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# **The role of migration in Moroccan development**

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## **Abstract**

High rates of unemployment have already become a serious problem in Morocco. Although Morocco has experienced a period of economic growth, this growth still cannot provide enough work opportunities. Remittances from migrants play an important role in the Moroccan economy. After the end of the 1990s, they have become an important source of foreign exchange to the Moroccan economy. This paper explores the relationship between migration and development. The discussion focuses on two perspectives, the labor market and remittances. Analysis will be based on these two perspectives and try to check out whether migration can resolve the high rate of unemployment, and how does migrant remittance encourage development.

Keywords: Morocco, Migration, Development, Remittances

# 1. Introduction

## 1.1 Introduction to the area of research

The relationship between migration and development is very complicated, a central question has been asked ‘does migration promote development of sending countries, or restrain development?’ The ‘brain drain’ was an important issue, because people were concentrated on whether the gains from remittances would offset potential losses caused by the loss of workers. Especially those skilled labors who choose to settle in receiving countries, which can lead to ‘brain drain’ in sending countries (Newland, 2003). The argument often concentrates on who leaves their countries, skilled labor or unskilled labor. Emigration could lead to labor shortages in sending countries, which could be a negative impact for development. This way of thinking about migration makes some leaders of countries look at emigrants as ‘deserters from the nation’, because it seems like they will not make contributions to their home countries any more in the future (Khadria, 2008).

Recently, the positive impact of migration on development has become central in policy initiatives. Some countries started to see migration as an alternative way for promoting development. In India, for example, migrants are recognized as ‘angels’ or ‘heroes’ to this country’s development (Khadria, 2008). The growth of remittances from migrants has started to make contributions to the development of less-developed countries (Ghosh, 2006; World Bank, 2006). Kapur(2004) has also pointed out that remittances could be a new power for encouraging development. The money from migrants could help to promote local, regional or national development. Remittances could also be the capital for development, which could offset the lack of official aid programs.

Besides the contribution of remittances, migrant diasporas also play an important role in making contribution to their home countries (IOM, 2005; Newland, 2007). Migration can bring a range of benefits for development. First, migrant remittances can be a new power to promote the economic development of countries of origin. Second, besides the remittances, migrants also can transfer new skills and attitudes to their home countries, like ‘social remittances’ which can also promote development. Third, ‘brain drain’ can be replaced by ‘brain circulation’, because migration tends to generate benefits to both sending and receiving countries. Fourth, Temporary labor migration (circular migration) also can play an important role in stimulating development. Receiving countries can benefit from circular migration with low risks of integration and community relations, because in this pattern, those migrants will

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leave destination countries after they finished their temporary work. Sending countries also can benefit through remittance, and transmission of skills and knowledge. In this circular process, migrants themselves also can gain jobs, income and experience. Fifth, migrant diasporas also can be an effective pillar for development, because they has the potential function of transferring financial remittances, social remittances, technology and skills (Castle and Miller, 2009).

Although migration has started to show it can generate positive impacts on development, Massey (1998) states that there is still not enough persuasive evidence to support the relationship between migration and development. Newland (2007) also pointed out that ‘the evidence base for the links between migration and development is still weak’. Different factors are involved in the relationship between migration and development, which display a very complicated and controversial situation.

In this paper I am going to talk about ‘the Role of migration in Moroccan development’. Morocco is a very classic case in migration, because this country has become one of the world’s leading emigration countries. Moroccan migration groups have become one of the largest, meanwhile, they are also one of the most dispread migration communities in Western Europe (Haas, 2005). In 2004, about 3 million Moroccan people lived abroad. In 2003, Morocco received \$3.6 billion in official remittances which makes Morocco the fourth largest remittance receiving country in the developing world. Comparing migrant remittances with other sectors, remittances were six times higher than official development aid, and higher than benefits from tourism and the export of agricultural production (Haas and Plug, 2006). From this data, we can see remittance plays an important role in Morocco.

There has been an argument about whether or not migration can make stable and sustainable contributions to this country’s development. It was considered as dangerous for a country’s development to rely on external sources of income too much (Hamza, 1998; Kagermerier, 1997; Lazaar, 1989; Mter, 1995). However, empirical evidence shows that the increase of migrant remittances is quite stable. Remittance decreasing is not significant and the tendency of decrease is much weaker than previously assumed (Haas and Plug, 2006).

Systematic research on the relationship between migration and development in Morocco is relatively neglected after a period of pessimistic research in the 1970s, and the theoretical debate on migration and development has changed since before (Haas, 2009).

## **1.2 Aim of the thesis**

This paper is aimed at finding out how migration influences Moroccan development, and how Moroccan people utilize migration to improve their lives. I will check the relationship between migration and development by evaluating the empirical evidence. The analysis part will focus on how the empirical evidence connects to the theoretical debate on the relationship between migration and development.

I will talk about the impact of migration on Moroccan development from two perspectives which include the labor market and remittances. I will mainly focus on the severe problem of unemployment when I talk about the labor market. I will talk about remittances from different perspectives, including the nature of remittances, the use of remittances and the different impact of remittance investments on various Moroccan sectors.

In the research overview part I will give an introduction about research on Moroccan migration policies, and how the migration policies did changed after Moroccan independence. The research questions are:

- How does migration influence Moroccan development?
- How do Moroccan people utilize remittances to improve their lives?

### **1.3 Limitations**

Migration has had an impact on many different Moroccan sectors or fields, but in this paper I mainly talk about how migration impacts the Moroccan labor market, and how Moroccans use remittances. Development is a comprehensive concept which could imply increased living standards, improved health and well-being for all, or the achievements of some fields as general positive factors to society (Allen and Thomas, 2004). Migration has also generated an impact on other important sectors, like education, but I will not talk them all in this thesis.

Actually there are links between these different sectors; however, I will not make a comprehensive research on this country. The evidence for this research is patchy, so I cannot talk different fields at the same level.

Many research papers about Moroccan migration are in French and Spanish, and there is not very much Anglophone literature on this research area. This limitation inhibits the productive comparisons. Some researches about other migrant group like Filipino, Turkish and Indian are in English. So it is hard to make comparative research by using sources in different languages.

### **1.4 Methods**

My research is based on secondary data which is from other academic books and articles. I also used some data from local government and reports.

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For my research overview I have collected secondary data from other researchers about Moroccan migration, which introduced the changes of migration policies and attitudes on migration. General research has showed that migration has an impact on both receiving countries and sending countries, but in this paper the data I have collected is mainly focus on the migrant-sending area.

The data I have collected illustrates some positive impacts on Moroccan development, but at the same time, some researchers stated it also generated some negative impacts on this country. General information shows that Moroccan economy has experienced a period of growth, but this country also met a lot of problems during its rapid growth period. For example, unemployment became a big problem during this time. The growth of the economy did not provide more jobs which in turn lead to more and more people moving abroad to find new opportunities for work. Some information displayed that the process of migration relieves part of the impact of unemployment in Morocco (Khachani, 2009). The data about Moroccan migration is related to the aim of this thesis, which addresses research questions in this area.

## **1.5 Structure of the thesis**

The first part of this thesis is included an introduction of the research area, aim and research questions, and methods.

The second part is the introduction of theoretical framework, which presents labor market and remittances. In the labor market part, the segmented labor theory, circular migration theory, and social capital theory are talked about, which are based on the Moroccan labor market.

The third part is the research overview. This part gives a short introduction about Moroccan migration policies, which presents the changes of migration policies. This part also presents some points from other researchers, which explains these researchers' ideas about the link between migration and Moroccan development.

The fourth part is the Analysis. This part is based on two perspectives which include labor market and remittances. The analysis will try to evaluate the link between migration and Moroccan development, and how Moroccan people benefit from it.

The last part is the conclusion which is based on both research overview and the analysis.

## **2. Theoretical framework**

### **2.1 Labor market and remittances**

In this paper I mainly focus on the labor market and remittances, various theories are involved in the different parts.

Many developed countries need not only highly skilled workers, but also lower-skilled workers. Different levels of workers can meet the needs of different professions, such as doctors, IT specialists, and waiters (Castles and Miller, 2009: P75). This part will be discussed in segmented labor theory which emphasizes that migration is driven by the structure of capitalist economy. In the comparative advantage theory, labor demands for skilled or unskilled labors depend on the needs of migrant-receiving countries.

Some researchers also pointed out that those migrants from the South to North could be problems to North countries, because it is difficult to manage and control migration flow. Policy-makers of migrant-sending countries try to set sound migration policy which could control movements and maximize the benefits (Ibid: P76). An efficient migration management system needs the cooperation between migrant-sending countries and migrant-receiving countries. Achievement of this cooperation depends on whether migration can make contribution to the development of migrant-sending countries. Evaluating the link between migration and development is an important factor for achieving this cooperation (Ibid: P76).

Although Morocco has experienced growth of economy, this growth did not make enough work opportunities to meet the surplus labors. High rates of unemployment have become not only a serious problem to this country's development, but also an important reason for migration (Karam and Decaluwe, 2010). Circular migration can be found in this country, some migrants just work for a while in West Europe, and then come back to their home with money which could be used to improve their family's living conditions. However, other migrants might not want to return due to better working conditions in destination countries, which could lead to 'brain drain'. Brain circulation could replace 'brain drain', because Moroccan government is trying to make more positive migration policy to manage migration, which let migrants get more freedom with their movements (Castles and Miller, 2009: P67).

Diasporas also have the potential function of transforming financial remittances, social remittances and new skills (Castles and Miller, 2009: P70). This can be social capital which could provide migration network. Some Moroccan diasporas provide information about migration to those new migrants, which lower risks and costs of migration activities. Besides this, they also help new migrants to find jobs in destination countries, which also decreases the costs of finding jobs. The GCIM suggested that sending countries should have more positive policies to encourage diaspora contributions to development by saving and investing in their home countries (Ibid: P72).



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Remittance is an important factor in migration, which includes economic remittances and social remittances (Castles and Miller, 2009: P59). Moroccan migrant families use remittances to improve their lives, and also do some investments. Some researchers said some of these investments are irrational; meanwhile, some researchers stated we should not use a narrow concept of development to measure those investments (Haas, 2009).

Besides economic remittances, social remittances also play important roles in this country, which transform new skills and technology into the agricultural sector. However, Levitt stated that social remittances could have both positive and negative impacts. On the positive aspect, Moroccan migration can be a channel for attitudes and skills, which could have a positive impact on development. On the negative aspect, those successful migrants could generate a negative impact on development. They bring back optimistic stories about low risks and high benefits on migration, which can encourage more young people to leave their homes. This can make 'a culture of emigration' which could lead to working abroad becoming a normal activity for young people (Castles and Miller, 2009: P62). Morocco is a case for this phenomenon. A lot of young people leave their homes in their productive years, which could lead to negative impact on economic growth, especially on agricultural sector.

### **3. Research Overview**

#### **3.1 Moroccan migration policies: from controlling immigrants to courting the diaspora**

Since Moroccan independence, migration has been a very important alternative way of stimulating development in Morocco. The Moroccan government has actively created new policies to encourage immigration, and the government considers that the flow of remittances can be a very important tool for the country's economic development. In the beginning, the Moroccan government tried to control the relationship with migrant communities in Europe. They wanted to make sure that those migrants would send back remittances to their home country, and they did not want those migrants really integrated into the migration-receiving countries. The Moroccan government recognized that migrants will be a powerful group which can provide new energy to the development of their country (Haas, 2007).

Receiving countries expect that those 'guest workers' could return to their home countries, because some developed countries just wanted temporary workers and they did not want them to stay forever. Moroccan migrants are not only a big group, but also one of the dispread migrant communities in western European countries, such as Netherlands, Belgium and Germany (Haas, 2009). During 1990s, the Moroccan government found that remittances did

not grow as fast as they had thought they would. And controlling migration policies did not help to tighten the relationship between migrants and the Moroccan state as well they had hoped. The Moroccan state started to change their migration policies to be more positive towards immigrants. This change has also promoted the process of relative political liberalization and a substantial improvement of Moroccan human rights, and the Moroccan economy tends to be deregulated and opened up. This change also put new hope on migrant who may play an important role for attracting foreign direct investment (Castles and Wise, 2007).

The opened economic policies have led to a more positive attitude towards naturalization, dual citizenship and voting rights for migrants abroad. This represented a big change in the migration policies, which means Moroccan government no longer thinks that the integration of Moroccan migrants in other countries as a danger. On the contrary, they think that integration of migrants could be a beneficial process which can stimulate migrants to send more money home to invest (Haas, 2007). The growth of civic liberties also can generate more freedom for migrants to create strong cultural links and home town associations which could provide easy ways for channeling remittances (Lacroix, 2005). The Moroccan government has stated that migrants should have the right to vote in Morocco. However, the government still has some policies to implement a certain level of control. This is because the Moroccan government does not want to see Moroccan descendants easily give up their Moroccan citizenship in destination countries (Castles and Wise, 2007).

The Moroccan government not only established a ministry for migrants abroad, but also established the Fondation Hassan // pour les Marocains Residant al Etranger which focuses on stimulating its connection with Moroccan migrants. The government also started to pay more attention to fixing the problems of long delays and corruption and harassment by state officials, which migrant travelers used to suffer at the borders and inside Morocco. Data shows this positive attitude has led to rapid growth in the number of migrants entering Morocco's northern ports during the summer holidays from 848 000 in 1993 to 2.2 million in 2003. Besides implementing new positive political policies, the state also started new monetary policies since the end of 1980s, which aims to lift restrictions on exchange and on the repatriation of money (Haas and Plug, 2006). Remittances are stimulated a lot, because those new fiscal policies have provided easier and lower-cost ways for migrants to transfer their money (Refass, 1999).

The new Moroccan diaspora policies seem to have generated positive impacts on fixing the earlier stagnation in remittances. The new Moroccan fiscal policies which were effective in

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encouraging the inflow of remittances from abroad, Morocco has also created an efficient banking system which provides official channels to help transfer remittances. The data shows that ‘remittances surged from 200 million dirham (US\$23 million) in 1968 to over 18.5 billion dirham (US\$ 2.1 billion) in 1992. After a stagnation over the 1990s at levels around US\$ 2.3 billion, a surge from 2001 to 2004 brought remittances up to US\$ 4.2 billion and an estimated US\$ 5.6 billion in 2006’ (World Development Indicators database, 2006). There was also a short term deceleration in 2002, after a while, remittances started to continue to increase in following years. And this growth trend has reached a very high level, \$4.2 billion in 2004 (Office des changes Marco, IMF Balance of Payments Statistics Yearbook, 2004).

The data seems to support the point that remittances are like new sustained energy for this country’s economic development, and the increasing trend of remittances shows a positive prospect. However, some researchers have stated that the long term benefits of Moroccan remittances should be considered carefully, because persistence of migration to North-Western Europe is unforeseen, and the unexpected durability of transnational and trans-generational relationships between Moroccan migrants and their families (Haas and Plug, 2006). Data shows that the great inflow of migrants is likely to make a contribution to the growth of remittances as well (Castles and Wise, 2007).

So far, the data from the Moroccan government shows that remittances seem to be sustained and effective resources to this country’s development. Remittances make a more direct contribution than official development assistance and foreign direct investment do, and they also play important roles in sustaining Morocco’s balance of payments. Using positive policies to stimulate continued migration and holiday returns, which could be the most effective way for promoting remittances (Castle and Wise, 2007). Despite this, the government officials of Morocco are still disappointed about those migrants who tend to stay abroad. However, the reality is that a big group of migrants still tend to do some investments in Morocco which generate a cumulative effect in improving living conditions in those migrant-sending areas. Remittances not only help those migrants’-families to improve their living conditions, but also help to decrease poverty and encouraged economic activities in some migrant sending areas (Haas, 2007).

## **4. Analysis**

### **4.1 Migration Flows and the Moroccan labor market**

To a certain degree, migration not only plays an important role for less-developed economies, but also plays an important role for advanced economies. Migrant workers include both skilled and less skilled people; they make different contributions to different sectors in both sending countries and receiving countries. For example, in some developed countries where a native does not want to take dirty and dangerous jobs, less-skilled migrant workers want to take those jobs. Because they are normally from poor countries, they can improve their living condition by taking those 'so called' bad jobs in developed countries (Castles, 1993). Those highly skilled can also improve their degree of knowledge by studying or working in developed countries, and then some of them might transform skill or knowledge to sending countries which could encourage their home countries' development. However, some highly skilled workers might choose to stay in receiving countries and are not willing to make contributions to their home countries, this could lead to 'brain drain' to those sending countries (Massey, 2008).

Some analyses are based on fundamental demographic levels, which claim that international labor makes migrant-sending countries lose their human resources. This loss will not be a problem if migrant-sending countries have surplus labor which cannot get into their weak labor market (Massey, 2008). In Morocco where the government is not able to create a strong labor market for receiving the surplus labor, the surplus labor tries to find new opportunities by migration. The government also found that this way might help them to decrease the high rate of unemployment, so they implemented a series of migration policies to encourage and control migration activities (Haas, 2006). Lewis (1954) stated that migrant-sending countries will push surplus labor to move to other countries through the migration process, and this process can help to adjust the labor markets of sending countries. The loss of labor resource will not reduce production of sending countries, because they lose surplus labor that does not have jobs in their home countries. The only effect is that it will increase the average product of labor in the non-migration population, because those people who stay in home countries do not need to support those out-migrants after they leave. The case of Morocco shows that those out-migrants not only do not ask support from their home, but also they send home remittances to help their family, improving living conditions and making investments (Khachani, 2009).

The growth of population in the poorest areas of the world is acting as a powerful push factor forcing an increase in the rates of migration. Data shows that labor migrants mainly from less-developed countries to developed countries meet mutual needs. In poor countries where a weak labor market cannot provide enough work opportunities for young labor, the

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'surplus labor' has to move abroad to find new opportunities. On the other hand, rich countries have very strong economic markets which can generate more new jobs, but they do not have enough young labor to fill their labor markets. Under these two different situations, rich countries tend to import labor from poor countries (Castles, 1993).

Normally, people choose to move abroad due to bad work conditions or limited opportunities in their home areas. For example, Taiwan lost a lot of educated people in the 1960s and 1970s; those educated people tended to go back home when Taiwan's economy took off. This is because the Taiwan government could then provide good working conditions which could attract people to working in Taiwan (Ibid, 1993). Morocco is a typical example of a less-developed country where economy counts on migration a lot. This country is experiencing the combination of different migration activities which include rural and urban emigration to the European Union, internal migration from rural to urban areas and some immigrants moving to Europe through Morocco. Some researchers pointed out that immigration could reduce the rate of unemployment and increase wages, and internal migration to the cities could increase pressure on urban labor market (Karam, 2010).

Even though Morocco has already started a demographic transition, the rate of population growth is still very high at 1.68 per cent every year. As I mentioned above, the high rate of population growth has supplied plenty of new labor to this country's labor market; the problem is that the local labor market is unable to fully accept this new labor. The Moroccan government also does not have the ability to create enough new jobs to meet the burden of unemployment (Haas, 2006).

The data shows that the number of created jobs is getting lower and lower. For example, from 1979-1982 Morocco created an average of 40 000 jobs per year, from 1983-1994 this average fell to between 10 000-15 000 per year. We can see a little growth to 16 000 per year from 1995-2001. Under the Financial low of 2005, this average has fallen to 7000 per year. Unemployment has become a serious problem in this country and it has put a large part of the population into poverty, especially in rural areas. The data has shown the percentage of poverty in different years, '12.1 per cent in 1990, 16 per cent in 1990, 19 per cent in 1998, 12.8 per cent in 2001, and 10.8 per cent in 2004.' In the late of 2004, Morocco already had about 1.2 million unemployed people (Statistical Directors, 2005). The high rate of unemployment was a big challenge to the Moroccan labor markets and most of the surplus laborers tended to move to abroad to find jobs. Moroccan migration has increased a lot during the previous decades. Under this situation, the Moroccan government needs to establish more

new jobs if they want to fix unemployment pressure. The data shows that the Moroccan government needs to create at least 400 000 new jobs every year, however, the reality is the government can only create 180 000 to 200 000 new jobs annually (Haas, 2006).

The fact is, the contribution of migrants has helped a lot of Moroccans find jobs abroad and climb out of poverty. However, there is still a big group of people living in poverty, and more people are close to the poverty line. Moroccan Per-capita consumption was decreasing from 6780 Moroccan dirham (680 Euro) to 5890 dirham (600 Euro) during 1990s. The weakness of income is the main reason which was caused by the lack of care to the minimum wages and the high cost of living. We can see that the Moroccan government does not provide good working conditions and payment to some groups of citizens. Some people have full-time jobs, but they still cannot earn enough money to meet their living needs. This situation leads them to find new ways to earn more money and improve their living condition. This phenomenon happens in both urban and rural areas, where migrants are mainly from (Khachani, 2009). This situation might be explained by 'push-pull' theories, 'push factors' can be identified by demographic growth, low living standards, lack of economic opportunities and political repression. As mentioned above, Morocco has a weak labor market which cannot meet the growth of the labor force, and poor working conditions which provide poor payment. At the same time, immigrants find good opportunities abroad which include demand for labor, good economic opportunities and political freedom, this could be 'pull factors' which attract more and more Moroccan move to abroad (Castles, 1993).

On the one hand, migration can help to increase those immigrants' wages and decrease high rates of unemployment in the sending countries. On the other hand, the good conditions of developed countries can attract inflows of labor from developing countries through migration networks, meanwhile, the inflows of labor will increase which could make big pressure on the labor markets of the receiving countries (Karam, 2010). Despite the pressure on the labor market of the receiving countries, those receiving countries also can benefit by 'brain gain' and cheap labor. Unlike previous immigrants, new immigrants tend to bring skills with them and then try to find high-quality jobs (Collins, 2006). The data shows that in Belgium, Luxembourg, Sweden and Denmark, over 40 percent of the employed immigrants who moved to those countries during 1995 to 2005 had tertiary education. In France, this figure was 35 per cent; in Holland, this figure was 30 percent. Evidence shows in some receiving countries, some migrant workers even had higher qualification than those native workers. In Southern countries mainly low-skilled labor dominates the labor market (OECD, 2007).

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After the first generation of Moroccan immigrants, a lot of new immigrants started to run their own businesses in receiving countries, like small companies, car shops etc. Even though they have their new life in receiving countries, they still have strong ties of kinship and friendship with their own country. They help a lot of new immigrants to move abroad and help them to find new jobs; most new immigrants like to use this way to achieve their migration goals, because these migrant networks lower the costs and risks. Levy and Wadycki (1967) called this 'family and friends effect'.

In addition to skilled migrants, low-skilled migrants were also very important to employers in Western Europe. Some employers found that low-skilled migrants are less-qualified labor but still adequate for agriculture, hotel and catering jobs. Comparing them with local workers, employers like to hire those low-skilled migrants, because they are more reliable and work harder than local workers for those dangerous and dirty jobs (Institute for Employment Studies, 2006). This point is also explained in segmented labor theory which focuses on the demand-side, it pointed out that migration is driven by structural factors in modern capitalist economies. Some employers like to employ low-skilled labor because is easy to control and exploit them. These migrants normally are not educated people and often undocumented, they do not have enough power to claim their rights by legal procedure (Castles, 1993).

Labor selection is also explained in the comparative advantage theory which points out that labor demand for skilled or unskilled workers depends on the skill intensity of the contracted and expended sectors. For example, the labor markets of receiving countries are skilled-labor intensity, and Morocco's labor market has fewer places for highly skilled labor. In the end, skilled labor tends to leave Morocco for a country where the contracted sectors are skilled-labor intensive. On the other side, unskilled labor will stay at home if the demand for unskilled labor is very high in the Moroccan expended sector (Karam, 2011).

This tricky issue of labor selection also can be explained in the selectivity of international migration. Migration does not only help Moroccan people find new work opportunities abroad, but also generate plenty of remittances for the migrant-sending regions. However, the influence of migration is very complicated when we talk about the selectivity of migration which mainly focuses on human capital. In the process of migration, almost all the migrant-sending countries meet a tricky situation between migration and development with respect to human capital. Developing countries need more educated people and skilled labor to provide energy to help their development. The problem is that those high educated people and skilled labor tend to move to developed countries due to poor working conditions in their home

countries. Developed countries want to get more educated people and skilled labor to help their development, and they can provide better working conditions and payment to them. So the positions of sending countries and receiving countries are like 'push pull factors' which make more and more educated people and skilled labor flow into developed countries from developing countries(Castle, 1993).

This situation of selectivity of international migration can be a problem to developing countries, because those educated people move abroad after their home countries spend a lot of resources on education, and they don't make contribution as payback to their home countries. This situation can be identified as 'Brain drain' syndrome. In this way, it seems like developing countries spend resources to help developed countries to train labor forces. Although developing countries lose human capital in some cases, remittances sent home from those migrants can be a positive activity to sending countries. The remittances of migrants help a lot of Moroccan people out of poverty, and also help them to some investments. The Moroccan government has also created some systems to guide migrants to make contribution to their home countries, like creating bank system abroad to help them send money back home (Haas, 2006). The general point is that creating a sound system to guide remittances and human capital's return to home countries from migration is necessary, because migration itself can not automatically make sustainable contribution to economic and social development (Castles, 1993).

As I mentioned before Morocco has become one of the World's leading emigration countries over the second half of the twentieth century. Moroccan people also form one of largest and dispread migrant communities in Europe, which include about two million people of Moroccan descent (Haas, 2007). Social capital theory shows the importance of interpersonal social networks between migrants in receiving countries and relatives in sending countries (Hugo 1981; Massey 1998; Sycip and Fawcett1988; Taylor 1986). This theory is mainly focused on micro-level behavioral factors that generate migration activities. The argument of this theory is that existing migration activities will continue to develop because existing migrant can help those new potential migrants to decrease risks and costs by maintain social relations with relatives. The link between potential migrants in sending countries and family members living abroad will tend to increase intentions of other family members to emigrate as well. Morocco migrants have formed a great number of migration communities in receiving countries, and they have a tight link with their relatives living in the home country (Heering, Erf and Wissen, 2004).



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Massey (1987) also pointed out migrant networks can be identified as a form of social capital. The link of friendship and kinship can generate advantages in the process of people seeking to move abroad. If someone gets into a migration network, the migration network can transform various resources that can be used to gain access to foreign employment or other benefits. It is very difficult for the first generation migrants who just move to a new destination and want to get jobs without any social ties to rely on. After the first generation, the potential cost of migration will be lower than before. New migrants can get more reliable information about finding jobs and living conditions in receiving countries by utilizing their kinship and friendships with old migrants. This migrant network can lower the cost and risk of international migration (Massey, 2008). Moroccan people do business between receiving countries and Morocco through migration networks. For example the 'Torino' souk in Khourigba and the car market of EL Broj is supplied by a network of migrant residents in Italy (Khachani, 2009).

Moroccans use migration as an alternative way to address unemployment by finding jobs abroad, however, usually migration doesn't help to create a lot work opportunities in Morocco. However, this point has changed. Because those migrants tend to do investments in their home areas, these activities have created more new jobs for local people. The question is whether this way will work in the long term? We still need more information to verify it. Next I'm going to talk about the impact of migration on Morocco from remittance perspective.

## **4.2 Remittances**

Sending money home by migrants has played an important role in helping the development of less developed countries. The data shows that there are 500 million people that receive remittances in the whole world, which represents 8 percent of the world's population (UNDP). These remittances mainly flow into low-income households, and have a big impact on reducing poverty (Newland, 2007). In 2006, World Bank has estimated that migrants have transferred \$199billion to developing countries through official channels, and it has grown 107 per cent since 2001 (World Bank, 2007). Besides recorded remittances, there still are plenty of unrecorded remittance returns to receiving countries through informal channels. People choose informal ways because of the high fees for transfers through banks or money transfer organizations (Castles, 1993). The relationship between economic remittances and development in migrant-sending countries can be explained at three different levels which include the nature of remittances themselves, their overall effect on the economic

development, and their differential influence on particular sectors of economy. Remittances are getting to be a more and more important consideration in migration researching, because these remittances have rapidly become an influential factor in both a micro-economic and a macro-economic perspective (Massey, 2008).

The sources of remittances are identified as two types, direct and indirect sources of income. Direct income can be salaries and wages earned by working in the host countries. Indirect income can be various types of welfare support migrants get from the receiving countries. Many of Moroccan migrants tend to work in Europe where legal emigrants can get the same rights as local workers in terms of state benefits. Even migrant's family members, who are still in Morocco, can get some rights from family-related benefits (Khachani, 2009). For example, they can get an easier way to study or work abroad with lower costs. In addition to family-related benefits, immigrants also can get other benefits which include unemployment benefits, income support and health benefits. Macroeconomic evidence has also stated that the relationship between international migration and economic development should evaluate both the direct and indirect influences of migration. The direct effect is that remittances can make contributions to national income and help people get out of poverty. The indirect effect might lead to change in production sectors, which means some native might move to other countries to work, these people could include skilled labor and unskilled labor, and then some other local workers will replace their jobs. Remittances also generate a big influence on domestic savings and investments. In 2003, the data shows that Morocco was the fourth largest remittances receiver in the developing world. Meanwhile, the inflow of remittances is crucial to the balance of payments in this country (Haas, 2006).

Do remittances generate positive effects to promote the economic development of Morocco? How do Moroccan people use remittances? On the first step, I'm going to talk about 'use of remittances in Morocco'.

#### **4.3 Use of remittances in Morocco**

Data shows that remittances through official channels only represent a small part of total remittances in some countries. This situation might be impacted by a variety of macro and micro economic factors in sending countries, these factors could include devaluation, low inflation and efficient banking networks, especially migrants tend to use branch networks in countries of destination. The data from World Bank shows that the world volume of remittances has been growing rapidly since the mid-1990s (World Bank 2003). A lot of migrant-sending countries have been receiving remittances during this growing period. This

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applies especially to Morocco where remittances transfers account for a significant proportion of GDP (Remittances 3.3 Billion \$, 9.0%GDP in 2004). In Morocco in 2004, remittances were the second most important source of foreign currency which was just behind Foreign Direct Investment. The proportion of remittances was 37.4 billion Dirham (€37.4 million) which was almost equivalent to receipts from the first four most important exports combined, which include clothing (€18.6 million), hosiery (€7.6 million), phosphates (€6.5 million) and electrical components (€5.5 million). Remittances also compensated 53 per cent of the balance of payments deficit in 2004 (Khachani, 2009).

The significance of remittances as a source of foreign currency has generated a big impact on the development of Morocco, but they still have to face two principle challenges. First, the government needs to have effective migration policies to stimulate the growth of financial transfers, or at least they could ensure the continuation of financial transfers at current levels. Second, Moroccan government also need to provide better investment environment for stimulating more migrants to invest in Morocco, because they can transform remittances into investments which encourage the transferring of skills and technological development from destination countries. These two challenges have placed the question of receiving remittances on North-South trade relations (Khachani, 2009). So the government of Morocco needs to create a sound migration system to guide remittances from migrant return to home, and they also have to notice that some migrants tend to be permanent residents who are not willing to do investment in destination countries due to better working conditions or living conditions (Castle, 1993; Khachani, 2009).

The investments of Moroccan migrants are mainly focused on the house sector; this was found out in studies of remittances behavior since the 1970s. The motives of housing investments are very obvious, because those investments can show people's social success. These investments on the construction of a house provide real securities against the uncertainties of life in the migrants' place of origin. The investment of housing construction is a basic objective; migrants tend to use remittances to make other investments after they have achieved this goal. The migrants tend to put their investments into the sectors which typically are those with the lowest risk and the highest immediate return, like small shops, housing or other services. The important point is that the migrants' knowledge and skills and the influence of social networks could lead to prioritizing a particular economic sector over others. For example, migrants like to invest in the housing sector over other activities of investment (Khachani, 2009).

The most recent research of migrants' investments in Morocco was from INSEA (2000) which provided data about the investments in Morocco and in the destination countries. The data shows that more than 70 per cent of migrants had made investments in Morocco and 23 per cent had invested in their country of current residence. Putting money on the housing sector is still the most important investment made by migrants either in Morocco (83.7 per cent of investments) or in the destination countries (63 per cent of investments). The data also shows all investments in Morocco where agriculture accounts for 7.5 per cent, other various services and manufacturing sector together accounts for 8.8 per cent (INSEA, 2000).

The INSEA also collected some information about migrants' future investments by interviewing. The data shows that 57 per cent migrants planned to do investments in Morocco and 14 per cent of migrants wanted to do investments in their countries of current residence. Although the data shows that housing is still the most important investment sector, it is less important that it is actually carried out. This paradoxical situation is because more than 60 per cent of the Moroccan migrants who were interviewed already have constructed a house in Morocco, and some of them are planning to stay abroad permanently (Khachani, 2009). Investment from migrants in agriculture is not high, but in the service sector it is very high, accounting for almost 45 per cent of planned investments in Morocco. For the investments in service sectors, retail accounts for 27.4 per cent and tourism accounts for 12.1 per cent (INSEA, 2000).

Some data shows that the investment behavior of migrants is changing and a potential enterprise culture is starting to show up in Morocco. Moroccan migrants have started to do some new investments in small businesses which include bakers, patisseries and light industry. For example in Nador, there are 36 bakeries in the town and 26 of them were created by migrants (Khachani, 2009; Berriane, 1994).

In the next part, I am going to talk about how Moroccans use remittances to do investments in real-estate, agricultural sector and non-agricultural sectors.

#### **4.4 Investment in real-estate**

As mentioned above, Moroccan migrants tend to put their remittances on the housing sector in the beginning, and this investment activity has sparked a heated debate in the academic world. Hamdouch (2000) has pointed out that 83.7 per cent of Moroccan migrants put their investments in real estate, and only put about 7.5 per cent in agriculture and 8.8 per cent in other sectors. Later, Haas (2003) collected the data again and found that 71.1 per cent of the remittances of migrants were put in real estate, 11.3 per cent in agriculture and 17.5 per cent

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in other non-agricultural sectors. From the change of this data, we can see the tendency of putting money in real estate was still very high, and on the rest of sectors were still relatively low. So we can see the most visible spatial impact of international migration in Morocco is the construction of new house, and the traditional house as adobe or stone habitat is declining. In those migrant-sending areas throughout Morocco, migrants tend to build new houses, and this investment fever has helped some villages transform into towns (Khachani, 2009; Fadloullah, 2000). To a certain degree, the investment of migrants also stimulates the expansion of migrant-sending areas (Khachani, 2009).

Some researchers express disappointment over the migrants' investment fever in real-estate. Migrants tend to build new houses and to show their social success after they get money through migration. A lot of scholars and policy-makers pointed out that these irrational investments in real estate are only unnecessary status symbols of those migrants (Kaioua 1999; Ali 1996; Hamza 1988). There are lots of criticize on this investment, but Moroccan migrants still choose to make real-estate investments as their first choice. Some researchers said this situation is because of the lack of entrepreneurial mentality among migrants (Kaioua, 1999). This discourse has generated a big impact on policy-making, which suggests governments of migrant-sending countries should have policies that can help divert remittances into productive sectors of the economy, and also can guide migrants to do more rational investment which cannot only improve their living conditions, but also can make positive impact to the development of their home countries (Agoumy, 1988; Kaioua, 1999).

There are many critiques to this attitude of migrants' investments, which blame migrants' irrational mentality. The question is if those critiques are from those researchers who don't pay enough attention to comprehend their motives. To a certain degree, a big and beautiful house can be a status symbol which can show how successful you are through migration (Mezdour, 1993). It seems like it is not necessary to reduce the desire of building house if people think it as simply a quest to erect status symbols (Haas, 2009).

The important function of housing should be explained by the popular pursuit for space, safety, privacy, reduced conflicts and good health. Hajjarabi (1998) said it is understandable if people tend to pursuit convenient living and basic hygienic facilities. Migrants work hard abroad, and normally their first objective is to fix the household's basic needs by providing proper nutrition, health care, clothing and better housing. They think the new house and the sanitation and other equipment are much better than traditional dwellings for providing more convenient living, privacy and safety. So the housing factor should be an important part of

well-being, and it also can link with a broad view of development. In fact, the criticism on the investment of housing is very easily misunderstood, which could imply that poor people should live in their old and traditional houses, and they should do some other investments to make contributions to their home country first. This is unfair, because rich people normally do not need to worry about the basic needs any more. Poor people still need to fix their basic needs, such as food, houses, education. So it's comprehensible if they put their money on housing in the beginning (Haas, 2009).

There are also some social and cultural factors influencing the priority for housing investment. In Morocco, remittances are normally sent to one of the men within the household, the migrant's wives are seldom to get them (Hajjarabi, 1988). Under the rule of traditional custom, the wife's in-laws have more rights to decide how to use remittances. These traditional rules have generated a lot of negative impacts on the relationship between migrant's wives and their in-laws (Mas, 1990; Hajjarabi, 1995). Some researchers argued this might be a reason for putting investment in housing sector. Hajjarabi (1988) pointed out that those migrants want to gain significantly in personal liberty and privacy, so they want to have their own house and then stay away from the control of their parents-in-law. Those migrants' wives might consider this like a top priority (Rooij, 2000).

This activity could create a push factor to stimulate migrants to create nuclear families by building a new house live in the village or in other cities. This way of family life not only can generate a positive impact on increasing the personal liberty of migrant wives, but also can help to increase the number of migrant. The big heavy financial pressure of supporting extended families. In Moroccan migrant families, the conflicts of remittance use can stimulate the break-up of extended families, and more nuclear migrant families start to show up. This new situation has been observed in several migrant-sending areas in Morocco (Hamza, 1998, 1995; Berriane 1996; Haas, 2003; Mas, 1990).

Housing investment can generate positive impact on stimulating low-risk business, for example they can build more houses which can get money by renting out their second or third houses in nearby towns and cities. This renting business has a good market and without many risks. The Moroccan population is increasing rapidly, more and more nuclear families show up, and more and more rapidly growing cities, which generate large demand for housing (Dhonte, 2000). Investment in the housing sector can be a rewarding investment strategy in the process of migration, and it helps migrant households to earn more money with low risk. At same time, it also provides life insurance for the migrants' households, and makes better living conditions for the family members (Haas, 2003).

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Generally, the investment in the housing sector seems to be rational in Morocco, because lots of people really benefit from it. The truth is that this investment really increase well-being and generate high potentially benefits for those people who don't have enough ability to do high-risk business (Ali, 1996). Some researchers have pointed out that this investment has a very big potential market, because of sustainable growth of population and development of urbanization and the increasing process of nuclear families. So there will be a high demand on the urban housing market (Dhonte, 2000). Housing sector has a very important role on the development of the Moroccan economy; not only because of the investment from migrants, but also this sector itself provides new energy for development (Charef, 1986). It encouraged construction business, and also creates more work opportunities. So we can see that real-estate investments have generated indirect positive impact in creating local and regional employment opportunities (Haas, 2003).

#### **4.5 Migration and Agricultural Transformations**

Migration researchers have an argument against Moroccan migration which says 'Emigration has become a big reason which leads to agricultural decline and a general complaint with small-scale peasant agriculture.' Some Moroccans complained that they lost a lot of able-bodied men during the process of migration. Normally young people who are from rural areas tend to move to other places to find jobs due to low income or bad working conditions in their home areas. The outflow of rural labor force is supposed to be a reason that has led to agricultural decline or even the abandonment of agriculture (Mas, 1990; Ferry and Toutain, 1990; Kerbout, 1990). With the development of migration, except investment activity, those migrant households tend to pay less attention to agricultural work. Some returning migrants still do invest in agriculture; this is not because they have rational economic motives, the big reason is they still have very strong emotional attachment with agriculture. They have been working on agriculture for a long time before they became migrants, this emotional could like a 'ritual' or 'sentimental' agriculture. This is why they still want to do it even they are richer than before (Mas, 1990; Bencherifa, 1991; Popp 2000).

These pessimistic points have been challenged by some empirical researches who claim international remittances have played an important role in promoting agricultural investments. In the early 1970s, the data shows that remittances had made positive impact on intensification of agriculture in the Souss region (Bonnet and Bossard, 1973). In other Moroccan migrant-sending areas, migrants also make big contribution to the development of

subsistence and commercial agriculture through the purchase of land, modern agricultural equipment like tractors or water pumps, the innovation of new crops and skills, and the creation of new homestead. Evidence also shows that migrants have a special preference for making investments in the development of new irrigated agriculture (Bencherifa, 1991; Bencherifa and Popp, 1990 and 2000; Haas, 2001; Popp, 1999). The data also shows that investments of international migrants in wells and water pumps have decreased the bad impacts of the severe drought during the mid-1970s (Haas, 2003; Pascon, 1985).

The evidence shows apparent contradictions about migration which has both positive and negative impacts on the development of Moroccan agriculture. This situation could be understood that migration impacts are different in different time and spaces. In the beginning, the impact of migration could be negative on the development of agricultural productivity due to the out flow of young family labor. Sometimes, this outflow of labor could lead to a relative degradation of the agricultural infrastructure and in particular of irrigation systems, because these activities need a lot labors in less-developed agricultural environment. However, migration could generate positive impacts on agriculture in the long term. After adjustment of the agricultural policies, agriculture could transform decline into raise through agricultural investments made by the inflow of remittances (Haas, 2001). Sometimes current migrants choose to stay abroad and do not look to do investment in the agricultural sector in the future; this could lead to de-intensifying of agriculture. Some return migrants tend to play an innovative and production-increasing role in agricultural development (Bencherifa, 1996; Bencherifa and Popp, 1990).

The evidence supports a very clear point about the importance of the time factor in the researching of migration impacts. So if we focus on short-term, migration might lead to labor outflow which could make negative impacts on agriculture. The question is that we pay too much attention to the term of 'lost labor', and we ignore the possibility that the labor outflow of migrants' families can be replaced by other households members, share croppers, remunerated non-migrant or immigrant workers from nearby countries, and machine. So it seems likely that, after a period of agricultural decline and the outflow of labor force, the form of agriculture tends to transform from labor-intensive into capital-intensive. And replacement is appearing in those migration-sending areas, more and more labor that is from outside of these regions was hired. Overall, focusing on the short-term impacts of international migration has become the main reason for the pessimistic conclusions (Haas, 2009).



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There is an important point that we should emphasize, migration itself cannot automatically make positive impacts to stimulate agricultural development and other investment activities. The truth is that the long-term impact of migration is also different in Morocco due to the different levels of regional development. Area differentiation has a very strong impact on the choice of migrants' investment. Regions where land is very rich and relatively abundant, where plot sizes are very big and water is very convenient to get, and locations are close to roads and other public infrastructures, normally attract more investments from international migrants who are mainly entrepreneurs. Those regions where water is very hard to get and other main decisive factors are lacking for agricultural production and family daily life are not very attractive for investors. The factors could include the lack of protection on land property rights, complicated rules on distribution of water, and very small size of plots. Since migrants have more money and therefore other opportunities migrants tend to pay less attention to agriculture when conditions are unfavorable or simply withdraw from these regions (Bencherifa and Popp, 2000; Haas, 2001).

It is common that migrants withdraw from those ecologically marginal areas where the land is semi-arid mountains or oases. Migrants tend to put their agricultural investments in more favorable areas where the location is more fertile coastal or alluvial plains. For example in oases, peasants like to divert their investments to desert areas outside the traditional oases. Desert areas have plenty of abundant land, and don't have the microscopic land tenure system and also don't have such complex and inflexible rules on water distribution. This is why people choose to leave their original areas and move to desert areas (Bencherifa 1991; Haas, 2003).

Geographical and ecological factors both are very important for attracting investments. Meanwhile, the availability of public services also plays an important role on determining the attraction of rural areas for investments in general. The public services could include paved roads, electricity, clean drinking water, schools and so on; people will pay serious attention to these factors when they plan to make investments in a place (Popp, 1999). Migrants also don't want to make investments in those areas where basic public amenities are isolated and deficient, they prefer to make investments or settle in nearby urban centers where the public service is better (Bencherifa and Popp, 2000).

#### **4.6 Livelihood Diversification and non-Agricultural investment**

Migrants tend to use investments to transfer new technologies into the agricultural sectors, which could help the development of agriculture. At the same time, the economic role of agriculture tends to be less important than before because of urbanization and a tendency for diversification in rural life (Bencherifa and Popp, 2000; Berriane, 1997). In rural areas, agricultural-based households are decreasing rapidly. In some regions, this change is becoming an increasingly general phenomenon. For example in huge parts of semi-arid and arid Morocco, especially in the central and eastern Rif and the southern oases areas where agricultural activities are not as important as before and they have become an activity of secondary economic importance (Bencherifa and Popp, 1990; Mas, 1990; Mter 1995). The data shows that only 4.3 per cent of the rural families still exclusively rely on agriculture in south Morocco (Haas, 2003). To a certain degree, migration has played an important role in stimulating livelihood diversification. The rural economies themselves tend to be less agricultural, which is promoting the growth of employment in non-agricultural sectors. Those new sectors, like retail trade, commerce, café and hotels have started to show up rapidly (Haas, 2009).

The process of regional urbanization and livelihood diversification could be connected with shifting investment priorities among migrants, or we could say it is reinforced by investments from migrants. Service enterprises, such as grocery stores, commerce, coffee houses, hotels, travel agencies and transportation have attracted more investment than other sectors such as real estate and agriculture (Barriane, 1996, 1997; Lazaar, 1987). Migrants have also made big contribution to the growth of small-scale industry. The data shows that although the vast majority of investment projects were in the agricultural sectors in 1970s, some researchers found that the tertiary sector has become the biggest target sector among international migrants, which accounted for 44.8% per cent of intended investment projects. Investments by migrants in trade were 27.4 per cent, 12.1 per cent in tourism and 5.3 per cent in other services (Heinemeijer, 1976; Hamdouch, 2000). Since 1975, the data shows that 60.1 per cent of the total of non-real-estate investments had been put in non-agricultural sectors (Haas, 2003).

There is an argument about the investment attitudes of international migrants. Some point out that lower educated and more traditional migrants tend to be 'guest workers' in destination countries, and those recent migrants or we call them second generation tend more to put investments outside agriculture in productive, lucrative and generally urban sectors (Galoina, 2004; Kaioua, 1999). However, data from this area shows that recent migrants still do the similar investments as traditional migrants did before (Hnaka, 1999).

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It is still very hard to say that changing investment priorities could be fully assigned to inter-generational differences in attitudes or structural economic transformations identified by a decreasing relative importance of the agricultural sector compared with the industry sector or other sectors. The reason of this inter-temporal shift could be the fact that migration is 'maturing'. For example in the beginning process of migration, those migrants didn't have enough experience with investments or other business. After they learned a lot during the process of migration they might change their ideas about the way of investment or life style. So the fact is that their investment priorities tend to change over the life-cycle. There is also evidence to support the relationship between migration duration and the economic allocation of migrants' expenditures and investments. The evidence shows that in the beginning migrants normally put their money in the housing sector and into direct necessities like food, and then they will save the rest of their money (Heinemeijer, 1976). We also can see that traditional economic activities in migrant-sending regions where agriculture might temporarily be depressed or decline in the first years after migration. And then after a while, migrants tend to put their money into other types of investments which include agriculture, small-scale industry and the service sector (Barriane, 1996; Refass, 1999).

Data about the process of changing investment priorities pointed out that real-estate investments come out relatively early in the migration cycle and peak 5-14 years after initial migration, and keep at a high level. Investments in agricultural sectors normally occurred 15-24 years after migration, and investments in other non-agricultural private sectors peaked 25-29 years after migration. The data also shows that those relatively older international return migrants tend to make investments in general and the highest monetary share in non-farm business, which is likely to give evidence against the point that there is a big inter-generational shift in investment priorities (Haas, 2003).

#### **4.7 Economic effect and migration**

The investments of migrants actively make contributions to the urbanization and the growth of economic activities in migrant-sending regions. Migrants' consumption also leads to other positive impacts in Morocco. For example, investments in housing, which helps migrants to do other business, like the renting business. Investments in agricultural and service sectors can promote the development of agriculture and creating new work opportunities as well. Although there is not enough evidence to support the direct positive impact on the economic development aspect, there is evidence to support the point that indirect positive effects of

remittance expenditure are considerable in Morocco (Bencherifa and Popp, 2000; Berriane, 1997; Charef, 1986; Haas, 2003; Testas, 2002).

On the side of migrant-sending countries, using remittances as a tool for stimulating development could be misguided. Migration itself cannot make a contribution to development. Migrant-sending countries need positive political and economic reform, otherwise migrant remittances can lead to inflation and big inequality; this is because they tend to do investments in those regions where the economic and political environments are better. Migration can be part of the solution to development if the migration country can create good governance, effective institutions and the construction of infrastructure (Castles and Miller, 2009: P77).

Some substantial descriptive evidence has given us the point which migrants' consumption and investments have promoted the economic development of migrant-sending areas. International migrants' households have simultaneously promoted the accelerated urban growth and economic activities in urban centers or nearby migrant-sending areas by households' relocation and increasingly urban-based real-estate and business investments (Haas, 2009).

We also need to consider that different evaluations of migration impact could be related to different concepts of development when we talk about the relationship between migration and development. For example, some researchers said housing investment is irrational. Some other researchers said we should not use a narrow concept of development to evaluate the investment of migrant, because housing investment can improve living condition which is part of well-being (Haas, 2009)

## **5. Conclusion**

In order to answer the research questions, the link between migration and Moroccan development has been evaluated from two perspectives which include labor market and remittances.

Generally positive impacts of migration on development have been revealed. From the case of Morocco, we can see the situation of high unemployment could be more serious without the contribution of migration, since Morocco government does not have enough ability to support enough work opportunities for the surplus workers. Migration has encouraged Moroccans to make investments in real-estate, agriculture and private enterprise. The relative high and stable economic remittances from destination countries have improved living

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conditions of families. However, empirical work of this area is not enough and is biased. We need more empirical comparisons to check the impacts of migration on marginal propensities of investment, and the gap between migration families and non-migration families.

Two key observations should be made about the relationship between migration and development. First, international migration and remittances have encouraged social and economic development in migrant-sending areas. It also provides alternative ways of finding jobs for those people who cannot get jobs in homelands, which make contributions to decreasing high-rates of unemployment. It is an important point to emphasize that the impact of migration is changing across space and time, like in the agricultural sector. There are not only positive impacts on development, but also negative impacts. Second, migration and remittances also give migrants and their families more freedom to retreat from the traditional local economic activities, for example after they got extra money, they can do other new businesses.

Whether migration could encourage or hinder development depends on the specific social, cultural and ecological environment in migrant-sending regions, and it depends on migration policies and political and economic conditions as well. So the Moroccan government needs to create an attractive social, political, economic and institutional environment if they expect a large-scale return on investments. From the case of Moroccan migration we can see that migrants tend to make a lot of investments, however, the investment opportunities were very limited in their home land, because a lot of areas are not good for investments. It is very hard to say if development is a consequence of migration; development should be a prerequisite for return or investment in migrant-sending areas.

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