>36</sup>

<sup>30</sup> E/ESCWA/SDD/2006/WG.1/3, p. 9.

<sup>31</sup> UN/POP/EGM/2006/9, p. 8.

<sup>32</sup> E/ESCWA/SDD/2006/WG.1/3, p. 9.

<sup>33</sup> Ibid., p. 9.

<sup>34</sup> UN/POP/EGM/2006/9, p. 12.

<sup>35</sup> E/ESCWA/SDD/2006/WG.1/3, p. 10.

<sup>36</sup> Mohamad Lamine Fares, "Remittances of labour migrants in the Arab region: characteristics and impact", a paper submitted to the Expert Group Meeting on International Migration and Development in the Arab Region: Challenges and Opportunities, Beirut 15-17 May 2006, Department of Economic and Social Affairs and ESCWA, 8 May 2006, (E/ESCWA/SDD/2006/WG.1/5), p. 6 (of the Arabic text).

TABLE 4. ARAB RESIDENTS IN KUWAIT BY NATIONALITY AND THEIR PROPORTION OF THE TOTAL POPULATION, MAY 1996

Nationality	Number	Percentage	Nationality	Number	Percentage
Kuwait	792 743	34.58	United Arab Emirates	1 120	0.00488
Palestine	8 640	0.0037	Qatar	525	0.000229
Egypt	273 950	11.9	Sudan	917	0.00400
Jordan	29 305	0.012	Somalia	4 695	0.00204
Iraq	9 810	0.0042	Tunisia	447	0.000195
Syrian Arab Republic	94 230	0.0411	Morocco	1 357	0.00529
Saudi Arabia	930 150	0.0406	Mauritania	70	0.00305
Lebanon	34 720	0.0151	Algeria	720	0.000959
Yemen	3 118	0.00136	Libyan Arab Jamahiriya	70	0.000305
Oman	3 370	0.00147	Djibouti	50	0.0000218
Bahrain	4 000	0.00174			
Total Arabs				1 378 387	60.01

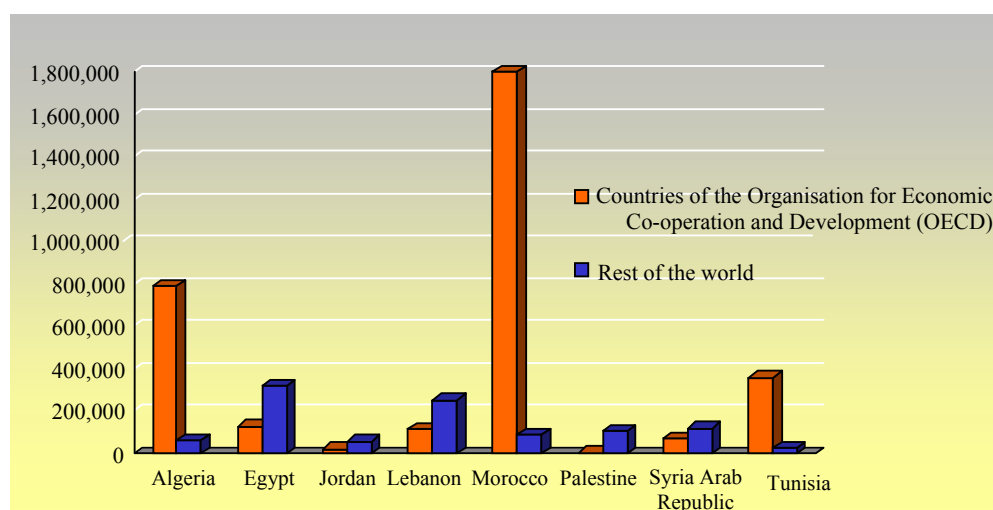
Source: E/ESCWA/SDD/2006/WG.1/3, p. 58.

#### E. CHANGES IN THE VOLUME AND CHARACTERISTICS OF ARAB MIGRATION TO EUROPE AND THE UNITED STATES

Demographic, social and economic imbalances and problems have increased rates of migration. Data indicate that in early 2000, some 4.3 million persons emigrated from eight Arab countries, namely Algeria, Egypt, Jordan, Lebanon, Morocco, Palestine, the Syrian Arab Republic and Tunisia.<sup>37</sup>

The data from five Arab labour-sending countries indicate that Europe is the preferred destination for migrants from those countries. Of the first generation of Arab migrants, some 59 per cent went to Europe; the oil-producing countries ranked second as labour-receiving destinations<sup>38</sup> (see figure I).

**Figure I. Distribution of Arab migrants according to sending country statistics**  
(Various years)



Source: UN/POP/GEM/2006/9.

<sup>37</sup> UN/POP/EGM/2006/9, p. 7.

<sup>38</sup> ESCWA, "The regional dimension of international migration and development in the Arab region", a Power Point presentation at the side event of the High Level Dialogue on International Migration and Development, New York, 14-15 September 2006.

In 2000, 4.9 million persons born in Arab countries were living in countries of the Organisation for Economic Co-operation and Development (OECD), representing 11.8 per cent of all foreign-born residents. The size of Arab communities in that figure ranged from 7.5 per cent for Lebanon to 4.2 per cent for Algeria (see table 5).

TABLE 5. RATES OF MIGRATION IN 2000 FROM SOME ARAB COUNTRIES TO COUNTRIES OF THE OECD AND GCC STATES BY COUNTRY OF BIRTH

Country	Number of migrants	Rate
Lebanon	353 657	7.5
Morocco	1 604 702	5.2
Tunisia	443 710	4.4
Algeria	1 364 674	4.2

Source: UN/POP/EGM/2006/11.

Analysis of migration trends from Arab Maghreb countries, namely, Algeria, Morocco and Tunisia, indicate that France is the most favoured destination for Arab migrants, particularly for first-generation migrants: the number of such migrants was estimated to be some 1,733,441 at the end of 1999. In late 2005, the number of migrants to Spain was estimated at some 566,967; in 2003, there were some 347,156 migrants to Italy; and in 2002, there were estimated to be 222,807 migrants in Germany. According to data from receiving countries, the majority of the estimated 1,812,515 migrants in the European Union came from Morocco, followed by Algeria (789,459), Tunisia (385,926) and Egypt (127,060)<sup>39</sup> (see table 6).

TABLE 6. ARAB MIGRATION TRENDS TO SOME COUNTRIES OF THE EUROPEAN UNION BY SENDING COUNTRY (VARIOUS YEARS, ACCORDING TO STATISTICS OF RECEIVING COUNTRIES)

Sending countries \ Receiving countries							
	Algeria	Egypt	Jordan	Lebanon	Morocco	Tunisia	Syrian Arab Republic
France	685 558	19 574	933	33 278	725 782	260,622	10 826
Spain	46 278	2 501	1 297	1 442	511 294	1 566	2 579
Italy	15 750	40 879	2 011	3 333	223 661	58 626	2 505
Germany	17 308	14 477	10 435	47 827	79 838	24 243	28 679
Netherlands	4 013	10 982	833	2 861	168 400	4 117	6 663
Belgium	7 221	793	-	1045	83 631	3 263	815
Greece	267	7 448	672	1 277	526	231	5 552

Source: UN/POP/EGM/2006/9, p. 8.

In terms of age, Arab migrants are young: three quarters of all migrants are aged under 35 years and 50 per cent are aged under 25 years. Those proportions differ from one country to another: some 20 per cent of migrants from Algeria, Egypt, the Libyan Arab Jamahiriya and Tunisia are aged over 65. Migrants from Morocco to Spain and Italy however, are predominantly young and low-skilled, seeking employment in construction, agriculture and services. Lebanese migration rates remain high<sup>40</sup> (see table 7).

<sup>39</sup> UN/POP/EGM/2006/09, p. 8.

<sup>40</sup> UN/POP/EGM/2006/11, pp. 7-8.

TABLE 7. DISTRIBUTION OF MIGRANTS TO SOME OECD COUNTRIES BY AGE GROUP IN 2000

Age group \ Country	15-24	25-34	35-44	45-54	55-64	65+
Algeria	4.2	10.0	21.01	22.2	19.8	12.7
Egypt	6.6	15.7	23.1	23.0	14.0	17.6
Jordan	12.6	27.7	31.8	16.4	6.4	5.0
Lebanon	11.0	24.4	27.7	17.2	10.2	9.5
Morocco	13.9	22.0	24.5	20.9	11.0	7.7
Tunisia	4.5	11.9	22.3	25.4	16.9	19.2
Libyan Arab Jamahiriya	4.3	11.1	23.4	20.5	23.1	17.6

Source: UN/POP/EGM/2006/11, p. 8.

Male Arab migrants to GCC States outnumber females. With the exception of Algeria and the Libyan Arab Jamahiriya, only 45 per cent of migrants are female, compared to the global figure of 49 per cent. The number of women in the local labour market remains under 40 per cent, despite current improvements in the educational attainment of women in the Arab region. Female migrants are mostly low-skilled, particularly in Egypt, Jordan, Lebanon, the Libyan Arab Jamahiriya and the Syrian Arab Republic<sup>41</sup> (see table 8).

TABLE 8. MIGRANTS AGED 15+ TO OECD COUNTRIES IN 2000 BY SENDING COUNTRY

Gender \ Country	Male	Female
Algeria	52.2	47.8
Egypt	57.7	42.3
Jordan	61.3	38.7
Lebanon	55.0	45.0
Libya Arab Jamahiriya	52.0	48.0
Morocco	56.3	43.7
Syrian Arab Republic	54.9	45.1
Tunisia	55.4	44.6
Yemen	63.7	36.3

Source: UN/POP/EGM/2006/11, p. 10.

Some of Arab sending countries and, in particular, Jordan and Lebanon are both sending and receiving countries, as a result of specific imbalances in the local labour market. Notwithstanding the high levels of unemployment of the Jordanian population, there are substantial inflows of migrants, from Egypt in particular. Moreover, the flow of migrant labour from East Asia is on the increase, particularly from Bangladesh and Sri Lanka. The majority of these migrants are female. At the same time, many skilled Jordanians have left to seek work in GCC States because of the constraints of the labour market in Jordan.<sup>42</sup>

While many Lebanese have migrated to work abroad, waves of migrant workers continue to enter Lebanon from Egypt and East Asia, most of whom work in low-skill service occupations. According to estimates, some 18,000 male and female workers from Sri Lanka entered Lebanon in 2004.<sup>43</sup>

<sup>41</sup> Ibid., p. 10-12.

<sup>42</sup> UN/POP/EGM/2006/14, p. 6.

<sup>43</sup> Ibid., p. 6.

In the light of the foregoing, migration from Arab sending countries appears to have some features that constitute a general framework for migration trends and patterns in those countries, including the following:

1. Most migrants are from the low-skilled and less-educated sectors of society, in Algeria, Morocco and Tunisia in particular.
2. The percentage of migrants represented by women has fallen.
3. Since the Gulf crisis of the 1990s, most migrants, from Arab Maghreb countries in particular, and also from Egypt, Jordan and Lebanon, target European countries.
4. A special migration pattern has emerged in Arab countries and, in particular, Jordan and Lebanon, which are both sending and receiving countries.



## II. INTERNATIONAL MIGRATION AND DEVELOPMENT

### A. DEMOGRAPHIC TRANSITION AND MIGRATION

Demographic transition is the “passage from the state of high fertility and mortality rates to the state of low fertility and mortality rates”.<sup>44</sup> That transition takes place in two stages:

- Stage one: the rate of child and infant mortality falls, while fertility rates remain high, thereby causing a rise in the demographic growth rate, the ratio of young age groups and the dependency rate;
- Stage two: the fertility rate falls gradually until it reaches the replacement rate of 2.11 children/woman; the demographic growth rate decreases and tends to remain stable, the ratio of young age groups falls; the proportion of the working age population, which includes the young age group of the first phase, rises; and the dependency rate decreases, albeit it rises again as the number of ageing persons rises as a result of this transition.

The fall in fertility and mortality rates is directly reflected in the natural demographic increase rate. United Nations projections (moderate probability) indicate a faster decrease for those rates in countries where the demographic transition process has progressed. In such countries as Yemen, where the decrease of the fertility rate is still at the preliminary stage, the natural increase rate will remain stable throughout the period 2000-2020, before decreasing slowly to 22 per cent in 2020-2040; much progress will have to be made before the demographic situation stabilizes. The pattern of the decrease is different in countries, namely, Lebanon and Tunisia, where fertility rates have decreased: the natural increase rate is gradually falling and will reach zero by the 2050s, when the demographic situation will be completely stable. Projections indicate that the natural demographic increase rate will drop below 1 per cent in 2020-2025 in most countries where demographic transition has taken place, namely, Algeria, Bahrain, Morocco, Qatar, Tunisia and the United Arab Emirates, while it will drop by more than 2 per cent in Mauritania and Yemen.<sup>45</sup>

One of the most important results of demographic transition is the increase in the proportion of the working age population (15-59) and ageing persons, and the decrease in the ratio of children aged under 15 years. The youth population will remain significant in all Arab countries, most of which will enjoy a period of demographic well-being, in which the proportion of the working age population will remain high until 2020 or beyond, depending on the particularities of each country.

The demographic window<sup>46</sup> is one of the positive aspects of the demographic transition process that can be used to improve work productivity and devise plans for intergenerational solidarity. It can also be useful for the consolidation of social security plans, because the number of inhabitants who are part of the workforce during that period will exceed the number of those who are not. That period of demographic welfare may permit the creation of many opportunities to invest in the Arab region and optimize the exploitation of its natural and human resources by providing modern teaching and knowledge techniques and the participation of all groups in economic activity.

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<sup>44</sup> Heba Ahmad Nassar, “Demographic transition, employment and labour migration in the Arab region”, a paper submitted to the Expert Group Meeting on International Migration and Development in the Arab Region: Challenges and Opportunities, Beirut 15-17 May 2006, (E/ESCWA/SDD/2006/WG.1/6), p. 2 (of the Arabic text).

<sup>45</sup> Ibid., pp. 35-44.

<sup>46</sup> A period in which societies experience demographic transitions that bring about important changes in the age structure of the population, whereby the proportion of the working age population exceeds that of other age groups. The emergence of the demographic window can be determined by the period of time during which the ratio of the age group 0-15 falls below 30 per cent, while the ratio of those aged 65 + remains below 15 per cent.

## B. DEMOGRAPHIC TRANSITION AND MIGRATION PRESSURES

Demographic transition influences economic growth and the employment of workforces through the following three channels:

(a) The labour market: its impact is determined by the size of the working-age population, rate of participation in the workforce and the number of working hours per worker. The positive impact of demographic transition on employment depends on the nature of the labour market and the production structure;

(b) Saving, investing and employing: the savings are determined by age group: they increase at the age of 45 years and decrease in the 30 year age group. Increased savings contribute to the reinforcement of local investment, and thus to growth and employment. Institutions and financial markets must be established in order to mobilize savings and direct them towards inward investment; in that case, migrant remittances can have greater impact;

(c) Education and human capital: increased dependency rates reduce the capacity of families to invest in the education of their children; increased life expectancy at birth supports increased education rates by improving the returns on lifetime education.<sup>47</sup>

The demographic window raises many issues, the most significant of which is the provision of sufficient job opportunities to reduce unemployment rates, ensure optimal investment of youth capacities, eradicate poverty, enhance work productivity in order to increase the competitiveness of Arab economies, and improve social security and health plans, welfare programmes dedicated to special groups and ageing persons, while consolidating the principle of solidarity between community groups and the different generations, and capitalizing on international migration for the development of the national economy. Aspects of the relationship between demographic transition and international migration is summarized in the following two scenarios:

- One: use of the demographic window to increase economic growth rates, improve services and upgrade citizens' quality of life, skills and educational qualifications. In this scenario, migrant remittances clearly influence development and reduce unemployment rates;
- Two: the demographic opportunity is lost, and the pressure for international migration increases: unemployment rates increase because of the rise in numbers of the working age population and failure to provide sufficient job opportunities. The fact that unemployment is on the rise in most Arab countries, among youth in particular, seems to indicate that this scenario is more than likely.

Against that background, the future of Arab migration is in doubt in view of new economic, social and political development challenges at the regional and international levels that coincide with the drastic demographic transitions that the countries of the region will undergo. Population increase has usually led to a fall in savings and investment because of increased dependency rates during the early phases of demographic transition. In 2000, that rate was 27 per 100 persons. However, at the end of the twentieth century, demographic trends in the Arab region gradually evolved towards a structural change in the age of the population in the region. The gradual decrease in fertility rates was accompanied by a change in the age of the population: the size of the population of working age (15-65) rose from 70 million in 1990 to some 130 million in 2010, representing a net increase of 33 million, while the ratio to the total population of the 65+ age group remained low. There was a net increase in the 15-24 age group of 17 million between 2000 and 2010. Most economic experts consider that structural population trends in the region could constitute an opportunity to increase savings and investment because of the decrease in dependency rates caused by lower fertility rates. Unless such savings and investment are used to absorb the growing working age population, the opportunity will be lost, and there will be increased demand for international migration. Current demographic trends in some countries could be positive if synchronized with appropriate economic and

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<sup>47</sup> Ibid., pp. 2-3.

social policies targeting youth, but could have a negative impact on development if decision makers fail to integrate them in their plans at an early stage and create suitable conditions and a favourable political environment. Those trends could prove unsatisfactory if economic and social policies fail to take into consideration the needs of the 15-25 years age group and, in particular, the need to create productive and reasonably remunerated job opportunities, provide integrated reproductive health plans, empower women and ensure the political participation of all.

It may be concluded from the above that the identification of the policies necessary to benefit from the demographic opportunity and build workforce capacities to match local market requirements is linked to both demographic predictions and trends and the economic, social and political challenges faced by the region, and requires the analysis of numerous correlated variables that constitute a series of challenges. Should those challenges be neglected, they could constitute factors which waste human resources and labour as the result of policies and legislation that are inappropriate and exacerbate the existing imbalance in labour markets. One likely outcome that Governments will have to face is increased demand for migration and the social and political pressures that may arise because of the difficulty of meeting that demand, caused by policies and legislation adopted by receiving countries, most of which are currently taking measures to block and tighten access to migration.<sup>48</sup> On the one hand, opportunities to reduce migration and unemployment are associated with the extent to which national economies adapt to and integrate into the global economy, while, on the other hand, demographic transitions constitute an opportunity that will not be repeated in the twenty-first century to build a productive economy offering new job opportunities and, consequently, reducing migration and offering everyone a viable option of remaining in their own country.<sup>49</sup>

### C. FEMALE MIGRATION IN THE ARAB REGION

There is a clear difference in female immigration into and emigration from the Arab region with respect to migration volumes and patterns and migrant qualifications. In 1990, 50 per cent of all global migrants were women. The proportion was estimated at 46 per cent in developed countries, but no higher than 36 per cent in the Arab region. Table 9 shows a clear difference in the Arab region in the nature, scope and tendencies of female migration. While policies in receiving countries generally tend to reduce migration, it is estimated that female migration to GCC States rose from 1 million in 1990 to some 3.7 million in 2005.

TABLE 9. NUMBER OF MIGRANTS BY GENDER IN VARIOUS REGIONS OF THE WORLDS

Country	Number of migrants (millions)		Number of migrants (millions)		Percentage of females	
	1990		2005		1990	2005
	Male	Female	Male	Female		
World	76.0	79.0	94.5	96.1	49.0	49.6
More developed regions	42.8	39.6	60.3	55.1	52.0	52.2
Less developed regions	33.2	39.4	34.3	41.0	45.7	45.5
Arab region						
Arab Maghreb countries	0.3	0.5	0.4	0.6	41.6	41.1
Arab Mashreq countries	1.7	1.8	2.8	3.0	48.7	48.6
GCC States	2.6	6.0	3.7	9.1	31.4	29.2
Bahrain	0.0	0.1	0.1	0.2	28.5	30.9
Kuwait	0.6	0.9	0.5	1.2	39.0	31.0
Oman	0.1	0.4	0.1	0.5	20.9	20.9
Qatar	0.1	0.3	0.2	0.5	25.8	25.8
Saudi Arabia	1.4	3.3	1.9	4.4	30.0	30.1
United Arab Emirates	0.4	1.0	0.9	2.3	28.5	27.8

Source: UN/POP/EGM/2006/14, p. 7.

<sup>48</sup> Demographic transition and its implications for employment and international migration, UN/POP/MIG-FCM/2005/07.

<sup>49</sup> United Nations, Plan of Action of International Conference on Population and Development, Cairo 1994.

The proportion of females in foreign workforces is estimated at 34 per cent in Oman, 24 per cent in Kuwait, 19 per cent in Bahrain, 14 per cent in Qatar and 13 per cent in Saudi Arabia.<sup>50</sup>

TABLE 10. ESTIMATED NUMBER OF FEMALE MIGRANTS IN WORK FORCES COMPARED WITH NUMBER OF FEMALE NATIONALS IN GCC STATES

Country	Year	Proportion of population in the work force (Total work force in thousands)		Foreign work force (thousands)		Percentage of women in the work force	
		Female	Male	Female	Male	Total	Foreigners
Bahrain	1981	19	127	7	74	13.2	8.8
	2003	74	256	37	157	22.4	19.0
Kuwait	1995	195	551	144	442	26.1	24.5
	2003	361	1.58	257	890	25.4	22.4
Oman	1993	68	637	45	38.7	9.7	10.4
	2001	-	-	183	347	-	34.5
Qatar	1986	19	181	16	163	9.3	9.2
	2001	50	273	37	240	15.6	13.2
Saudi Arabia	1974	96	1.621	20	371	5.6	5.1
	2002	901	5.341	436	2.657	14.4	14.1
United Arab Emirates	1980	28	532	26	479	5.0	5.2
	2000	252	1.657	-	-	13.2	-

Source: UN/POP/EGM/2006/14, p. 8.

Table 10 shows the following:

1. The proportion of female migrants in the workforce has increased in some Arab countries.
2. The number of female nationals as a percentage of all women in the workforce has increased.

Most female migrants to GCC States, Jordan and Lebanon originate in East Asia. In 2000, most female migrants to Saudi Arabia and the United Arab Emirates were from Indonesia and Sri Lanka, and their numbers also increased in Jordan, Kuwait and Lebanon (see table 11).

TABLE 11. ESTIMATED NUMBER OF FEMALE MIGRANTS FROM INDONESIA AND SRI LANKA TO ARAB COUNTRIES

Country	Number (thousands)			Proportion total welfare		
	1998	2000	2004	1998	2000	2004
From Indonesia						
Saudi Arabia	115	93	-	93	90	-
United Arab Emirates	11	9	-	98	98	-
From Sri Lanka						
Saudi Arabia	-	35	47	-	57	66
United Arab Emirates	-	22	17	-	68	53
Kuwait	-	28	29	-	84	81
Qatar	-	3	5	-	23	17
Bahrain	-	5	3	-	77	75
Oman	-	4	2	-	74	53
Lebanon	-	13	17	-	97	98
Jordan	-	7	8	-	95	87

Source: UN/POP/EGM/2006/14, p. 9.

<sup>50</sup> UN/POP/EGM/2006/14, pp. 6-7.

Most female foreign migrants in Arab receiving countries have low levels of skill. Of such migrants to Saudi Arabia, for example, 66.7 per cent have either no education or only primary education, while some 9.6 per cent have a university education, compared with 6.4 and 51.1 per cent respectively of Saudi nationals.<sup>51</sup> With the exception of Algeria and the Libyan Arab Jamahiriya, female migration to European countries was 45 per cent, compared with 49 per cent in other parts of the world.<sup>52</sup> There is a clear difference in Arab female migration in terms of receiving country: Europe is the main destination for female migrants from the Arab Maghreb, while the GCC States are preferred by those from Arab Mashreq countries. Female migration from Egypt and Jordan to GCC States is temporary, whereas migration to the rest of the world is permanent.<sup>53</sup>

TABLE 12. DISTRIBUTION OF MALE AND FEMALE ARAB MIGRANTS AGED 15+  
IN SOME OECD COUNTRIES IN 2000

Country	Men	Women	Number of migrants	Total migration rate (percentage)
Algeria	52.2	47.8	1 364 674	4.2
Bahrain	52.8	47.2	9 785	1.4
Egypt	57.7	42.3	337 405	0.5
Iraq	57.0	43.0	348 527	1.5
Jordan	61.3	38.7	72 296	1.4
Kuwait	58.9	41.1	46 264	2.0
Lebanon	55.0	45.0	353 657	7.5
Libya Arab Jamahiriya	52.2	47.8	69 190	1.3
Morocco	56.3	43.7	1 604 702	5.2
Oman	67.3	32.7	4 972	0.2
Palestine	61.2	38.8	16 168	0.5
Qatar	60.4	39.6	4 850	0.8
Saudi Arabia	60.2	39.8	59 473	0.3
Syrian Arab Republic	54.9	45.1	143 940	0.9
Tunisia	55.1	44.9	443 710	4.4
United Arab Emirates	61.8	38.2	24 030	0.8
Yemen	63.7	36.3	37 995	0.2
Total	55.0	45.0	4 941 638	2.0

Source: UN/POP/EGM/2006/11, p. 10.

Table 12 shows that female migration from the Arab Maghreb to OECD countries has risen. A number of conclusions may be drawn from female migration trends in Arab countries, the most significant of which are the following:

1. Migration trends vary: women from the Arab Maghreb, Lebanon and some Gulf countries migrate to European countries, while women from the Arab Mashreq migrate to GCC States.
2. Female migrants from various countries vary as to educational qualification and skill.
3. Female migrants from all countries belong to various age groups.

<sup>51</sup> UN/POP/EGM/2006/9, p. 13.

<sup>52</sup> UN/POP/EGM/2006/11, p. 10.

<sup>53</sup> Philippe Fargues (ed.), *Mediterranean migration: an overview*, Mediterranean Migration 2005, European University Institute, 2005, p. 11.

#### D. INTERNATIONAL MIGRATION AND HUMAN RESOURCES DEVELOPMENT

This section of the Report addresses the issue of human resources as one of the most important dimensions of international Arab migration, given that so many such resources move across borders. The migrant group which is currently of greatest interest comprises those with specialized skills, either in the fields of knowledge production, information and scientific research or in the field of investment.

Historically unprecedented accomplishments in the field of information and communications technology that were associated with globalization indicate that cognitive capital, as an output or at the operational level, is one of the most significant capabilities that permit national and regional economies to be competitive, if linked to a community, economic, political, cultural and scientific knowledge context. Development researchers have confirmed that the mind or human experience with qualitative specifications, capacities and skills is the source of value-added. Such specifications, being statistically rare compared to other elements of human capital at the global level, particularly in developing countries, are highly sought after by production enterprises at the national, regional and international levels. The most successful enterprise is the one able to attract those rare elements, provide them with favourable working and living circumstances, build their capacities and realize their potential.

While the globalization has removed geographical and legal barriers to the flow of goods and services, it was initially selective, and exacerbated brain drain in both sending and receiving countries. Despite the importance of the phenomenon, the approach to dealing with it has been based on theoretical and conceptual analysis and, sometimes, assumptions, rather than on real field data and facts.

The data for OECD countries indicate that migrants from Algeria, Morocco and Tunisia were mostly from low-skilled groups. Some 63 per cent of migrants from Morocco have secondary and university education, and the same applies for Algeria and Tunisia. However, 50 per cent of migrants from Egypt to that destination have a secondary education, and 47 per cent have a university degree. Most migrants from Lebanon, the Syrian Arab Republic and GCC States are pursuing university studies abroad.

Most skilled Arab migrants are male. The proportion of female migrants with university education from Egypt, Jordan, Lebanon and the Libyan Arab Jamahiriya is some 5 per cent lower than the male figure, whereas educated female migrants from Qatar and the United Arab Emirates outnumber male migrants.

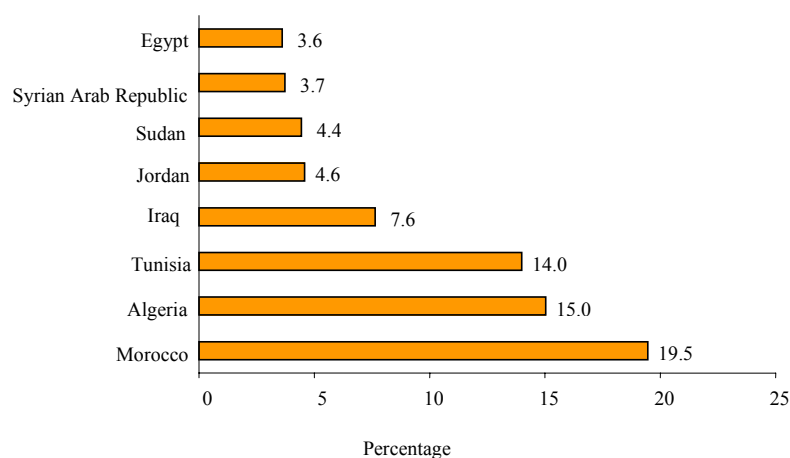
According to data for 2000, 1 million Arabs educated to university level migrated to OECD countries, representing 5.2 per cent of skilled foreign-born migrants in those countries and 9 per cent of those originating from non-OECD countries. Arab skilled migrants are not uniformly distributed in the various receiving countries. France was the destination of 40 per cent of all Arab skilled migrants to Europe, while that proportion in the United States of America is 23 per cent. Canada has a more selective migration policy, and as a result received only 10 per cent, followed by Australia with 4 per cent, Spain with 3.6 per cent and Italy with 2.6 per cent.<sup>54</sup>

Data show that a considerable proportion of tertiary degree holders migrate from Algeria, Morocco and Tunisia to OECD countries. More than 19 per cent of all skilled migrants were from Morocco, followed by Algeria with 15 per cent and Tunisia with 14 per cent. While those figures may not be totally accurate, they are higher than those for skilled migrants from Egypt, namely, 3.6 per cent. However, rates of Arab skills migration did not reach the levels recorded for Africa and the Caribbean countries (see figure II).

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<sup>54</sup> UIN/POP/EGM/2006/11, pp. 13-14.

**Figure II. Skilled migration from Arab countries in 2000**



Source: OECD Database on Foreign-born and Expatriates, available at: <http://www.oecd.org/dataoecd>.

Geographical factors in general, and economic and political dimensions thereof, continue to play the role they have always played in the history of migration. Brain drain has followed the same trends as general patterns of migration from the Arab region. The vast majority of skilled persons from the Arab Maghreb migrate to France, while no more than 5 per cent go to Australia, Canada and the United States of America.<sup>55</sup>

Comparisons between skilled migrants from the Arab region and those from such other regions as Africa and the Caribbean indicate that Arab skills migration is the lowest in the world; however, those conclusions have yet to be fully analysed. One of the most useful indicators is the comparison of educated migrants with their peers among nationals in sending countries.<sup>56</sup>

#### E. CHARACTERISTICS OF THE BRAIN DRAIN

Data on brain drain from every developing country show that those skilled migrants often belong to the most educated group of the population. There are many reasons for that, the most significant of which include: selective migration policies in receiving countries, which favour educated and skilled labour; lack of obstacles to or restrictions on the migration of educated persons, in particular those costs relating to the migration process; some educated persons may even migrate again after becoming wealthier. The impact of brain drain varies from one sending country to another. In Turkey, for instance, the proportion of educated persons who migrate is almost equal to those who remain in the country, namely, some 10 per cent. The situation is different in Egypt, where educated migrants represent 60 per cent of all Egyptian migrants as opposed to 15 per cent of educated Egyptians who remain in their home country. In such countries as China and India where education levels are high, the negative impact of brain drain is reduced.<sup>57</sup>

The age structure of skilled migrants is one of the indicators that contribute to an evaluation of the impact of migration on both sending and receiving countries, as is whether those migrants had worked in their countries after graduation or left immediately thereafter, which shows the proportional benefit they offered to their communities before migrating. According to OECD data, most migrants from the Arab

<sup>55</sup> Özden Çağlar, Brain drain in Middle East and North Africa: the patterns under the surfaces, UN/POP/EGM/2006/10, p. 3.

<sup>56</sup> Ibid., p. 11.

<sup>57</sup> Ibid., pp. 11-12.

region to New World countries were educated. Of those migrants, 87 per cent were from Algeria, 73 per cent from Egypt and 68 per cent from Mauritania and Morocco. They all migrated when they were 22 years and over and had completed university before migrating. Although some of them obtained post graduate degrees in receiving countries, they are still considered skilled migrants. Fifteen per cent of migrants to those countries belong to the 18-22 age group, because they migrated in order to pursue university studies. That pattern prevails in GCC States. The majority of migrants from the three countries of the Arab Maghreb go to France, which received only 30 per cent of those aged 22 years and over, and some 60 per cent aged under 18 years, namely, children whose parents were usually first generation migrants. That is because Moroccan migration to France is a historical phenomenon that became larger and more diversified than other Arab migration.<sup>58</sup>

Sub-specializations of educated and skilled migrants are considered as indicators of the sensitivity and importance of the phenomenon in both sending and receiving countries. Some specializations are proportionally more important than others, especially if there is a limited number of those with that specialization in the countries of origin. Of skilled migrants from Arab Maghreb countries for instance, some 1,600 work at the National Scientific Research Centre and in French universities and institutions; 7,000 of the 10,000 foreign doctors in France are Algerian. Seventy per cent of all teachers in the school of mathematics in Algeria have migrated in the past 10 years. According to some estimates, the number of highly educated Algerians living abroad has reached nearly 5,000. The proportion of all migrants who are from Mauritania and Morocco, most of whom are distinguished students who graduated from the Mohammadia School of Engineers and the National Institute of Posts and Telecommunications, ranges from 50 to 70 per cent. The brain drain from Morocco to Canada has increased, and was ranked eighth in 1999, rising from twelfth in 1994. Highly skilled migrants to Canada totalled some 2,223, of whom 1,563 were specialists: 393 information and technology engineers, 375 engineers and specialized technicians, 14 technical science graduates, 120 management teachers and 42 health instructors.<sup>59</sup>

Some researchers consider that an evaluation of Arab brain drain gains and losses should be linked to a number of important indicators, namely, the achievements realized by those skilled migrants in the labour markets of receiving countries, their role in transferring knowledge to sending countries, their contribution to the training of new skills, the modernization of research and development institutes, and the establishment by receiving and sending countries of joint investment projects, in which the migrant elite plays a major role. While they do not include all receiving countries, the available indicators show the following:

1. Not all skilled migrants from Arab countries to the United States of America are able to obtain jobs that suit their qualifications; 47 per cent of migrants from Tunisia and 43 per cent from Egypt were able to obtain jobs that suited their qualifications. Similar percentages are true for other Arab countries. That can be attributed to factors which include the following: the distance involved, the high price of tickets compared to travel costs from Latin America, the existence of migrant networks in the United States of America which facilitate the migration process for migrants from Mexico and South America, the characteristics of human capital in sending countries, the quality of education and, in particular, knowledge of the English language.<sup>60</sup>
2. Some consider that brain drain, particularly of those working in scientific research and development, information technology, knowledge, and the education and health sectors, has a negative impact on development inputs in countries of origin or sending countries, in that the health, education and knowledge sectors are the pillars of development. Losses increase when the ratio of migrants with such specializations

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<sup>58</sup> Ibid., pp. 14-15.

<sup>59</sup> M. Mohammad Khachani, "Remittances and socio-economic development in the Arab Maghreb countries: Algeria, Tunisia and Morocco", a paper submitted to the Expert Group Meeting on International Migration and Development in the Arab Region: Challenges and Opportunities, Beirut 15-17 May 2006, UN/POP/EGM/2006/6, E/ESCWA/SDD/2006/WG.1/4, p. 20 (of the Arabic text).

<sup>60</sup> UN/POP/EGM/2006/10, p. 16.



and expertise exceeds the limits accepted by the educational and vocational composition of sending countries.

The increase in the Arab brain drain indicates the need for an Arab development mindset that keeps pace with global changes and, in particular, those related to knowledge and information. It also shows the imbalance in the philosophy and political management of development. Such management has been unable to create real job opportunities for those skills, thereby enabling them to accomplish human value-added, and have not yet established values of accountability, transparency and freedom, especially the intellectual freedom that constitutes one of the pillars of intellectual and scientific innovation.

Various international studies assert that brain drain from developing countries causes multi-dimensional losses for those countries. Such losses result from the waste of money spent on the education of those skilled migrants, the lost opportunities that could have been seized if those skilled migrants had remained in their countries and contributed to its development, and the high cost of replacing skilled migrants with proficient foreign expertise when needed. Such analysis remains, however, assumptive and theoretical rather than experience-based and raises the important question of what Arab countries do with their skilled population which does not migrate. Available indicators show that the state of scientific research, translation and knowledge production in Arab countries reveals a clear and disturbing shortage in the amount of research published in foreign periodicals, the number of existing research projects and programmes, the quality of university education and the lack of the environment needed for scientific research in support of innovation and sustainability. For instance, spending on scientific research in Arab countries does not exceed 0.02 per cent of GDP, the number of Internet users ranges from 3 per 1,000 population in the Sudan to 313 per 1,000 in the United Arab Emirates. In 11 Arab countries there are fewer than 50 users per 1,000 population and in a further four, there are between 50 and 100 per 1,000 population.<sup>61</sup>

Some Arab countries, however, were able to derive important benefits from their highly skilled migrants. Lebanon and Morocco are two examples from which lessons could be drawn. The benefit of Lebanon derives from its skilled migrants in the transfer and development of knowledge and support for development projects is considered one of the most important Arab and, perhaps, international experiences in that regard. Lebanese migrants are involved in a range of research and cognitive activities and contribute to the development of local expertise and the achievement of development projects and programmes. Set forth below are the most important indicative activities:<sup>62</sup>

1. The faculty of medicine at the American University of Beirut (AUB) invites Lebanese physicians abroad to teach and work in its hospital and seeks to maintain cooperation with them.
2. The Lebanese Engineers Association holds an expanded conference for Lebanese engineers abroad in order to benefit from their interest in engineering activities in Lebanon and the Arab region.
3. The United Nations Development Programme (UNDP) supports Lebanese expertise abroad in working for the knowledge transfer through an expatriates programme; a programme was also implemented in the 1990s in collaboration between UNDP, United Nations Educational, Scientific and Cultural Organization (UNESCO) and the Centre for Lebanese Studies at Oxford University in the United Kingdom, which led to the return to Lebanon of a range of Lebanese skilled migrants.
4. After the end of the civil war, having planned, financed and implemented a set of activities that had been prepared for the reconstruction of Lebanon, the Council for Development and Reconstruction

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<sup>61</sup> UNDP, *Arab Human Development Report 2002-2003* (annexes).

<sup>62</sup> Boutros Labaki, "The role of transnational communities in fostering development in countries of origin: the case of Lebanon", UN/POP/EGM/2006/13, pp. 9-10.

announced that it would be seeking international expertise to support its consultation and implementation body through various types of publishing. Hundreds of applications were submitted by Lebanese in Europe and the United States of America, and 12 highly qualified Lebanese experts achieved magnificent results in terms of both productivity and efficiency.

5. Through its New York office, the AUB adopts the aforementioned measure when there is a need for teachers with a specific specialization; the office often contacts Lebanese experts with a view to encouraging them to work at the AUB centre and in affiliated research centres.

6. Such institutions and public sector projects as banks and large facilities have taken similar steps and Lebanese expertise abroad has held leadership positions in many institutions and projects.

7. In cooperation with Lebanese experts abroad, a number of large-scale industrial projects were developed, including software production and exportation, to France in particular, through a project prepared by a computer expert on his return from France.

8. Effective contribution to the development of political activities in Lebanon in terms of ideas, ideology and organization. The roots of that activity are embedded in the history of Lebanon. Some politicians returned to Lebanon in the 1940s and 20 were elected to the Lebanese parliament in 1975.<sup>63</sup>

The Palestinian experience leads in this field. The Transfer of Knowledge Through Expatriate Nationals (TOKTEN) programme is a success story in the occupied Palestinian territories in that it has helped to involve 234 Palestinian experts since it was established until early 2005.<sup>64</sup> The Palestinian Scientists and Technologists Abroad (PALESTA) project is very ambitious in terms of creating links between the Palestinian diaspora and the occupied Palestinian territories. The project was established in mid-1998 in order to harness the scientific and technological knowledge of Palestinian diaspora professionals for the benefit of social and economic development in Palestine. The PALESTA network includes a database on Palestinian scientists, engineers and professionals in the diaspora. This network depends on the Internet to conduct discussions between subscribers, who offer their scientific knowledge and expertise for the benefit of the development of the Palestinian economy and society.

#### F. CAPITALIZING ON THE ARAB BRAIN DRAIN

Under the difficult political, economic and scientific circumstances currently prevailing in the Arab region, the migration or return of skilled persons other than of their own free will is affected not only by the concept of activating the right to migration and movement and other human rights, but by the lack of an appropriate environment that would prevent the withering and frustration of individual skills. Nevertheless, there are approaches that can be used as part of the general movement towards development and concepts, principles and mechanisms for dealing with Arab migrants in general, and with persons with specialized skills in particular. Compared with the Arab and some other international experiences, the South Korean and Colombian models, from two very different parts of the world, stand out.

The South Korean model aims to induce skilled migrants to return by ensuring that the financial, moral and legal conditions of receiving countries are also in place at home. The Colombian model seeks to benefit from migrant skills in receiving countries by establishing networks of researchers with various specializations as part of a programme to transfer knowledge by means of expatriates. Based on an evaluation of attempts to operate that model in Algeria, Lebanon, Morocco and Palestine, it is possible to determine the obstacles that hindered the efficiency of the model and the development of conditions for its

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<sup>63</sup> Ibid., p. 10.

<sup>64</sup> Sari Hanafi, Reshaping geography: Palestinian community networks in Europe and the new media. *Journal of Ethnic and Migration Studies*, v 31 (3), p. 581 (18).

success. Algeria made arrangements to benefit from its skilled migrants by contributing to 19 development projects in the fields of health, education and the medical applications of nuclear techniques. It offered considerable incentives to skilled labour, including exemption from military service, opportunities for parliamentary representation and facilitated the cooperation for their institutions abroad with national institutions. As part of the same approach, the Governments of Tunisia and Morocco took similar measures including the following:<sup>65</sup>

1. Providing technical and financial support for Arab migrant associations abroad, of which there are hundreds in Europe and Northern America, with a view to organizing cooperation with such associations on development projects, including knowledge transfer, development and production.
2. Ensuring that language and history classes are provided for second-generation migrants and organizing visits for them to their countries during school holidays.
3. Establishing an Arab satellite channel for migrant communities.
4. Allowing skilled migrants to participate in parliamentary or municipal elections in their home countries.
5. Involving skilled migrants in the formulation and follow-up of national and regional development plans.
6. Involving skilled migrants in the formulation of scientific research and development plans and the modernization of education in various universities.
7. Providing incentives for migrant businessmen and resident Arab employers to undertake investment projects themselves and with foreigners, and removing obstacles and restrictions and allaying the apprehensions that make such persons reluctant to undertake investment initiatives in their own countries.
8. Organizing joint projects with migrant professional associations with a view to training young researchers in Arab countries, supporting and developing their educational and scientific institutions, and organizing the involvement of local researchers and young expertise in benefiting from the experience acquired by skilled migrants and from their professional positions in education and scientific research and production institutions.

It is suggested that joint Arab action should be taken to prepare Arab projects for research and development, knowledge transfer, development and production, involving both migrant expertise and expertise within the region. Such projects should take into account Arab development priorities that are paving the way for Arab economic integration, and capitalize on skilled migrants who gain from relevant global experiments, in particular the European Union and North American Free Trade Agreement.

#### G. ARAB RETURN MIGRATION

One of the major features of Arab migration to GCC States is its temporary and relatively changeable nature, with parallel inflows and outflows. After the second Gulf war, since which the Gulf States have given priority to young and highly educated migrants, many Arab migrants returned unexpectedly. That returning manpower has had a number of impacts, including the following:<sup>66</sup>

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<sup>65</sup> UN/POP/EGM/2006/6, pp. 20-21.

<sup>66</sup> Hiba Ahmad Nassar, *Alistijaba lelawlama: aletijahat, altahadiyat walsiyasat alkhasa bentikalat elamala wadinamikiyat alsoukkan* (Arabic only), ESCWA, November 2005, pp. 24-27.

1. A fall in remittances from receiving countries, in Iraq and Kuwait in particular.
2. Loss of a considerable proportion of returning labour as a result of changes to occupations different from those undertaken prior to migration.
3. An increase in the rate of unemployment among returnees and, in particular, women and less-skilled caused by a similar increase in the sending country.
4. A decrease in the wages of unskilled or semi-skilled labour caused by returning labour.
5. Some real changes in the living conditions of the returning labour compared with these conditions prior to migration. They had achieved an improvement in wages and household living conditions, and made professional gains in that they had moved from being unemployed to being employed or, from being workers to becoming the owners of small enterprises.
6. The difficulty of integrating large numbers of returnees into the labour market, and the occurrence of such serious internal problems as increased unemployment rates and veiled unemployment in various social groups and increased demand for health, education and housing services.
7. Obstacles to the integration of second-generation migrants into the educational system and the lack of educational opportunities similar to those they had enjoyed abroad.

### III. INTERNATIONAL MIGRATION AND MIGRANT REMITTANCES

Migration and migrant remittances are two inseparable phenomena. They improve not only economic budgets, but also development budgets at the individual, national and regional levels. Their impact depends on the interest Governments attach to remittances; either because they enhance opportunities for development, or because Governments wish to reduce the likelihood of such remittances being misused by the world financial system for such illegal purposes as money laundering, narcotics and financing for terrorism. Material and in-kind migrant remittances are major factors that demonstrate the real impact of the returns on international migration, regardless of any reservation made as to their use at the domestic or macro-economic levels. Any such reservation would be irrelevant unless discussed in light of the social context of remittance sending and receiving countries, and of the living conditions of migrants before their migration.

Remittances include everything that migrants in the receiving country send to their families in the sending country. While certain remittances are concrete and easy to calculate, others are intangible, often unknown and difficult to evaluate precisely. Types of remittance include the following:

1. Direct and regular cash remittances from the receiving country.
2. Non-official remittances transferred between migrants, or on their behalf.
3. Commodity and in-kind remittances that may or may not be sold in markets in the sending country.
4. Various Government fees imposed on migrants, related to their departure and return procedures, salaries, insurance and taxes.<sup>67</sup>

#### A. VOLUME OF OFFICIAL REMITTANCES SENT FROM AND TO THE ARAB REGION

Every year, Arab and non-Arab migrants remit more than \$26 billion from GCC States, while \$23 billion is remitted by migrants in the United States of America to their home countries. Official and non-official remittances from Arab countries represent 8 per cent of their GDP. Official remittances include funds that migrants take with them when they visit their home countries, send with relatives and acquaintances or transfer via the usual systems. Saudi Arabia is the second major source of migrant remittances in the world, and the average amount transferred by each migrant every year is \$8,885.

TABLE 13. MIGRANT REMITTANCES FROM CERTAIN ARAB COUNTRIES  
(Millions of current US dollars, 1996-2004)

Country \ Year	Kuwait	Bahrain	Libyan Arab Jamahiriya	Oman	Saudi Arabia	Total
1996	1 376.05	559.31	271.52	1 370.60	1 549.25	19 069.9
1997	1 374.66	634.84	192.03	1 500.70	15 014.4	18 716.6
1998	1 611.13	725.00	207.88	1 466.90	14 934.1	1 895.3
1999	1 731.19	856.17	213.02	1 438.20	13 958.1	18 196.7
2000	1 734.30	1 012.68	454.00	1 451.20	15 390.1	20 042.3
2001	1 783.61	1 286.92	675.00	1 531.90	15 119.7	20 396.5
2002	1 924.89	871.54	684.00	1 602.10	15 853.6	20 936.1
2003	2 144.21	1 082.18	644.00	1 672.30	14 783.3	20 326.0
2004	2 402.44	1 119.95	755.00	1 826.00	13 555.1	19 658.5

Source: UN/POP/EGM/2006/7, p. 8.

<sup>67</sup> UN/POP/EGM/2006/7, pp. 3-5.

## B. VOLUME OF OFFICIAL REMITTANCES TO THE ARAB REGION

In 2004, Arab countries received some \$21.6 billion from Arab migrants. Those remittances were sent to Algeria, Egypt, Jordan, Lebanon, Morocco, the Sudan, the Syrian Arab Republic, Tunisia, and Yemen. Lebanon and Morocco together received 43.5 per cent of all remittances.<sup>68</sup> The period 1980-1984 is used as a benchmark, because it followed the second increase in oil prices in 1979 and preceded the decrease in 1986. During that period, the following was noted:

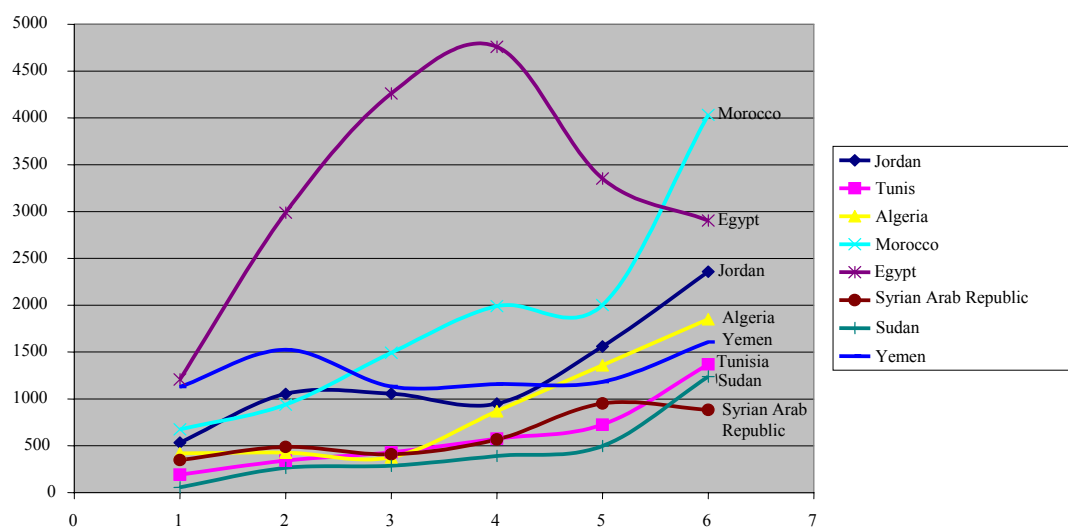
1. Migrant remittances continued to grow in Arab Maghreb countries and maintained their levels in Egypt and Jordan.
2. The second Gulf war affected migratory trends and the volume of remittances. However, some countries, including Egypt, were able to compensate for some of their losses.
3. The banking system and command economy in Algeria and the Syrian Arab Republic have encouraged remittance transfer through non-official channels.
4. Remittances are not only determined by the volume of migration, but also by migrants' educational level, their skills and the duration of their stay in the receiving country.

TABLE 14. AVERAGE YEARLY REMITTANCES DURING FIVE PERIODS BETWEEN 1975 AND 2004  
(Millions of US dollars)

Country \ Period	Jordan	Tunisia	Algeria	Morocco	Egypt	Syrian Arab Republic	Sudan	Yemen
1975-1979	533.8	192.0	418.6	675.8	1 207.0	347.0	56.4	1 128.0
1984	1 053.6	341.8	426.2	939.0	2 989.0	487.4	263.0	1 524.0
1989	1 055.6	430.0	376.5	1 492.6	4 261.4	408.6	286.2	1 131.6
1994	950.4	-	-	1 990.4	4 758.2	567.0	-	-
1996-1999	1 559.9	724.9	-	201.7	3 352.3	-	496.7	1 182.2
2000-2004	2 357.9	1 368.9	-	4 033.2	2 904.3	-	1 239.6	1 607.3

Source: UN/POP/EGM/2006/7, p. 10.

Figure III. Average yearly remittances during five periods between 1975 and 2004  
(Millions of US dollars)



Source: UN/POP/EGM/2006/7, p. 27.

<sup>68</sup> Ibid., p. 8.

### C. REMITTANCES PER CAPITA RECEIVED IN ARAB COUNTRIES

The average remittance per capita in Arab countries is \$71.30. In sending countries, that figure varies between a minimum of \$39.20 in the Syrian Arab Republic and a maximum of \$1,430 in Lebanon. The figures is \$381.10 in Jordan, \$146.40 in Tunisia, \$139.20 in Morocco, \$65.20 in Yemen, \$46.90 in Egypt and \$42.10 in the Sudan. It is clear that the size of remittances increases in such countries with high numbers of migrants as Morocco and Tunisia.<sup>69</sup>

Migrant remittances vary between receiving countries. In 2002, Egyptian migrant remittances from Canada, the United Arab Emirates and the United States of America amounted to \$4,000 per migrant per year, and remittances from migrants in Bahrain, France and Qatar varied between \$1,000 and \$2,000. Remittances from Lebanon, the Netherlands, Oman and Saudi Arabia varied between \$500 and \$1,000, while those from Italy and Spain ranged between a mere \$200 and \$500. Remittances from the Libyan Arab Jamahiriya amount to \$8.70 and from Greece to a minimum of only \$5.40. Such disparities reflect differences in the skills levels, working conditions in receiving countries and money transfer systems. In fact, money transfers from the Libyan Arab Jamahiriya are often conducted through non-official channels. Egyptians in Greece prefer to carry their savings with them when they visit their home country every year. In Canada, the small size of remittances is caused by tight saving margins. On average, Egyptian migrants send \$808 of remittances from Arab countries every year, while remittances to other countries amount to \$1,683. A study by the European Investment Fund concluded that average remittances from France amount to €2,348 per Algerian migrant, €2,220 per Tunisian migrant and €1,722 per Moroccan migrant.<sup>70</sup>

Arab migrant remittances vary according to their specificities and age. Temporary migrants transfer more money than permanent migrants; more highly educated and skilled migrants transfer more than the less educated and less skilled; migrants working in free trade transfer more than workers who earn fixed salaries; and first generation migrants transfer more than subsequent generations.

### D. COST OF OFFICIAL MONEY TRANSFERS AND AVAILABILITY OF TRANSFER CHANNELS

Money transfer costs vary according to transfer method, amount, channel and duration, as well as to currency laws in the receiving country. Regular remittances from the United States of America to Latin American countries contributed to a reduction in transfer cost of more than half over some 10 years. Some believe that the volume of remittances to North African countries will increase by 165 per cent if those countries succeed in unifying their exchange rates and reducing transfer costs. Transfer costs remain high in receiving Arab countries; they vary between 4 per cent from Germany to Lebanon via the bank and 16.9 per cent to the Syrian Arab Republic through money transfer centres.

TABLE 15. ADVANTAGES AND DISADVANTAGES OF VARIOUS TRANSFER CHANNELS

Transfer channel	Advantages	Disadvantages
Bank	Rapidity and security.	High cost. The Moroccan Bank for Foreign Trade, for example, requires the payment of: <ul style="list-style-type: none"> <li>- 1.5 per cent of the transferred amount, with a minimum of Dh50;</li> <li>- Case fees: Dh30;</li> <li>- Notification fees: Dh10;</li> <li>- Telex fees: Dh35;</li> <li>- VAT: 7 per cent of the gross amount;</li> <li>- The beneficiary must have a bank account;</li> <li>- No bank network in rural areas.</li> </ul>

<sup>69</sup> UN/POP/EGM/2006/4, pp. 7 and 15-18.

<sup>70</sup> UN/POP/EGM/2006/7, pp. 10-11.

TABLE 15 (*continued*)

Transfer channel	Advantages	Disadvantages
Mail	<ul style="list-style-type: none"> <li>- Affordable costs;</li> <li>- Simplicity.</li> </ul>	The process is occasionally very lengthy.
Transfer companies	<ul style="list-style-type: none"> <li>- Simplicity;</li> <li>- High rapidity;</li> <li>- Widespread networks.</li> </ul>	<ul style="list-style-type: none"> <li>- Very high cost;</li> <li>- Costs vary according to amount and sending country.</li> </ul>
Intermediary agents	<ul style="list-style-type: none"> <li>- Simplicity;</li> <li>- Low costs secrecy.</li> </ul>	<ul style="list-style-type: none"> <li>- Uncontrolled duration;</li> <li>- Risk of embezzlement.</li> </ul>

Source: M. Mohammad Khachani, op.cit., p. 8.

#### E. ESTIMATING THE VOLUME OF NON-OFFICIAL TRANSFERS TO ARAB COUNTRIES

Many factors have contributed to the increased volume of non-official transfers. Most importantly, remittance receiving countries adopt monetary policies that restrict transactions in foreign currency because they impose specific prices, some of which are fixed and official, while others are commercial and open to slight variation, thereby leading to a third price that is determined by offer and demand for foreign currency. The difference between those prices is occasionally four-fold. In addition, while no longer so common in Arab countries that have adopted economic openness policies, imports conducted without money transfer have contributed to a reduction in official transfers. Furthermore, geographic proximity encourages migrants to carry their savings with them when they visit their home country. That method is suitable for contractors and temporary migrants, particularly those who work in such non-official labour market as Jordan, Lebanon and the Libyan Arab Jamahiriya.

It is estimated that the value of non-official remittances to and from Arab countries varies between 22.5 and 85 per cent of total remittances. The percentage of movable property and merchandise that migrants take with them when they return to their home country amounts to about 20 per cent in Egypt and 10 per cent in Yemen. The European Investment Bank issued a study that included estimates of the rate of non-official remittances in Arab countries in 2004 as follows: 80 per cent in the Sudan, 79 per cent in the Syrian Arab Republic, 60 per cent in Yemen, 57 per cent in Algeria, 56 per cent in Egypt, 53 per cent in Jordan, 34 per cent in Morocco, 20 per cent in Tunisia and 7 per cent in Lebanon. Based on those estimates, the total amount of official and non-official remittances received by Arab countries is \$40 billion, and total remittances from GCC States to non-GCC States amount to \$50 billion every year.<sup>71</sup>

#### F. UTILIZING REMITTANCES: TRENDS AND FIELDS

Remittances are utilized in very similar fields in all developing countries. Their primary purpose is to satisfy the daily needs of migrants' families, improve their living standards, cover health and education fees, obtain movable property, improve housing, or build a new residence. Part of a remittance is sometimes used to pay due debts, most of which were incurred in order to cover migration costs. The remaining amount is used to buy gold, for investment or to establish income-generating projects.<sup>72</sup>

Migrant investments in Tunisia are distributed between the informal sector, where investments are made in trade, transport and services, and the formal sector, where two institutions handle investment, namely, the Industry Promotion Agency and the Agency for the Promotion of Agricultural Investment. Both provide specialized services to assist migrants in investing. Investments are distributed as follows: 7.4 per cent in agriculture, 46.4 per cent in industry and 24.6 per cent in services. However, they do not

<sup>71</sup> Ibid., pp. 13-14.

<sup>72</sup> Ibid., pp. 14-15.

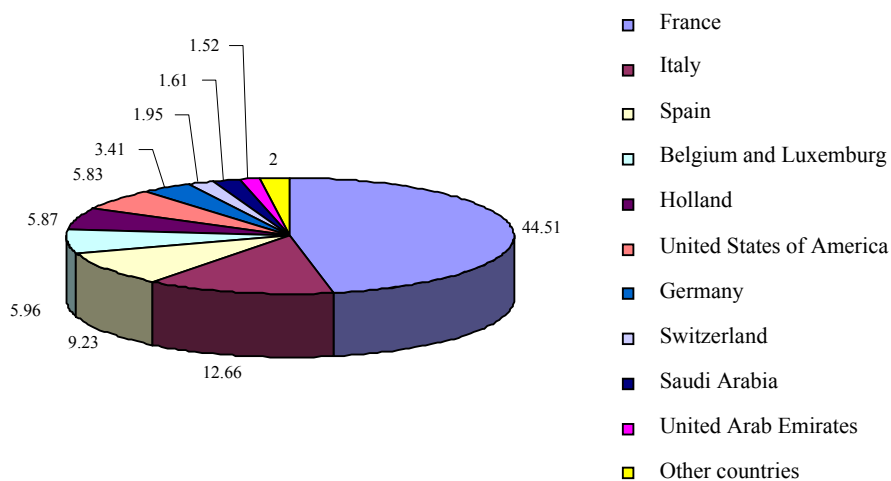


perform well, and their capacity to generate job opportunities is limited.<sup>73</sup> Between 1987 and 2004, Tunisian migrant remittances were used for 773 agricultural projects, in which 47,491 Tunisian dinars (TND) were invested, and through which 1,471 job opportunities were created. Those remittances were also used in 2,423 industrial projects, in which TND134 million were invested, and through which 20,513 job opportunities were created. Altogether, TND140 million were invested in 5,649 service, agriculture and industry projects, and 17,397 job opportunities were created.

Migrants from Morocco are primarily interested in buying a car, and then buying or building a house in order to demonstrate their social success. A search conducted by the National Institute of Statistics and Applied Economics concludes that investments made in the Maghreb or in countries of residence are as follows: in real estate, 83.7 per cent in the Maghreb against 63 per cent in the country of residence; trade, 17.4 per cent in the country of residence against 4.9 per cent in the Maghreb; agriculture, 7.5 per cent in the Maghreb against 7.3 per cent in the country of residence; and industry, a mere 1.3 per cent in the Maghreb against 3.7 per cent in the country of residence.<sup>74</sup> The main conclusion that can be drawn from investment trends is the tendency to invest in fields where returns are guaranteed and turnover is rapid. The relative increase in the share of agriculture is the result of the situation of the Maghreb region as a whole, and, in particular, investment trends.<sup>75</sup>

According to data from a Moroccan expatriate investors club, migrant investors are only interested in small and micro-enterprises. That is supported by a study by the Hassan II Foundation, which concluded that capital in 40 per cent of Maghreb migrant projects does not exceed Dh500,000, while only 14 per cent of projects have more than Dh5 million of capital. Some data, however, reveal a significant change in the investment behaviour of investors from the Maghreb. Certain migrants have invested in new fields, including stock markets and small and medium enterprises, as well as in such advanced sectors as information and communication technology (ICT).

**Figure IV. Distribution of remittances from receiving countries in 2003**  
(Percentage)



Source: M. Mohammad Khachani, op.cit., p. 14.

<sup>73</sup> UN/POP/EGM/2006/6, pp. 16-18.

<sup>74</sup> Ibid., pp. 15-17.

<sup>75</sup> Ibid., p. 18.

Assessment of the importance of remittances at the micro-economic level in the Arab Maghreb reveals that they have helped to absorb the trade deficit with receiving countries: three quarters of the trade deficit with France has been absorbed, and more than two thirds of that with Germany. The coverage rate is high in some countries; it amounts to 419 per cent with England, 352.6 per cent with Italy and 350.7 per cent with Spain.<sup>76</sup> Remittance data available for 2001 provide a better assessment of their importance in the economies of the three countries of the Maghreb, as well as of their ratio to GDP, imports and exports. However, that assessment remains relative because it deals with remittances transferred through official channels.<sup>77</sup>

TABLE 16. COMPARISON OF MIGRANT REMITTANCES WITH SOME ECONOMIC ACTIVITIES IN 2001  
(Percentage)

Country	Ratio of remittances to GDP	Ratio of remittances to imports	Ratio of remittances to exports
Morocco	9.63	29.71	45.83
Algeria	2.36	11.56	8.99
Tunisia	4.64	9.74	14.03

Source: UN/POP/EGM/2006/6, p. 16.

In 2001, remittances were the main source of foreign currency. In the Maghreb, their contribution to income exceeded that of tourism and of all investments and loans, especially foreign ones. In 2004, remittances to the Maghreb amounted to Dh37.4 million and covered 53.46 per cent of the trade deficit. Those remittances exceeded the exports of four main products, namely, ready-made clothes (\$18.644 million); underwear (\$7.614 million); phosphoric acid (\$6.523 million) and electronic products (\$5.546 million).<sup>78</sup> The impressive size of remittances reflects equally impressive intellectual and physical potential in the three countries of the Maghreb. Officials in the region, when dealing with the creation of a free-trade zone, face two challenges that place migration at the heart of Euro-Maghreb relations, namely:<sup>79</sup>

1. How can remittances be increased, or how can their level be maintained, despite the current tendency of migrants to settle permanently abroad?
2. How do remittances contribute to investment intended to transfer technology and expertise acquired in the countries of residence, especially in light of the reluctance of foreign investors to invest in certain Arab countries?

A study conducted in 2000 in the Maghreb revealed that an increase of 10 per cent in the number of migrants reduces poverty by 1.9 per cent and helps prevent 4 per cent of the population, or some one million individuals, from sinking below the poverty line. In 1984-1999, the percentage of poor persons decreased from 23 to 19 per cent.<sup>80</sup>

Some 9.8 per cent of the population of rural Egypt have risen above the poverty line because of migration. Remittances indirectly contribute to the reduction of poverty and achievement of progress in social development, particularly in education and health. Research conducted between 1998 and 1999 revealed that remittances to the Maghreb reduced poverty from 23.2 to 19 per cent at the national level.

<sup>76</sup> Ibid., p. 15.

<sup>77</sup> Ibid., p. 15.

<sup>78</sup> UN/POP/EGM/2006/7, pp. 15-16.

<sup>79</sup> Ibid., pp. 15-16.

<sup>80</sup> UN/POP/EGM/2006/4, pp. 7 and 15-18.

Without those remittances, poverty would have increased from 12 to 16.6 per cent in urban areas and from 27.2 to 31 per cent in rural areas. In addition, all migrant households currently own electric equipment.<sup>81</sup>

In 2004, the contribution made by official remittances to GDP was as follows: 26.2 per cent in Lebanon; 9.9 per cent in Yemen; and 8.4 per cent in Morocco. The ratio of remittances to GDP increased in the Sudan and Tunisia by 4.9 and 6.4 per cent respectively and remains at 3.4 per cent in Egypt.<sup>82</sup>

TABLE 17. REMITTANCES AS A PERCENTAGE OF GDP AND GROSS IMPORTS AND EXPORTS  
IN 2000 AND 2004

Country	GDP		Gross exports		Gross imports	
	2000	2004	2000	2004	2000	2004
Jordan	19.6	17.9	87.4	71.4	33.1	25.2
Tunisia	4.1	4.9	13.6	14.3	9.3	10.8
Syrian Arab Republic	-	2.9	-	13.4	-	10.8
Egypt	3.3	3.4	40.4	27.2	17.5	16.9
Yemen	13.5	9.9	33.9	27.2	55.4	34.3
Morocco	6.5	8.4	29.5	43.3	18.7	23.9
Algeria	-	3.6	-	6.1	-	12.0
Sudan	4.9	6.4	35.3	37.1	41.1	34.4
Lebanon	-	26.2	-	296.0	-	55.1

Source: UN/POP/EGM/2006/7, E/ESCWA/SDD/2006/WG.1/5, p. 16.

In 2004, remittances to Lebanon were three times greater than gross exports, while remittances to Jordan were the equivalent of 71 per cent of its exports. Remittances to Morocco have become more important than phosphate exports and tourism.<sup>83</sup>

#### G. REMITTANCES AND GROSS IMPORTS

In 2004, the value of remittances to Lebanon was the equivalent of more than half the value of gross imports. Comparable figures in other countries were one third in the Sudan and Yemen, one quarter in Jordan and Morocco and one tenth in Tunisia and the Syrian Arab Republic. The figure in Egypt is 17 percent. However, the ratio of remittances to imports has decreased in most countries and, in particular, in Jordan, the Sudan and Yemen.<sup>84</sup>

A comparison between remittances and aid allocated by Arab countries to other labour sending Arab countries reveals that remittances between 2000 and 2002 amounted to 223 per cent of aid in Egypt, 355 per cent in Jordan and 527 per cent in Morocco. In Egypt, aid decreased to one third of its value at the beginning of that period, remained stable in Jordan, decreased by one third in Morocco and increased by half in Yemen. That change in aid levels could be related to the first Gulf war and the changing trends and size of the aid that Arab States offered in the 1970s and 1980s. In 1970-2004, soft Arab development assistance reached a peak of \$32.7 billion between 1980 and 1984 and a minimum of \$6.8 billion in 1995-1999. At the beginning of the new millennium, it regained its 1985-1989 level. In 1970-2004, the total amount of Arab aid amounted to \$124 billion, 64 per cent of which was allocated to Arab countries. Until 1979, Arab aid had exceeded remittances from all sources. Having been overtaken by remittances, it regained some of its importance in 2000-2004, when it constituted some 7 per cent of total remittances to Arab countries from all

<sup>81</sup> UN/POP/EGM/2006/7, pp. 21-22, and UN/POP/EGM/2006/6, p. 23.

<sup>82</sup> UN/POP/EGM/2006/7, p. 16.

<sup>83</sup> UN/POP/EGM/2006/7, E/ESCWA/SDD/2006/WG.1/5, pp. 16-17.

<sup>84</sup> Ibid., p. 17.

sources. Aid pledged by the European Commission in the framework of the Barcelona Conference was less valuable than Arab aid, being no more than \$1 million of assistance and a further \$1 billion of soft loans offered by the European Investment Fund each year to a group of eight countries in the south Mediterranean, amounting to \$9 per capita.<sup>85</sup>

TABLE 18. RATIO OF OFFICIAL REMITTANCES TO OFFICIAL DEVELOPMENT ASSISTANCE (ODA) IN 1990-2002  
(Percentages and yearly ODA average in millions of US dollars)

Country	Period		
	1990-1994	1996-1999	2000-2002
Egypt			
Average yearly ODA	3 822	1 930	1 290
Ratio of remittances to ODA	124	174	223
Jordan			
Average yearly ODA	587	453	506
Ratio of remittances to ODA	120	344	355
Morocco			
Average yearly ODA	860	581	525
Ratio of remittances to ODA	231	345	527
Yemen			
Average yearly ODA	288	358	436
Ratio of remittances to ODA	-	330	296

Source: UN/POP/EGM/2006/7, p. 18.

In 1995, foreign direct investment (FDI) was worth twice as much as remittances in all developing countries combined. However, the situation in remittance-receiving Arab countries appears to be quite different. In the past three years, the value of remittances was three times greater than FDI in Egypt, slightly less in Tunisia, four times greater in Morocco and 23 times greater in Yemen (see table 19). Many countries took advantage of their expatriate communities and improved their investment climate. OECD indicates that 45 per cent of FDI in China in 2004 was of Chinese origin, because of the considerable size of the Chinese community in 130 countries. That has motivated India to consider the issue at the decision-making level and make plans to increase investment by Indian migrants.<sup>86</sup>

TABLE 19. FDI: NET FLOWS IN 1990-2002 AND PERCENTAGE OF REMITTANCES  
(Billions of US dollars)

Country	Net FDI			Ratio of remittances to FDI		
	1990-1994	1996-1999	2000-2002	1990-1994	1996-1999	2000-2002
Egypt	2 392	3 667.9	3 195	199	170	295
Tunisia	-	1 577	2 004	-	184	273
Jordan	35.8	844	943	1 327	739	580
Morocco	1 948	3 303	3 659	511	242	441
Yemen	1 788	725	276	-	-	2 329

Source: UN/POP/EGM/2006/7, p. 19.

Some have questioned the positive role that remittances play in financing and supporting development. They refer to their negative impact, especially when their percentage of GDP increases, as in Jordan, Lebanon, Morocco and Yemen. They also highlight the major role of remittances in financing imports in Jordan, Lebanon, the Sudan and Yemen, as well as their contribution in spreading consumption patterns and

<sup>85</sup> Ibid., p. 18.

<sup>86</sup> Ibid., pp. 18-19.

drug use, and inflating currencies and wages in sending countries. However, reliance on remittances is less risky and more stable than reliance on other foreign sources. Remittances do not affect any major production sector, because they are not concentrated in one specific economic sector or a specific geographic location, but are spread geographically and socially in migrant households.<sup>87</sup>

Some analyses reveal that remittances have had a negative impact on the agricultural sector in Morocco where some oases have been abandoned by farmers. Their impact has also been negative in Yemen, where dams have been neglected and many crops have been replaced by the more rewarding cash-crop *gat*. Migration from Lebanon has been a factor in the reduction of agricultural production and increased harvest costs. Other studies indicate that remittances have had a positive impact in rural areas, and have contributed to development, especially in modernizing agricultural production methods, as is the case in Egypt.<sup>88</sup>

While the percentage of remittances oriented towards direct investment is not greater than 18 per cent, long-term investment in such fields as health and education attract between 16 and 30 per cent of remittances, and investment aimed at improving housing conditions, which is the preferred spending area for migrants, attract between 32 and 42 per cent. Albeit remittances are mostly used for consumption, they are also actively used in the construction industry and in order to enhance savings. Remittances used to finance imports have a positive impact, and two thirds of the imports to Egypt financed through remittances are intermediary goods necessary for production.<sup>89</sup>

Remittances have contributed to the development of the banking system and of financial institutions themselves in the case of the People's Bank of Morocco, and the activation of the stock and bond market in Lebanon. World Bank estimates indicate that developing countries can use remittances to obtain up to \$9 billion of loans in order to support economic fluidity and revive the banking sector.<sup>90</sup> Table 20 provides an example of migrant deposits in Morocco.

TABLE 20. MIGRANT BANK DEPOSITS  
(Millions of dirhams)

Year	Checking accounts	Current accounts	Saving accounts	Other credit accounts	Total fixed term deposit accounts	Total
December 2000	24 894	240	805	27	26 326	52 292
December 2001	30 577	193	1 278	152	33 835	66 035
December 2002	34 131	693	1 692	174	35 683	72 373
December 2003	38 067	129	-	-	39 829	78 025

Source: UN/POP/EGM/2006/6, p. 23.

Some believe that remittances widen social gaps. Certain studies, however, reveal that their impact is temporary and soon disappears, because people close to the recipients of remittances also benefit therefrom. It has been proved that urban consumption patterns were extended to rural areas in Greece because of remittances. In Arab countries, remittances do not create new social classes, because migration is, for the most part, temporary, and does not have a major impact on population. Remittances do not provoke class movements, but professional and horizontal rather than vertical movements.<sup>91</sup>

<sup>87</sup> Ibid., pp. 19-20.

<sup>88</sup> Ibid., p. 20 and UN/POP/EGM/2006/6, p. 22.

<sup>89</sup> Ibid., p. 20 and UN/POP/EGM/2006/6, pp. 14-15.

<sup>90</sup> Ibid., pp. 20-21 and UN/POP/EGM/2006/6, p. 22.

<sup>91</sup> UN/POP/EGM/2006/7, p. 22.

Migration is very often voluntary, and employed persons have greater opportunities for migration than unemployed persons. That is only apparent in the case of migration to informal markets, and in Egypt and Jordan, no connection between migration and unemployment rates has been proved. Unemployment in Arab countries is structural and related to State policies and to restrictions imposed on women's work. It is also difficult to argue that migration has a negative impact on the level of skills in local labour markets (Philippines).<sup>92</sup> Migration constitutes an outlet for congested labour markets by reducing supply and alleviates the impact of unemployment through the job opportunities created with remittances (Morocco, Tunisia). A large number of people, especially youth with university degrees, are affected.<sup>93</sup>

As regards Arab sending countries, their main concern is how to turn migrant remittances into a margin tool for investment and for achieving production growth, thereby creating job opportunities.

At the policy level, policies that have imposed restrictions on or taxed remittances, as in the Philippines and Vietnam, have failed. Partnership and regulatory policies between Mexico and the United States of America increased remittances to Mexico sent by migrant farmers. With regard to the Arab region, Algeria, Egypt and the Syrian Arab Republic must further develop policies regulating the use of migrant remittances. Programmes implemented in the Sudan through customs exemptions of up to \$14,000 have helped to alleviate the Government crisis and provide foreign currency needed to increase investments and savings. Algeria and the Syrian Arab Republic illustrate how remittances can be oriented towards non-official channels, and probably to non-productive fields, thereby reinforcing and enriching certain exploitative categories. Migrant remittances must therefore be attracted to a secure legislative and institutional climate.<sup>94</sup>

Furthermore, mutual confidence must be built between Arab Governments and their communities abroad in order to maximize remittances. That relationship was originally one of efficient but suffocating paternalism. That paternalism then became autocratic, and ultimately exploitive, seeing in migration nothing but a source of foreign currency. Governments apparently no longer insist that migration should be included as an issue of mutual interest to the countries that receive their migrants.<sup>95</sup>

#### H. THE ROLE OF BANKS AND FINANCIAL INSTITUTIONS

National Arab banks do not play an active role in remittances. While cooperation between Arab banks continues to be limited, financial institutions in the United Arab Emirates have cooperative relations with their counterparts in India. Arab countries must foster cooperation with migrant receiving European countries. Governments should take the appropriate measures to create competition, thereby reducing money transfer costs, and offer rewarding incentives to banks. The volume of remittances between Arab countries exceeds \$8 billion and average transfer costs are currently 10 per cent, meaning that Arab banks could earn \$800 million if they engaged effectively in the field of remittances. Otherwise, official remittances will maintain their level and the benefits will be earned by non-Arab money transfer centres.<sup>96</sup>

The foregoing reaffirms that the major impacts of using remittances for the benefit of migrant households and communities are the following:

1. Improved living standards for migrant families at the financial, housing, education and health levels.
2. Job opportunities for a number of unemployed persons in the community, mainly in the construction industries.

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<sup>92</sup> Ibid.

<sup>93</sup> Ibid., pp. 4-5.

<sup>94</sup> Ibid., p. 23.

<sup>95</sup> Ibid., p. 24.

<sup>96</sup> Ibid., p. 25.

3. Improved production methods, particularly in agriculture (Tunisia).
4. Improved living standards for some poor persons, and the protection of others from sinking below the poverty line.

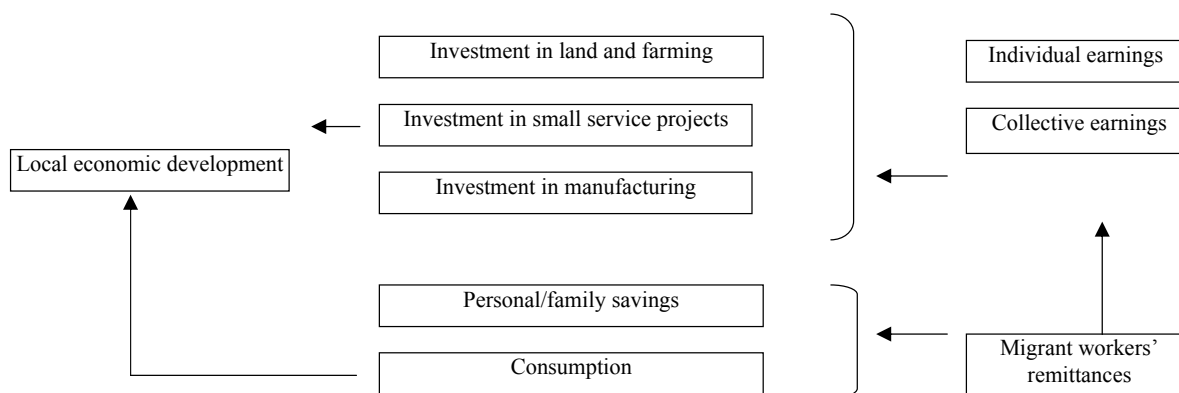
#### I. IMPACT OF REMITTANCES ON THE MACROECONOMY IN RECIPIENT SOCIETIES

Studies reveal that support for migration in general, and migrant remittances in particular, with a view to developing the macroeconomy of sending countries requires a package of policies that contribute to the following:

1. Reducing the balance of payments deficit.
2. Financing certain development projects and programmes (Tunisia and Morocco).
3. Increasing GDP rates.
4. Enhancing the career mobility of returning migrants who have made a fortune, acquired experience and become entrepreneurs, regardless of the size of their businesses.
5. Reducing inflation and increasing the wages of skilled workers, whose numbers have been severely reduced in certain communities by brain drain.
6. Reducing unemployment rates in the local market, particularly among educated persons.

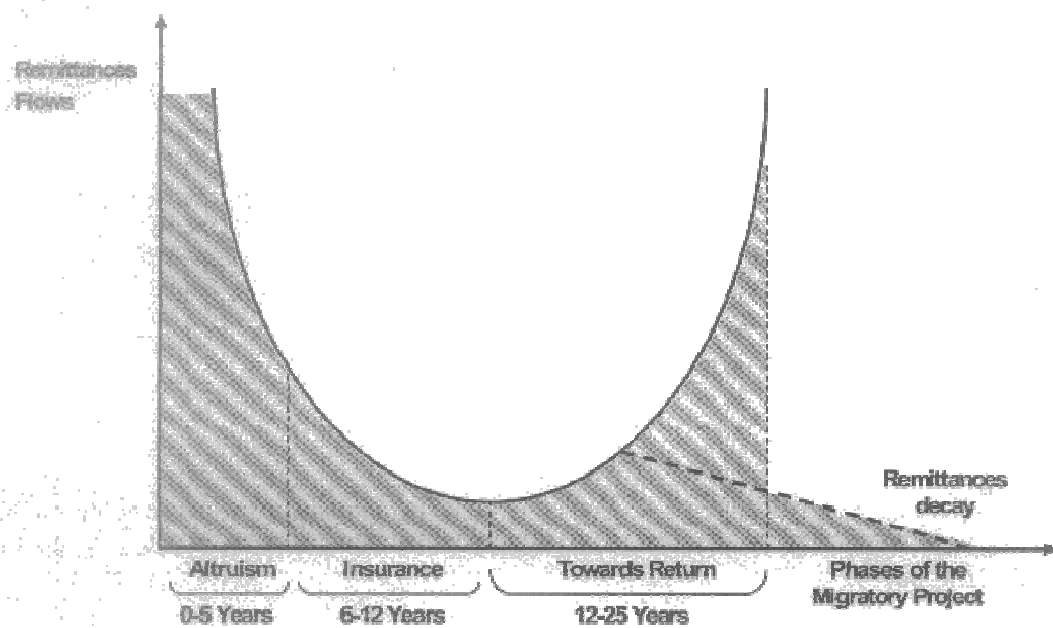
In order to draw up policies that reinforce the developmental role of migration, the factors that promote migration and the living conditions of migrants in recipient countries must be understood. Most remittances are used to improve the living conditions, housing, health, education, income and productivity of migrants' families. However, other conditions continue to prevent families from collectively using migration to benefit the macroeconomy. It is therefore essential to establish a new mechanism to link the aspirations of migrants to development plans at the level of the national economy, and guarantee legislative and financial safeguards for migrants during migration or upon return. The achievements and failures of certain relevant Arab examples, including the Hassan II Foundation in Morocco, could be useful in that regard, albeit integrated support is required, as is indicated in the following two figures:

**Figure V. Examples of remittances and their impact on development and employment**



Source: UN/POP/EGM/2006/4.

**Figure VI. Remittances trajectory during the migration project**



Source: UN/POP/EGM/2006/4.



## **IV. CONCLUSIONS AND TRENDS IN THE DEVELOPMENT OF MIGRATION POLICIES IN THE ARAB REGION**

### **A. PATTERNS AND TRENDS**

Over the 30 years between the 1960s and 1990s, there was a clear division in the Arab region between labour sending and labour receiving countries. Oil played a major role in that division. Oil-producing countries and, in particular, the GCC States, have enormous oil wealth but insufficient manpower; whereas non-oil countries suffer from a deficit of capital and have an increasing surplus of labour. Given the demand of oil-producing countries for labour, the Arab region has become the third highest labour-receiving region in the world after North America and Europe.

According to several indicators, migration has changed since the 1990s. Notwithstanding the continuing demand for labour in GCC countries, migration to those countries became subject to two major changes of developmental significance for those countries and for the non-oil Arab countries that sent them large numbers of migrant workers. The first change was the proliferation of unemployment, especially the so-called voluntary or selective unemployment, among GCC citizens, because certain available professions do not meet their administrative, financial, social and value-related ambitions. From the perspective of Arab integration, the second significant change in labour markets has been the clearly diminishing size of the Arab workforce in GCC countries and the corresponding increased dependence on Asian labour. While in the past some two-thirds of migrant workers in GCC countries were from Arab countries, the situation has now changed in favour of Asian labour. The labour-sending Arab countries continue to send labour; movement to destinations outside the Arab region has intensified; and some have become both sending and recipient countries, including Jordan and to a lesser extent, Lebanon, which receives Asians from Sri Lanka in particular. Other labour sending countries, especially in the Arab Maghreb, are transit countries from Africa to Europe, via Spain and Italy.

Notwithstanding the continuing flow of Arab labour to OECD countries, the movement of labour is more concentrated in some countries than in others. Labour of various skill levels continues to flow from the three countries of the Maghreb, namely, Algeria, Morocco and Tunisia, to the European countries, with Italy and France as the major recipients of that labour. Migrants from certain Arab countries tend to be concentrated in specific countries, while migrants from other countries including Egypt and Lebanon, are more widely dispersed.

Migrant characteristics differ between sending and receiving countries. Migrants from the three countries of the Arab Maghreb are generally less educated than Egyptians, while migrants from GCC countries are young, have acquired pre-university education and largely migrate in order to continue their education; while migrants from Egypt and Lebanon are older and more educated.

Analysis of international Arab migration data indicates that Canada and France have begun to focus on highly competent and skilled labour. That highlights the increase in levels of education of new migrant generations, compared to former generations that migrated a decade ago. The United States of America is eager to receive highly competent Arabs, and flows of Arabs to Canada are increasing, especially because the United States of America imposed rigid conditions on receiving labour from the Arab region after the incidents of 11 September 2001.

Arab migrants are predominately male. There are a few cases of female migration from the Arab Maghreb to Europe or GCC countries for temporary work in services, especially in education and, to a lesser degree, health services.

## B. ARAB BRAIN DRAIN: BENEFITS AND LOSSES

Arab migrant skills are diverse and it is difficult to generalize about them. The number and quality of skilled migrants has increased over the past 10 years, because of constant change in the demand for skilled migrants in labour markets in industrial countries, especially in information technology, communications, computer science, health, education, scientific research and other highly skilled fields. Labour markets in receiving countries lack such skills because of demographic change and the fall in the population of working age. Some describe European countries as “grey haired”, because of their increasingly ageing population. The following remarks can be made on the situation of skilled Arabs who migrate from the Arab region:

1. Poor countries suffer from the brain drain because their educated population is small, while the migration rate of educated persons appears high in rich countries because their populations are small.
2. While most Arab migrants to France completed their education there, and many of them were born in that country, the situation is different in the case of Arab migrants to the countries of the New World, who usually migrate in order to complete their university education or continue their studies in those countries.

Some researchers consider that the brain drain from Arab countries is not so severe as in Asia or South America, and has a positive impact. Migrant remittances support national economies and contribute to knowledge transfer. Skilled persons who do not migrate do not benefit their countries because there is no structure to support their roles in knowledge and technology.

Developments in Arab international migration have led to the emergence of a new kind of migrant Arab elite in major economic sectors, especially in Europe, in the fields of information, tourism, import, export and transport, and in some small and medium-sized enterprises, including textiles, nutrition and construction equipment. In view of the economic openness of many Arab countries, the phenomenon can constitute a bridge, especially between Europe and Mediterranean Arab countries, and provide opportunities for cooperation and economic exchange in the form of joint development projects by sending and receiving countries. While the role of skilled migrants is important, it is equally important to raise official awareness of the need to take advantage of their scientific, academic and practical expertise, in order to prepare and develop alternative national competencies, and to solicit their contribution to investment and scientific research policies. Egypt, Lebanon and countries of the Maghreb provide examples and lessons that can be built upon and learned, in order to increase the scientific and practical benefits of skilled persons, as is demonstrated by the ministries for emigrants or expatriate affairs that have existed in Morocco since 1990 and Algeria since 1996 and been established in Egypt and the Syrian Arab Republic.

Skilled labour sending Arab countries have finally discovered the importance of those competencies as a source of wealth that can be used to achieve national development goals.

## C. MOVEMENT OF ARAB LABOUR: HISTORICAL DIMENSIONS AND CONTEMPORARY DEVELOPMENTS

It is easy to conclude that in the final 30 years of the twentieth century, migratory movements inside and outside the Arab region, including from the Maghreb to Europe and from Egypt and Iraq to the United Kingdom, entailed changes in the political geography of those countries and created new cultural ties. However, globalization trends and their impact on the skills and expertise needed in globalized labour markets have led to the diversification of such migratory movements, some of which have remained unchanged while others are directed towards the New World. Internal structures have been influenced by development philosophy as well as changing production patterns, objectives and methods. Under those circumstances, Arab countries, with the exception of the GCC States, have suffered from continuous migratory pressure because local labour markets are unable to absorb labour, especially uneducated persons and youth who have not acquired rare competencies. Migration outside the Arab region provides hope and the opportunity to achieve personal and family objectives.

#### D. ARAB INTERNATIONAL MIGRATION AND THE SIGNIFICANCE OF EXTERNAL REMITTANCES

The remittances sent by Arab migrants to their home countries are one of the most obvious advantages of migration, regardless of the field in which they are used and of how well they are used in investment, production and services. Major effects of those remittances include the following:

1. Remittances finance Arab balance of trade deficits. In 2004 for example, Arab migrant remittances amounted to \$21.6 billion, while remittances from the Arab region amounted to \$26 million. The share of Lebanon and the Maghreb countries of these remittances was 43 per cent, while the remainder was shared by Algeria, Egypt, Jordan, the Sudan, the Syrian Arab Republic, Tunisia and Yemen. The period from 1980 to 1984 is a benchmark for the measurement of change in remittances. During that period, remittances multiplied in Jordan, increased four-fold in the Sudan, Morocco and Tunisia, and remained substantially the same in Egypt and Yemen.
2. Remittances to the Arab region exceeded the value of ODA, which constituted only 7 per cent of total remittances to Arab countries. Remittances also exceeded the total amount of FDI in Arab countries.
3. Arab migrant remittances have helped to improve the living, health and education conditions of their families, by providing job opportunities in small service and production projects and by preventing a number of families from falling below the poverty line. Research conducted in 1998-1999 on the living standards of Moroccan families indicated that migrant remittances helped to reduce the national poverty rate from 23.2 to 19 per cent. Without those remittances, poverty rates would have increased in Moroccan urban areas from 12 to 16.6 per cent and in rural areas from 27.2 to 31 per cent, and some 200,000 families, constituting 1,200,000 individuals, would have suffered from poverty.<sup>97</sup>
4. Remittances indirectly contribute to alleviating poverty and achieving progress in social development, especially in education and health.<sup>98</sup> Migration has had a positive impact on the living conditions of migrants and their families in rural areas. A field study on migrants returning to Egypt indicated that 9.8 per cent of the rural population in Egypt had escaped poverty because of migration.

While migration has reduced unemployment rates and alleviated pressure on the relatively limited national job market, it has also increased the career mobility of certain returning migrants. A number of migrants have become businessmen who manage their own projects in the fields of sales, trade and handicraft projects, whereas before migrating, they were workers. Some university teachers have established private educational projects. Moreover, the absence of the migrant husband, especially from rural and popular areas, has provided an opportunity to change the role of the wife and widen the scope of her participation outside the limits of her family.

While some skilled migrants did not work in their original or similar fields in receiving countries, and some educated migrants worked in personal services and sales in the GCC States, the United States of America and Europe, many returning migrants brought with them new expertise. They also introduced new technologies in order to develop their activities in a variety of fields, including, inter alia, construction, car maintenance and medical laboratories.

Over 20 years, some 9 million families have benefited from migration to Arab countries, in addition to a further 2 million families that each have one member in Arab countries. One third of the population has been directly affected by migration for two decades, while others have been indirectly influenced by migration and its returns.

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<sup>97</sup> UN/POP/EGM/2006/6, p. 23.

<sup>98</sup> Farajani, Nader, "Migration to oil", Centre for Arab Unity Studies, 1984, p. 198 (Arabic only).

Any assessment of the impact of international Arab migration that was based on abstract general analyses taken out of context would lack credibility. It is important that any phenomenon should be assessed in the historical development context in which it arose; and that it should be linked to the substance of the policies adopted to deal with related trends, objectives, methods and implementation mechanisms. Accordingly, the following can be noted:

1. The annual GDP per capita growth rate in labour sending Arab countries increased between 1975 and 2002, a period in which migration increased and migratory movements and migrant characteristics diversified. That rate amounted to 2 per cent in Jordan and Algeria, 1.6 per cent in Morocco, 1.1 per cent in Egypt, 0.6 per cent in Tunisia, 0.5 per cent in Yemen and 0.3 per cent in the Syrian Arab Republic. However, the average change in the consumer price index during the same period eroded GDP per capita. That change amounted to 11.9 per cent in Yemen, 2.8 per cent in Morocco, 2.8 per cent in Tunisia, 2.2 per cent in Algeria, 1.8 per cent in Jordan and 1 per cent in the Syrian Arab Republic.<sup>99</sup>
2. Unemployment promotes migration. In 1999-2001, unemployment rates ranged between 9.2 per cent in Egypt, 11 and 11.9 per cent in Morocco, 14.5 per cent in Jordan, 14.9 per cent in Tunisia and 29.8 per cent in Algeria.<sup>100</sup>
3. Between 1995 and 2000, the percentage of the population living below the poverty line on \$2 per day ranged between 6.6 per cent in Tunisia, 7.4 per cent in Jordan, 15.1 per cent in Algeria, 43.9 per cent in Egypt and 45.2 per cent in Yemen.
4. According to technical achievement and education indicators and OECD data, the Arab countries are effectively marginalized in the field of technical achievement. All were ranked lower than 56, whereas South Korea was ranked 5.<sup>101</sup>

In light of those and other indicators, it is not expected that the impact of international migration to and from Arab countries will improve. It can be argued that such migration has a positive impact on individuals, families and communities, but also that its impact is limited at the Arab macroeconomic level.

Positive outcomes of international Arab migration are not expected to further improve, in light of social conditions and the inadequate migration policies adopted in Arab countries. Nevertheless, migration continues to promise to enhance prospects for development by supporting economic growth, and repatriating and developing knowledge, and using it for development. However, more comprehensive macroeconomic policies must be formulated and integrated with general and sectoral development policies, in parallel with the scientific management of migration.

#### E. INTERNATIONAL ARAB MIGRATION POLICIES: LESSONS FROM THE PAST AND FUTURE PERSPECTIVES

With regard to the international migration policies adopted in the labour receiving GCC States or in sending countries, the following may be noted:

1. Most Arab countries are satisfied with the status of migration to them.
2. Most Arab international migration policies lack the scientific elements necessary for proper formulation. The lack of full, complete and timely migration data is a major challenge. While several studies and national surveys were carried out in the 1980s at the national and regional levels, little interest

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<sup>99</sup> UNDP, *The Arab Human Development Report 2004*, table 16, p. 243.

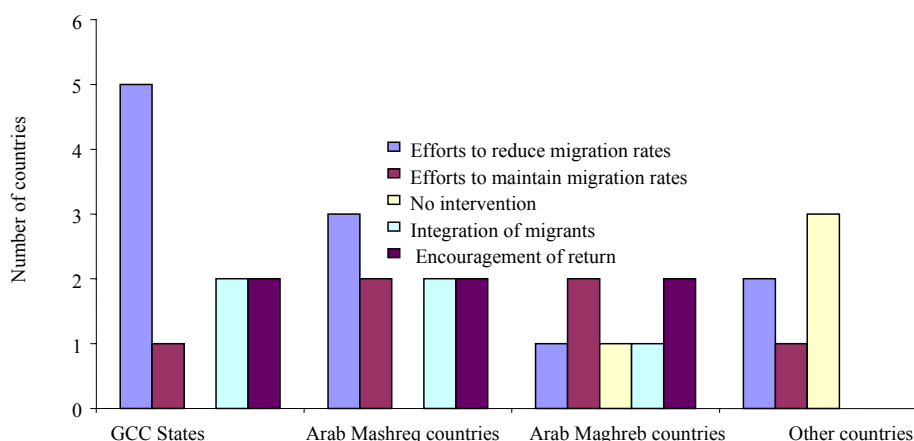
<sup>100</sup> Ibid., table 15, p. 243.

<sup>101</sup> UNDP, *The Arab Human Development Report 2002*, table 22, p. 157.

has been shown in the past decade, forcing researchers and policy makers to rely on scattered data that does not permit precise comparisons to be made. Such data are largely prepared by non-Arab receiving countries.

3. It may be scientifically assumed that labour sending Arab countries continue to be more concerned with migrant remittances than with any other aspect of migration, as is the case in several countries in the Arab Maghreb, Jordan and Egypt.

**Figure 7. Migration policies in the Arab region**



Major questions raised by international migration policies in the region are related to migrant human rights. Migrants suffer from racial discrimination in receiving countries, and face various obstacles to their integration in receiving societies as well as difficulties in practicing their cultural heritage. In that regard, it is interesting that informal migrants do find job opportunities in the informal sector in receiving countries. It is essential that policies adopted in labour receiving GCC countries ensure that migrant rights are respected, especially in countries that have signed relevant international conventions.

According to research conducted in the Arab region on international migration, migration policies in Arab countries face several major challenges, including the following:

1. Lack of or insufficient data, which does not cover all the dimensions, developments and challenges of the phenomenon. Data cannot be compared with other data prepared at different times or in different locations. Awareness of the importance of surveys and research on migration is lacking, there is no theoretical vision common to the various people who are conducting research on the phenomenon. Many migration concepts and procedural definitions are imprecise, and flawed by discrepancies that often amount to contradiction. As a result, data contain different estimates and are sometimes weak or worse.<sup>102</sup> When identifying migrant competencies, confusion prevails as to the level of education, type of profession or activity and as to whether education has received in countries of origin or receiving countries. Confusion is also caused by the rapid turnover of temporary migrant labour in the Gulf States, through the so-called lending system. There is therefore confusion over the exact status of migrants.

2. The competition that migrant Arab labour faces within or beyond the Arab region. Data indicate that unskilled workers and semi-skilled workers in particular face serious competition from Asian labour which has heavily increased in the past 15 years in GCC States. Such labour is currently three times greater than

<sup>102</sup> UN/POP/EGM/2006/10, pp. 1-3.

Arab labour. Literature on Arab migrants in Canada, the United States of America and Europe indicate that considerable numbers of such competencies, sometimes more than two-thirds thereof, did not find the highly skilled jobs they had expected. That may be explained by poor education and failure to master the languages that would facilitate their interaction and integration in receiving countries.<sup>103</sup>

Without the effective and organized participation of Arab and non-Arab sending and receiving countries, especially Euro-Mediterranean countries, it is difficult to carry out the theoretically and methodologically appropriate surveys and research that would produce the data and information necessary in order to formulate scientifically-based international migration policies.

#### F. ATTEMPTS TO DEVELOP MIGRATION POLICIES AT THE NATIONAL AND REGIONAL LEVELS

In light of the diversity of types and trends of migration from Arab countries, it is difficult to suggest a single policy for all of them. There are two types of relation between countries and international migration. One type prevails in Arab receiving countries, predominately the GCC States, while the other type prevails in sending countries, mostly Arab Mashreq and Arab Maghreb countries.

#### G. PROSPECTS FOR THE DEVELOPMENT OF MIGRATION POLICIES IN GCC STATES

It has previously been noted that GCC States have formulated policies and made remarkable progress in regulating immigrant labour. They have reduced both the volume and their dependence on such labour. They have also filled jobs locally by gradually recruiting national rather than immigrant labour, as soon as national labour has been rehabilitated and trained, and education and learning systems changed. Notwithstanding the progress made in most countries in that regard, countries have not yet reached the expected and desired position. Furthermore, experience of national recruitment and the provision of opportunities for the mobility of national labour between GCC countries have not met objectives. Possible reasons include the following:

1. Economic conditions and the circumstances in which immigrant labour is received are similar in all GCC countries.
2. The replacement of immigrant labour by national labour faces similar obstacles in all countries, with a few exceptions. The reception of immigrant labour in GCC countries therefore requires a more diverse and well-articulated policy package. GCC countries have drafted many such policies, which must be integrated into a regional-national system. At the same time, the division of labour between immigrants and nationals should be reconsidered, and nationals persuaded to undertake activities carried out by immigrants, especially in the private sector.
3. There is a need to coordinate sectoral policies and adopt a development policy based on capital intensity and appropriate technology, in order to reduce the need for immigrant labour. Advanced technology requires fewer, more highly-skilled workers, which could be provided through education and training policies if those were linked to the above-mentioned development policy.
4. Training programmes must be developed in order to prepare nationals for some of the technical and administrative functions carried out by immigrants. Such training should not negatively affect operations or productivity.
5. The opinions of private sector actors on the recruitment of nationals must be sought. Training and rehabilitation programmes aimed to overcome obstacles must be organized. Several Governments have made some progress in that regard.

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<sup>103</sup> Ibid., p. 6.

6. The establishment of collective projects for personal and domestic services must be seriously considered, in order to reduce immigrant labour in those services. Such projects could include, inter alia, private garden care projects, hygiene and pre-school kindergartens.
7. Awareness of the importance of a number of professions must be raised and measures taken in order to change social attitudes to some of them.
8. Partnerships and cooperation between GCC countries must be enhanced in order to prepare and finalize a set of productive projects. Such projects must be locally implemented according to the comparative advantages of each country. Planning and implementation must be carried out in a manner that deepens production cooperation between those countries and regulates the labour market.
9. Sponsorship systems must be further regulated, controlled and monitored.
10. The informal sector must be modernized, integrated into the formal sector and provided with the necessary technological and administrative support.
11. Some immigrants must be allowed to acquire nationality on the basis of criteria that are in conformity with State policy and development requirements.
12. Investment must be made in labour sending Arab countries, using legislative and financial safeguards to ensure the security of Arab capital and returns, in order to create job opportunities in those countries.

#### H. PROSPECTS FOR POLICY DEVELOPMENT IN LABOUR SENDING ARAB COUNTRIES

In view of changes in the international migration phenomenon in the Arab region, there is an urgent need to radically review the policies adopted by labour sending Arab countries. The proposed orientations include a set of policies that aim to achieve the following:

1. Radical reconsideration of education and training systems, in order to satisfy the needs of Arab and international labour markets. In that regard, it is suggested that a survey of the needs of the public and private sectors for expertise and skills should be conducted and new techniques used, in order to save effort and competencies and ensure rapid progress.
2. To the extent possible, integration between subsidiary migration policies in the preparation, regulation and precision control of data and information; in the regulation of the movement of workers and their relations with their countries of origin; in the training of labour and their empowerment with the means necessary in order to compete in Arab and international labour markets; and in making maximum use of skilled expatriates, be they businessmen or specialized workers.
3. The integration of migration policies in public and sectoral national and regional development policies. The following constitute priority measures:
  - (a) Develop databases and information on the different dimensions of migration, while focusing on national periodic surveys and quality research, which can constitute inputs for a regional observatory for labour migration in Arab countries;
  - (b) Develop migration legislation that permits smooth administration and regulation in the context of national development. Institutionalize migration issues by establishing specialized institutions based on coordination and partnership between governmental and non-governmental institutions concerned with migration at the national and regional levels and including expatriate organizations in receiving countries;

(c) Develop programmes for the training and rehabilitation of Arab labour in accordance with national market requirements; and provide Arab workers with conditions that enhance their competitiveness in Arab and international markets;

(d) Develop legal and financial systems that guarantee the flow of remittances via official and legal channels, thereby facilitating their mobilization and enhancing opportunities for using them in national development projects and programmes;

(e) Provide States with a database on SMEs and reinforce links with national enterprises. Prepare lists of priority projects, including comprehensive feasibility studies, and apportion such projects at the community level;

(f) Prepare an integrated policy for the optimal utilization of skilled migrants in development projects and programmes. That will require an assessment of the experience of Algeria, Egypt, Lebanon, Morocco, the Syrian Arab Republic and Tunisia, as well as the experience of Qatar in holding the Conference of Arab skilled migrants in March 2006, in order to draw up lessons that could be of benefit to Arab countries.

4. In order to activate the development role of Arab skilled migrants, the following measures are suggested:

(a) Identify skilled Arab migrants and, in particular, relevant non-governmental associations and organizations in receiving countries;

(b) Represent skilled migrants in university administrations and research centres, in order to enhance their participation in developing the policies and programmes of those institutions and in preparing and implementing research and development programmes and projects;

(c) Provide skilled migrants with the opportunity to contribute to the preparation of national and regional skills, and develop sectoral and comprehensive development policies that are relevant to the specializations of skilled expatriates;

(d) Facilitate the movement of Arab skilled labour within and beyond their home countries, and eliminate obstacles to their movement.

National capacity-building will be required in order to achieve those procedures and more efficient migration policies must be formulated and integrated with relevant policies on education, health and the labour market. Skilled individuals will require training in order to understand the interaction between migration policies and other sectoral policies, because sound implementation of those policies will ensure full implementation of migration policies.

#### I. JOINT ARAB ACTION AND DEVELOPMENT OF NATIONAL PARTNERSHIPS

Regionalization has become a major strategy for dealing with the challenges facing individual countries. Regionalization enhances comparative advantages and turns them into competitive advantages, thereby ensuring the sustainability of development. That explains the eagerness to establish partnerships with other regions, regardless of geographic proximity, which can, however, be an important factor. Major interests have led to interaction between quite separate regions that enjoy disparate levels of economic and social development. Once European countries began to interact with each other on an individual, bilateral or tripartite basis, they built various European, Euro-Mediterranean and other partnerships.

The experience of the countries of the Arab Maghreb in benefiting from the expertise of skilled and highly specialized migrants abroad, and in the area of migrant remittances provides lessons on how the



migration phenomenon can support national development programmes in sending countries. According to such lessons, it is necessary to take the following measures:

1. Take advantage of skilled migrants in various economic fields, in order to open up new horizons for cooperation and partnership between sending countries and European receiving countries, especially in light of the openness of Arab economies and their integration into the Euro-Mediterranean project.
2. Take advantage of migrant remittances in order to prepare national economies to positively and efficiently participate in the Euro-Mediterranean project, particularly in view of the diminishing flow of foreign investment to Arab countries.
3. Take advantage of migrant remittances through so-called bilateral entrepreneurs. Migrants maintain their legal status as residents in receiving countries, including residence permits, medical coverage and tax status, while at the same time, they manage a network of contractual operations that require that they regularly move between both countries.
4. Take further advantage of second and third generation migrants, who are responsible for managing the branches of several French companies abroad, by exploiting the cultural affinities that enable them to understand the culture of both the sending and receiving countries.
5. Organize forums to discuss investment opportunities available for migrants in their own countries.
6. Integrate migrants in development programmes put in place by sending countries, by offering them the opportunity to own and manage many privatized projects, given the tendency of many Arab countries to implement new economic policies.
7. Open up to the regional labour market. Despite the lack of many basic requirements, that will continue to be a possible goal, once the political will is found and national interests identified and in agreement with regional interests.

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