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Migrant transfers as a development tool: The case of Morocco

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MIGRANT TRANSFERS AS A DEVELOPMENT TOOL
THE CASE OF MOROCCO

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DIIS Working Paper 2004/17

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Abstract

In 2003, the Global Development Finance Annual Report took formal notice of remittances as an important source of external development finance for the first time, listing Morocco as the 4th largest remittance recipient among developing countries. This paper examines the positive and negative results of remittances on Moroccan development, as well as of other migration-driven social changes. It offers a brief historical background to Moroccan migration and examines more closely Moroccan emigration to the EU from the early 1960s. Remittance practices are discussed, as is the issue of return migration. The paper concludes by discussing prospects for general development in the country and summarizing policy options in the field¹.

¹ Part of the research for this working paper was carried out for the Femise Project “A favourable macro-economic environment, innovative financial instruments and international partnership to channel workers’ remittances toward the promotion of local development: Two case studies in Morocco and Tunisia”. The final report of this project is available at www.ssc.ruc.dk/federico (Research Report nr. 5/2004). Project coordinator Andrea Gallina or other Femise team members are not responsible, however, for the interpretations and arguments made in this working paper.

I. Introduction

Morocco has depended on migration for much of its social and economic development. 12 years after Independence, the Kingdom's budgetary plans (1968-72) proposed emigration as a means of solving the under- and unemployment problem, a policy which would simultaneously provide an increase in foreign currency through remittances. Migrant transfers would help finance internal investments, local employment and the creation of a group of nationals with professional skills and attitudes acquired in Europe and favourable to economic development. Building on foundations already in place the 1973-77 five-year plan further proposed methods of stimulating emigration services in Morocco and setting up a network of social bureaux abroad. Activities in favour of emigration and the conclusion of labour agreements with different receiving countries would further enhance development, as would the creation of emigration funds designated to aid potential migrants with the costs of establishing themselves abroad (Leichtman 2002).

The roots of contemporary migration from Morocco to western Europe can be traced back to the colonial period. The volume of migration increased substantially during the reconstruction of Europe in the aftermath of the Second World War. This increase was further accelerated by the subsequent economic boom across western Europe. Although Moroccan flows dropped significantly in volume during the recession at the end of the 1970s, they picked up momentum in the 1980s and further increased during the 1990s, propelled mainly by irregular flows. Between 1975 and 1998, remittances accounted for 6.5 per cent of GDP.

In 2003, the Global Development Finance Annual Report took formal notice of remittances as an important source of external development finance for the first time, listing Morocco as the 4th largest remittance recipient among developing countries. Remittances to Morocco currently stand at around USD 3.3 billion (2001 figure), of which approximately half is transferred from France (Ratha 2003). Nonetheless, and despite the high level of remittances, Morocco remains characterized by considerable regional and other inequalities. Emigration potentials are very high in the north, closest to Spain, one of the European Union's chief frontline states.

International research shows that, if properly facilitated, migration can have a threefold beneficial effect: on the host countries by supplying the labour in demand, on the migrants and their families through the potential improvement of income and livelihood possibilities through migration, and on the country of origin through the inflow of financial and human

capital (monetary and social remittances). However, research also shows that it is often difficult to mobilize different forms of repatriated capital, remittances, skills and new socio-cultural and political values for home country development because of enduring economic and infrastructure barriers.

This paper is concerned with the developmental impact of remittances to Morocco. While the Moroccan government has no official policy on emigration, it has had high hopes of being able to capitalize on remittances. The paper examines the positive and negative results of Moroccan migration on economic development, as well as of other migration-driven social changes, that is, the impact of social remittances.

The paper is organized as follows: Section Two offers a brief historical background to Moroccan migration. The following section examines more closely Moroccan emigration to the EU from the early 1960s. In Section Four remittance practices are discussed, while Section Five addresses the issue of return migration. Section Six discusses prospects for general development in the country. Finally, the paper concludes with policy options and suggestions.

2. The general background to Moroccan migration

The Mediterranean region has been marked by a continuous movement of people between the seashores. Historically, the area now known as Morocco was populated by various groups of pastoralists whose livelihood strategies were bound up with the search for pasture. Together with the rest of the Maghreb region, their various territories were at different times invaded by foreign populations (Phoenicians, Romans, Byzantines, Arabs, Spaniards and Portuguese), of which the Arabs made perhaps the strongest impact with the establishment of the Western Islamic Empire, consolidated in 710. After 710, the Western Islamic Empire expanded into the Iberian Peninsula and subsequently consolidated Muslim power in Andalusia. This movement was later pushed back by the Spanish reconquest and expulsion of the Moors and

Sephardic Jews (1492 for the expulsion of Jews and 1609-1614 for the Moors, respectively), followed by the movement of Europeans to Northern Africa.¹

Morocco was ruled by the Alawi dynasty from the mid-seventeenth century until 1912, when the European states met at the Algeciras Conference and shared Africa out between them. The Kingdom became a Franco-Spanish protectorate, with France dominating the south and Spain the north. During the First World War, thousands of Moroccans fought for the French or worked as replacement labour in French industry and agriculture. During the Spanish Civil War (1936-39), Franco recruited 60,000 Moroccans (mainly from the northern Rif region) to fight in Spain for the nationalist cause (Collinson 1996). The French and Spanish protectorates over Morocco lasted until Moroccan independence in 1956.²

In September 2002, the country held parliamentary elections for the lower chamber that were widely regarded as the first free, fair and transparent elections since Independence.

3. Moroccan migration to the EU

From the early 1960s, Moroccan movements towards Europe began to be conceptualized as labour migration. Until 1965, the number of Moroccans in Europe was still very low, estimated at some 70-80,000 persons. The majority of these 'guest workers' were younger men from rural areas, generally married who, because of their intention to return, left their families behind and remitted large parts of their European salaries back home.

Although Moroccan overseas migration was determined by labour demands in Europe, the Moroccan government tended to view migration as contributing to development. First of all, it was seen as a solution to growing unemployment problems. Second, migration soon became a means to solve balance of payment problems in the country. Finally, migration was seen as providing a cheap and convenient mechanism for upgrading the skills of the population, a presumption based on the firm belief that the migrants would return.

¹ In the Moroccan case, Ceuta was incorporated into the Iberian Kingdom in 1415, Melilla in 1497, and the two islands of Peñon de Vélez de la Gómera and Peñon de Alhucemas in 1508 and 1673, respectively.

² Ceuta, Melilla and the Peñons still remain Spanish enclaves, or EU territory, in Africa.

The government attempted to control Moroccan migration flows by favouring migration from urban areas. Nonetheless, actual flows continued to be dominated by marginalized rural areas such as the Rif, Oriental and Sous regions.

The EEC countries restricted entry in the early 1970s. Family reunification programmes nevertheless made it possible for Moroccans to continue travelling to various European countries. According to official estimates, 1.1 million Moroccans entered Europe between 1971 and 1982.

In comparison with pre-1970 Moroccan movements to Europe, post-1970 migratory movements were characterized by the progressive inclusion of new sending regions, especially the Atlantic Coast and the interior. People from larger urban areas such as Casablanca, Rabat, Fez, Meknès, Kenitra, Marrakesh, Agadir, Tangier and Tetuán also began to add their numbers and experiences, to what was formerly seen as predominantly rural labour migration (Colectivo Ioé 1994). At the same time, economic adjustments and a restrictive university reform led to the mass desertion of the country by well-educated Moroccan students. Many of them chose to migrate to Europe, often to new destinations such as Spain, as well as to other Maghreb countries and the Persian Gulf as an alternative to the traditional EEC countries. Others were forced into exile by their opposition political beliefs and behaviour (Sørensen 2000).

Khachani (1998) divides Moroccan migration to Europe into four different historical phases, each distinct in terms of its nature and size:

1. Individual male migration
2. Family reunion
3. Seasonal migration
4. Clandestine migration

Individual male migration proliferated throughout the 1960s and up to the oil crisis in 1973. Since the mid-1980s, however, Morocco has witnessed sizeable female migration to some European countries, notably Spain and Italy, but also to some Arab countries, such as Libya and the Gulf states. While some of these female migrants have joined husbands or other male family members, increasing numbers have migrated on their own, often finding employment in the domestic sector (Sørensen 1999). Seasonal migration has been a constant feature of Moroccan migration, but it has lost its importance in numerical terms. Both family reunion and irregular migration can be seen as a result of the tightened policy adopted by the European Community and its successors, especially after the conclusion of the Schengen Agreement in

1990 and the Maastricht Treaty of 1991, which introduced visas, strict border surveillance and a selective ceiling for work permits.

Stricter border surveillance was further implemented in 1993, when an eight-kilometre defensive wall, consisting of two parallel wire fences 2.5 metres high and 5 metres apart, and with a line of sensors between the wires was built around Ceuta, the Spanish enclave in northern Morocco. Although this defensive line may be said to be no more than yet another obstacle in the familiar game that pits irregular migrants against wealthy countries further North that has to be reached and surmounted (cf. Harding 2000), it has become exceedingly difficult and expensive for Moroccans to cross the borders into Europe. Those who manage to overcome European border controls then find themselves in steadily deteriorating working and living conditions once in Europe. At the same time, a growing number of individuals who had hoped for a better living elsewhere find themselves stuck in Morocco. As well as accommodating Moroccans waiting to go abroad, the country is also a transit area for the trafficking and smuggling of human beings to Europe. Hundreds of citizens and foreign nationals, mostly from Sub-Saharan Africa, drown annually while attempting to cross the Straits of Gibraltar.

In 2003, an estimated 2.5 million Moroccans were residing abroad, representing almost eight per cent of Morocco's total population of 31,689,265 (July 2003 estimate) and affecting maybe half of all Moroccan families. Contemporary Moroccan migration is overwhelmingly oriented towards the European Union, with Belgium, France, Germany and the Netherlands featuring among the long-established destinations, and Italy and Spain among the more recent ones (IOM 2003). Given the importance of social networks, migrants from certain regions tend to go to specific European countries. Historically, the first wave included Moroccans from the south heading for France. Inhabitants from the North, especially around Al-Hoceima, often went to Germany, Belgium and the Netherlands (Moroccans from Agadir and Nador also tend to migrate to the Netherlands), while those who migrated from central Morocco more recently have gone to Italy (Leichtman 2002). The Moroccan migrant population in Denmark is predominantly Berber originating in the Northern provinces.

4. Remittances to Morocco

International migration from Morocco and the remittances it generated have had important repercussions on Morocco's economy. In 2001, an increase of 57.5 per cent over the amount received in 2000 was recorded. Since the early 1970s, remittances have become increasingly important for the Moroccan external balance of payments. Together with tourism, remittances

represent the country's major source of foreign currency receipts and represent a source of income well in excess of receipts from tourism, and stand consistently above inflows of FDI.

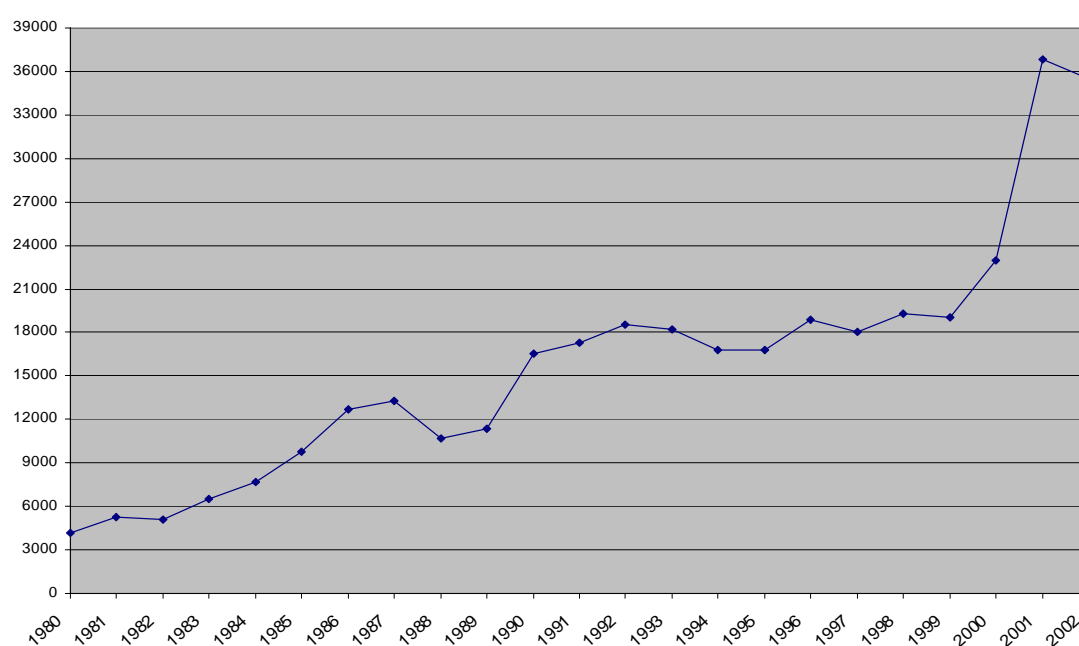
Table 1: Remittances to Morocco and balance of trade deficits, 1991-2001
(mio. Moroccan Dirhams)

	1996	1997	1998	1999	2000	2001	2002
Total remittances	18,873.8	21,033.4	19,310.9	19,001.5	22,961.6	36,162.8	35,513.0
Trade balance deficit	-24,599.5	-23,655.5	-30,068.0	-32,314.0	-43,310.0	-43,420.0	-43,693.2
As a percentage of trade balance deficit	76.7	88.9	64.2	58.8	53.0	83.3	81.3

Source: Office des changes/IOM 2003.

According to data from the IMF's *Balance of Payments Yearbook*, Morocco is the fourth-largest recipient of official remittances, totalling USD 3.3 billion in 2001. The impact of remittances on household income is far from negligible. A study by Bouchachen (2000) provides evidence that migration is often a means of achieving a decent income. The contribution from remittances means that only 19 per cent of the population lives below the poverty line, that is, 1.2 million Moroccans escape poverty thanks to migrant remittances.

Graph 1: Remittance flow during 1980-2002 in Morocco (mio. Moroccan Dirhams)



Source: Office de Changes, http://www.oc.gov.ma/MRE_annees.htm

Remittance flows are not necessarily stable during the year, but traditionally tend to peak in the months of July and August, the holiday season for Moroccans living abroad. This is also the period during which the hidden but substantial amount of remittances in the form of gifts or spare parts for vehicles and other small pieces of equipment flow with holiday visitors into the country.

Remittances also tend to peak during such feasts as Eid and other religious festivals. Such donations are sent through religious communities or, to a lesser extent, migrant associations, to local communities in Morocco. The volumes of these transfers are difficult to estimate.

An examination of the origins of migrant remittances reveals a growing diversity in the destination countries of Moroccan migration and the strong links with families and communities back home maintained by the diaspora in these countries (see Table 2 below).

Table 2: Geographic origin of migrant remittances to Morocco (2002)

Destination country	Percentage of total remittances to Morocco
France	48.6
Italy	11.8
The Netherlands	6.8
Belgium/Luxembourg	6.8
United Kingdom	4.3
Germany	4.2
U.S.A.	4.2
Spain	3.8
U.A. Emirates	2.4
Saudi Arabia	2.2
Switzerland	1.9
Denmark	0.7
Other countries	2.3

Source: Office des changes/IOM 2003.

Remittances to Morocco flow through the commercial banking sector as well as through social networks. The expansion of the national banking system is thought to have effectively increased official remittance flows (Leichtman 2002: 116). The Moroccan Banque Populaire was created in 1970 and today has around forty branches throughout France, Germany, the U.K., Denmark, Spain, Italy, Belgium, the Netherlands and Sweden. The Moroccan desire to enhance development through migration is illustrated by the practice of situating the bank's HQs in European countries within the Moroccan Embassy itself. Today, most major Moroccan banks have separate departments dealing with Moroccans abroad and during the summer

banks bombard returning migrants with free gifts and advertisements for their services. To underscore the importance and high hopes Morocco places on migration it is also worth mentioning that the Banque Populaire established a research centre on Moroccan migrants and remittances (*ibid.*: 133).

Evidence suggests that remittances flowing through family and/or village networks have played an important part in supporting local economies and infrastructure development in certain areas such as, for example, the Rif region, where construction and the creation of small and medium-sized businesses have transformed marginalized rural areas. The local development impact in other rural areas has been limited by emigrants' preferences for investments and consumption in major urban centres such as Casablanca and Rabat (Collinson 1996: 28-9).

But evidence is contradictory. Critics have continuously argued that migration has failed to contribute to Morocco's development. Skills of returning migrants have not been matched effectively by local labour market needs, while the impact of remittances has at best been ambiguous and has tended to be channelled into consumption rather than productive investment (Collinson 1996). However, more micro-oriented studies have demonstrated that areas with strong traditions of migration, such as the Rif, have seen a veritable boom in the construction sector. 71 per cent of migrant households in this region have managed to buy land, build a house or carry out considerable repair work on their old homes (Lazaar 1987). Several professions and occupations attached to construction have benefited from migration and repatriated wages: plasterers, iron-workers, furniture-makers, foam rubber cushion shops, plumbing appliance shops, lighting fixture outlets, and the market in used refrigerators, stoves, hot water heaters and washing machines. The same housing boom that has been driven by immigrant spending has probably saved many of the smaller cities. All communities in Nador Province suffered a loss of their population and commerce after independence, but those like Monte Arrouit and Tistoutine in the territory of Beni Bou Ifrouir might have disappeared completely had the migrant boom not turned them around (McMurray 1992).

Other investments have been made in vans, taxis, small tea and coffee shops, restaurants and hotels. In Targuist, seven of the twenty hotels are owned by emigrants. Similar patterns are found in Tetouan and Tanger, where travel agencies and a booming business in money changing are also developing (Lazaar 1987).

Pointing to broader, macro-economic impacts, Khachani (1998) argues that the field for economic activity for Moroccan migrants in Europe has widened. In recent years, Moroccan investments have included the exploitation of agricultural land using modern technologies and

methods, the introduction of state-of-the-art stock-raising, expanding the tourist sector, and setting up commercial establishments and small and medium-size industries in food-processing and the supply of building materials. Migrants have also played a role in activating the stock exchange in Casablanca and are even managing parts of the public transport system.

State initiatives

As early as 1976 during a visit to France, King Hassan II appealed to the Moroccan diaspora to “remain Moroccan so that your country can in time count on its sons everywhere, wherever they find themselves. (...) You must give a good example and continue to fulfil the role of ambassadors of your country” (Collinson 1996: 23). But it was not until 1990 that a Ministry of the Moroccan Community Abroad was created to defend the interests and rights of emigrants in their countries of residence. The same year, the Hassan II Foundation for Moroccan Residents Abroad was founded to manage and expand cultural and educational activities principally aimed at second and third-generation emigrants (ibid.: 25).

In August 2001, King Mohammed VI announced the launch of a global, coherent, integrated new policy to be more responsive to Morocco’s migrant community. This policy favours the emergence of new dynamic migrant elites in politics, science, technology, culture and the sports. At the same time, new mechanisms directed towards strengthening the developmental impact of migrant remittances in terms of productive investments were introduced. At present, two public foundations are involved in migration management: the Hassan II foundation, which now covers the settlement of legal and administrative disputes involving the Moroccan diaspora, and the Mohammed V Foundation, which deals with the summer return of Moroccan migrants (*opérations de transit*). In addition, the Hassan II Foundation plans to work towards enhancing the cultural influence of Morocco in host countries, with the specific objective of favouring the emergence of partnerships between migrant associations and host communities. In partnership with IOM, the Hassan II Foundation has created a project entitled ‘Observatory on the Moroccan Community Living Abroad’. Its objective is to strengthen Morocco’s capacity to document migration trends and to establish an integrated research system to collect and disseminate information on Moroccans abroad (IOM 2003: 225).

5. Return migration

Experiments with organized permanent return have not been successful. These experiments are exemplified by the assistance provided by the French government to encourage migrants to return and by the special programme financed by the Dutch government in rural areas in Morocco. Those migrants who did return have mainly done so on their own initiative. For example, Sabagh established that 62 per cent of return migrants to Morocco were over fifty years of age, compared to 13 per cent of migrants leaving Morocco. Moreover, 53 per cent of return migrants had little formal education compared with 24 per cent of those leaving and 12 per cent who might leave. Although those who returned brought back less human capital than those remaining abroad, they were nevertheless more highly skilled than non-migrants (Sabagh 1997, cited in Leichtman 2002).

According to McMurray (1992), the majority of returned Moroccan migrants in Nador had originated from the agricultural sector with most of them presumably having been peasant farmers or rural day labourers. After their return, however, 41 per cent entered commerce, services or transportation. More significantly, a surprising 12 per cent of Moroccan migrants were owners or independent operators before they migrated, compared with an impressive 39 per cent after return. Therefore, in addition to the reported positive impact on the economic development of Morocco, migration has also altered the local class structure.

As yet, we know very little about return migration to Morocco. Future research should distinguish between definitive return, the long-term resettlement of returning migrants, and temporary returns, the short-term interludes between periods spent abroad. Return/repatriation have become an apprehension and possibility for increasing numbers of Moroccans in Europe owing to their uncertain/undocumented situation there.

6. General prospects for development

King Hassan II once said that Morocco was a tree with its roots in Africa and its branches in Europe. Separated from Europe by the Straits of Gibraltar, a mere fourteen kilometres wide, its economic and strategic interests are firmly rooted in the European countries to the north. Over 60 per cent of Morocco's exports go to EU markets, and Europe provides most of Mo-

rocco's tourists, remittances and loans. Morocco is also the country that receives the largest amount of EU development aid.

According to UN forecasts the Moroccan population is growing. There are about 20 million Moroccans aged 15-64 (against approximately 10 million aged 0-14 and 1.5 million 65 years and over). The labour force is estimated at 11 million (1999), with 50 per cent active in agriculture, 35 per cent in services and 15 per cent in industry. Unemployment is estimated at around 19 per cent (2002), but the unemployment rate is much higher in urban areas, reaching 20-25 per cent for women and 30 per cent for university graduates. 19 per cent of the population live below the poverty line, with the highest poverty rates in rural areas in the central and north-central regions (*World Fact Book* 2003). Economic growth in the 1990s averaged less than 2 per cent a year, compared to the 6-8 per cent growth needed to provide jobs for the 200,000 to 300,000 new labour market entrants each year (CEME 2003).

A somewhat less alarming scenario is presented by Courbage (1999) who argues that the spread of education has resulted in a sharp fertility decline. Though the share of young people will be replaced by that of older people – whose relative share will double between 1995 and 2025 (from 4.6 to 8.4 per cent) – the population growth rate is nevertheless expected to remain high throughout the period 2000-2025 period. Zero population will not be achieved for about a further thirty years after that.

This background certainly makes it relevant to examine the development impact of remittances, that is, the nature, source and effect of various types of transfers, whether monetary or in kind, on strengthening relations of social protection and family solidarity and, in particular, on alleviating poverty.

Leichtman (2002) reviews the development impact of remittances on agricultural development, changing family structure, return migration and the brain drain. With regard to agricultural development, she concludes that the investment priorities of migrants have not been in agriculture, but rather to start up small businesses. This conclusion in part contrasts with the finding of de Haas (1998) that the oasis culture in Morocco is going through a process of transformation because of new, migration-related investments in modern types of oasis agriculture. Given such diverse findings, there is a need for more systematic insights into the interaction between migration, general socio-economic changes and agricultural transformation in the Moroccan case.

Because of migration, Leichtman argues, the Moroccan family has undergone a series of contradictions and conflicts in the struggle between tradition and modernity. On the one hand, Moroccan women have begun to assume greater responsibilities and no longer fit the stereotype of the Arab-Muslim women restricted to domestic activities. The changing role of women in Moroccan society is not only due to male migration. While some women have effectively become the head of the family back home owing to the absence of male family members, other women have migrated on their own and gained work and other experiences abroad (for the case of Moroccan women in Spain, see Sørensen 1999; for Maghrebian female migrants in Europe in general, see Khachani 2001). On the other hand, changes in gender roles are complex. In the 1950s, for example, only men participated in the harvest. Recently, because of migration, many women have begun to take over this role. As a result, some of the younger men refuse to work in what has now come to be dubbed 'women's work'.

Other studies indicate that, for young men, migration has become the door to independence and maturity that otherwise would be blocked by local poverty. To marry young men need to have money to pay for the dowry and organize the marriage feast. Many men are unable to raise such resources locally (IFAD 1997). Sørensen (2000) found that young men in northern Morocco saw migration to Europe as an escape from traditional (and costly) marriage traditions. Women, on the other hand, might opt for migration as the only solution to marital breakdown in a culture where women's rights are still traditionally tied to their husbands (i.e. women divorce and are then 'forced' to migrate) (Sørensen 1999).

In respect of return, Leichtman argues that rural migrants typically take a triangular route, ending up in urban areas of Morocco via international migration, thus increasing the population of the larger cities, while the size of smaller villages has decreased. Leichtman further concludes that brain drain cannot be attributed to migration alone, but should rather be seen as the result of the failure of the state, universities and businesses to find ways to incorporate the educated and to use their knowledge effectively, despite the investment made by these institutions in education.

It seems, however, that Morocco is renewing its migration-development strategy. Morocco's ratification of the free-trade agreement with the European Union on 1 March 2000, is a first step towards the creation of a new Euro-Mediterranean partnership in addition to being one of the first fruits of Europe's new approach to migration. The agreement paves the way for tariff-free trade between Morocco and the EU by 2012. But Morocco would like to see the scope of the accord to go even further: the free movement of goods should be accompanied by the free movement of labour. Free trade does not mean that potential emigrants would be

assured living standards equivalent to those achievable through migration. The recently signed free-trade agreement between Morocco and USA (March 2004) is locally seen as the best agreement of free trade so far obtained by a country with the United States as it allows 99.73 percent of Moroccan products to access duty-free the American market (Arabic News 13/4/2004).

Analysts disagree as to the effects of trade liberalization on Moroccan migration. Some conclude that free-trade agreements with the EU may lead to higher unemployment in the agricultural sector and therefore contribute to migration pressures. Others conclude that a sufficiently rapid expansion of labour-intensive exports will lead to a lessening of migration potential because of the labour demand generated by such an expansion. Using the North American Free Trade Agreement as a comparison, Leichtman (2002) argues that the implementation of the agreement is likely to result in higher migration pressures in the short to medium term because it will disrupt labour absorption in small-scale agriculture.

7. Policy options

The constructive use of remittances for development requires better answers to some fundamental questions such as: how can financial and social remittances from the Moroccan diaspora be mobilized; are there ways to strengthen the Moroccan diasporas role as agent(s) of development; and to what extent can and should development and migration policies be linked?

The development potential of remittances can obviously be improved by increasing the total flow of remittances, lowering the transfer costs, reducing the risks involved in transfers and offering more attractive investment alternatives. In addition to monetary remittances' potential for improving economic activities, social remittances – the ideas, behaviours, identities, and social capital that migrants export to their home communities – have the potential of gradually spreading to wider political, cultural and social activities in Moroccan society. Such developments should be encouraged by the European Community and international development agencies.

7.1 Remittance mobilization

Migration has contributed significantly to Morocco's social and economic development. Over the years, the Moroccan state has launched different initiatives to mobilize the diaspora and its economic resources, culminating with the establishment of the Mohammed V and Hassan II

foundations. In comparison with many other developing countries, a relative large share of financial remittances flow through official channels at relative low costs. There seem to be room for improving partnerships for collective remittances, however, which could involve:

- Involving local civil society in both source and destination countries in the planning, implementation and sustaining of local development projects.
- Strengthening and enabling local governments in order to create, develop and undertake local development projects.
- Facilitating the establishment of Home Town Associations (HTAs) linking diaspora communities to particular sending areas with the purpose of carrying out mutually benefiting development projects.

7.2 Enabling the transfer of monetary remittances

Until such civil society structures are in place, a medium-term policy could rely on the creation of micro-finance systems. Channeling remittances through such systems would facilitate the financing of local investments. While it has proven difficult to convert successful migrants with no prior business experience into dynamic entrepreneurs, it could be argued that it is more realistic to introduce financial intermediaries to capture remittances as deposits, and to channel them into existing small and micro businesses, rather than focusing on migrant specific investment programmes. Besides, tying remittances to micro lending has the development potential to enhance local markets. Specific recommendations could include:

- Encouraging the creation of co-development schemes enabling partnerships between European, Moroccan and migrant entrepreneurs.
- Facilitating needed skills transfers between all involved stake holders (including diaspora representatives as well as family members and non-migrants representatives of local communities).
- Facilitate rural-urban mobility. Since many urban dwellers are newcomers from the countryside, the facilitation of mobility might possibly support the transfer of skills and knowledge, not least concerning markets for agricultural products.

7.3 Enabling the transfer of social remittances

Social remittances are an under utilized development resource that can potentially be purposefully harnessed to improve socioeconomic indicators. By systematically encouraging flows of information between the diaspora, specific home communities, and the Moroccan society at large, the Moroccan government and European development agencies can draw on the same multiple set of ideas, beliefs and resources that migrants do. To the extent that social remit-

tances flow together with economic resources, changes in normative structures and general practices may be pertinent to ensure the continuation of monetary remittances. Specific recommendations could involve:

- Increasing interactions and interests at the political level.
- Facilitating consultations between Moroccan civil society and diaspora groups for dialogue on development (which development, for whom, etcetera).

In the Danish case, such interactions and consultations could be carried out under the auspices of the Arab initiative.

7.4 Diasporas as agents of development

Reaching out to the diaspora is key to any source country or development agency's strategy to mobilize remittances for development. Likewise, for any state driven efforts to be successful, migrant need to learn to trust governments and/or be given good reasons to do so. Broader out-reach policies could include:

- The granting of dual citizenship and other rights.
- Securing the diaspora political representation in national and local governing bodies.

As remittances make their way home and contribute to family survival and economic development, it is worth underlining that the demand may pose a substantial drain on those who send them. Family and kinship links, while providing network support, are also a source of perhaps never ending obligations. Since sending money home can be a large drain on those who have employment in Europe, and even more so for those who do not, diaspora attitudes to the family back home may be highly ambivalent. Such demands may work against the diaspora's social mobility in the host country and also make accumulating capital for return or broader investments back home very difficult. Development agencies should make sure that their renewed focus on diasporas and remittances as a source of development finance does not place additional stress on already vulnerable groups.

7.5 Linking development and migration

Working with migrant communities in the destination countries for source country development forms part of the Tunis Declaration (the 5+5 ministerial Agreement). It remains to be seen, however, to what extent the diverse policy goals of 'fighting irregular migration', 'improving integration of regular migrants in Europe', and 'promoting socio-economic develop-

ment of areas with high migration rates' are compatible with the aspirations of the stake holders involved.

Meanwhile new relationships between Europe and Morocco may be in the making. Jamahl Belanrach, who returned to Casablanca from Europe in 1998 to direct the North African operations for a recruitment agency, believes Euro-Moroccans will be catalysts for change. He claims that Euro-Moroccans are increasingly linking up with Moroccan business people who are already abandoning the low-risk mentalities that dominated in the first two to three decades of migrant investments. In a BBC feature, including the interview with Mr. Belahrach, a young Euro-Moroccan man is quoted for saying that: "We are not like our parents' generation. They hadn't studied and didn't know their rights. They could write cheques and send money home and that was it" (BBC News, 11.09.02).

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