Toward Smarter Mobility and Integrated Labor Markets in Northern and Southern Mediterranean Countries

Carl J Dahlman

Forced Displacement, Migration and Human Capital Mobility

High-Level Brainstorming Session

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Context and Objective

There is much talk of the potential of economic migration as a an important element of development strategy for MENA countries

Given the focus of CMI on Northern and Southern Mediterranean countries, this presentation aims to put that in the context of labor markets and migration for key countries in the region

It will explore the potential for physical as well as virtual migration and draw the links to education and skills

It will also put this potential in the context of some major challenges, including the increasing importance of digital technologies

Structure of Presentation

To give some country specificity will cover:

- 5 Northern Mediterranean countries: France, Greece, Italy, Spain, Turkey
- 5 Southern Mediterranean countries: Algeria, Egypt, Libya, Morocco, Tunisia

For both sets of countries will look at:

- Employment and unemployment trends
- Migration stocks and flows

For Northern Mediterranean countries will also look at:

- Economic vs other types of immigration
- Main origin countries
- Labor force participation, employment, and unemployment of foreign born vs domestic born population

Will consider potential of virtual migration

Will consider broader challenges, including growing importance of the digital economy

Will compare human capital and network readiness of Northern and Southern Mediterranean Countries

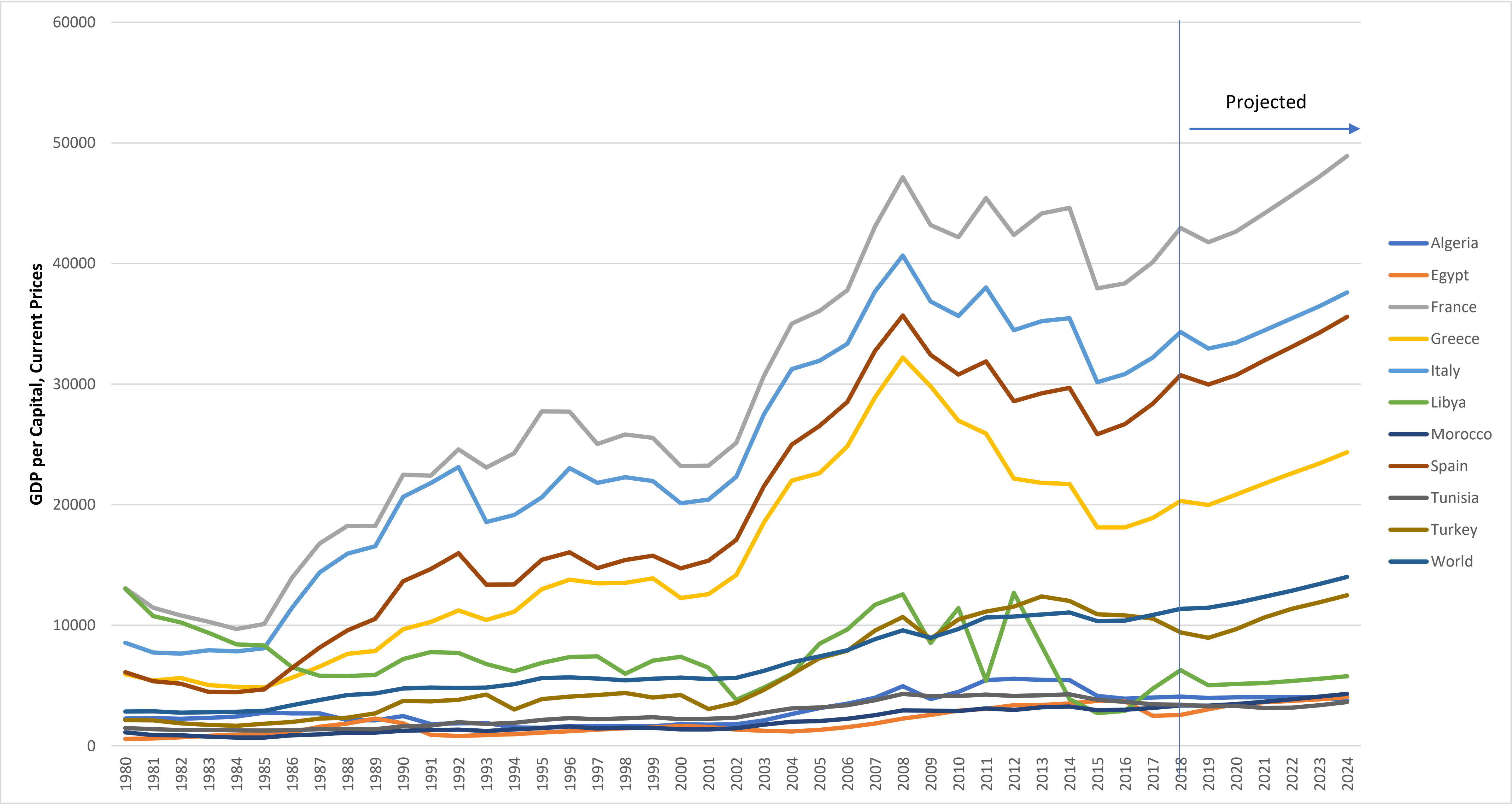
Will draw some conclusions from this analysis for labor markets and mobility for the Southern Mediterranean countries.

Growth and Employment

	France	Greece	Italy	Spain	Turkey
Population 2018 millions	67.0	10.7	60.4	46.7	82.3
Population projected2050 UN	67.6	9.0	54.4	43.6	97.1
GNI/Capita 2018	41,080	19,600	33,540	29,450	10,380
GDP growth 2018/per capita growth	1.7/1.5	1.9/2.2	0.9/1.0	2.6/2.3	2.6/1.0
Pop. Growth av.2000-2018 %	0.5	0.0	0.3	0.8	1.5
Dependency ratios 2018					
• Young	29	22	21	22	37
• Old	32	34	36	29	13
Labor force					
• Growth 2008-2017	0.3	-0.4	0.4	-0.1	3.5
• Male LFPR 2017	60.3	61.1	58.8	63.8	72.7
• Female LFPR 2017	50.4	45.4	40.1	51.9	33.6
Unemployment 2017 %					
• Male	9.5	17.9	10.3	15.7	9.3
• Female	9.3	26.1	12.4	19.0	13.9
• Youth 15-24 male	23.0	39.3	33.1	39.7	17.3
• Youth 15-24 female	21.1	48.2	37.2	37.5	25.2

	Algeria	Egypt	Libya	Morocco	Tunisia
Population 2018	42.2	98.4	6.7	36.0	11.6
Population projected 2050UN	60.9	160.0	8.5	46.2	13.8
GDP/Capita 2018	4,060	2,800	6,330	3,090	3,500
GDP growth 2018/per capita growth	2.1/0.1	5.3/3.3	7.8/6.3	3.0/1.6	2.5/1.3
Pop. Growth 2000-2018	1.7	2.0	1.2	1.2	1.0
Dependency ratios 2018					
• Young	47	55	42	41	36
• Old	10	9	7	11	12
Labor force					
• Growth 2008-2017	1.4	2.0	1.5	0.6	1.2
• Male LFPR 2017	67.6	73.2	78.9	70.5	70.1
• Female LFPR 2017	14.9	22.7	25.7	21.5	24.2
Unemployment 2017					
• Male	10	8.3	14.8	8.6	12.6
• Female	21.1	23.1	24.4	10.5	23.1
• Youth 15-24 male	26.6	29.5	35.7	21.8	33.2
• Youth 12-24 female	45.5	40.3	56.3	22.5	38.2

GDP per Capita, Historical and Projected -10 Countries



Source: IMF Datamapper October 2019

Migration

	France	Greece	Italy	Spain	Turkey
Migration mid-year UN2019					
• International migrants	8,300	1,200	6,300	6,100	5,900
• Emigrants	2,300	1,000	3,100	1,400	3,500
• Immigrants -emigrants in last 5 years	182.6	-80.0	744.7	200.0	1,400
Migrant stock/population %					
• Total	12.8	11.6	10.4	13.1	7.0
• % point change vs 1995	2.2	1.5	6.6	9.0	5.0

	Algeria	Egypt	Libya	Morocco	Tunisia
Migration mid-year UN2919					
• International migrants	249.1	504.1	818.2	98.6	57.5
• Emigrants	1,900	3,500	180.6	3,100	813.2
• Immigrants -emigrants last 5 years	-50.0	-190.2	-10.0	-257.1	-20.0
Migrant stock UN2019					
• % pop, mid-year	0.6	0.5	12.1	0.3	0.5
• % point change vs 1995	-0.2	0.2	1.5	0.1	0.1

Sources: All basic data from WDI 2019 (http://wdi.worldbank.org/tables) accessed 1028/2019. All migration data plus population projections for 2050 (medium variant) from UN International Migration Dataportal (https://migrationdataportal.org) accessed 10/28/2019.

Nature of Migration in Northern Mediterranean Countries

	France	Greece	Italy	Spain	Turkey
Foreign born population stock 2016 millions	8.0	0.6	6.1	62.	2.3
Percent increase since 2007	15	-22%	4	5	na
Long term immigrant inflows 2017 thousands	259	30	217	324	365
Percentage distribution by type					
• **Free mobility**	30.4		28.4	43.8	Na
• **Labor migrants**	11.6	6.7	2.2	9.4	Na
• **Family members**	37.8	46.0	52.3	36.0	Na
• **Humanitarian**	12.6		14.7	1.3	Na
• **Other**		44.4		10.0	na
Percentage Inflows of top 10 nationals 2016					
	Algeria-9	Albania-70	Romania-14	Morocco-8	Azerbajan-8
	Morocco- 8	Georgia-3	Nigeria-8	Colombia-7.5	Afghanistan-7
	Italy-6	China incl HK-2	Morocco-5	Venezuela-7.5	Germany-6
	Tunesia-5	Russia-2	Brazil-5	Romania-7	Iran-5
	Spain-4.5	Ukraine-1	Albania-5	Italy-7	Turkmenistan 4
	UK-4	Philippines-1	Pakistan-4.5	UK-5	Kyrgystan-4
	Portugal-3.5	Egypt-1	Bangladesh-4.5	Honduras-4	Iraq-4
	Romania-3.5	India-0.5	China-4	Peru-3	Syria-2.5
	Belgium-3	Pakistan-0.5	Senegal-4	Brazil-3	Uzbekistan-2.5
	Germany 2.5	Bangladesh-0.3	Gambia-3	China-3	Egypt-0.3
Tertiary level international student permits non-EU 2017	78.0	0.8	2.9	38.0	125
Temporary and seasonal labor migrants non-EU 2017	21.0	4.8	4.5	11.0	na
First Asylum applicants 2018	111.4	65.0	53.4	53.0	83.3
Labor Market Outcomes					
• **Participation rate: foreign born/native born**	68.5/72.5	73.9/67.7	70.6/64.8	77.6/72.9	53.9/58.6
• **Employment rate: foreign born/native born**	58.5/66.5	52.8/55.1	60.9/58.1	61.6/62.6	47.4/52.1
• **Unemployment rate: foreign born/native born**	14.6/8.3	28.6/18.6	13.7/10.3	20.7/14.2	12.1/11.1
Emigration of nationals to OECD countries in 2017 thsds	118	54	172	85	74

Potential of Virtual Migration

Virtual migration, providing services to a client in a foreign country through digital technologies, is an alternative to physical migration

India is perhaps the most well-known country in this business area

But digitally enabled services trade is also a potential route to employment for youth from MENA countries

Exploiting this employment route requires

- Good digital infrastructure with high speeds and low cost
- Digital skills

Southern Mediterranean countries need to make improvements to both in order to exploit this route

Trends and Implications for Migration

Trend	Implications for Migration and Development
Economic • **Slower global growth** • **Increasing inequality** • **Rapid labor force growth in most MENA countries vs shrinking labor force in most European countries**	First two global trends combined with rapid labor force growth in Southern Mediterranean countries suggest there will be stronger push factors for emigration . Third trend suggests that most European countries may have greater demand for migrants, but not in all countries
Geopolitical • **Anti-globalization trend** • **Trend toward fragmentation of global system** • **Trends towards great power competition**	All three trends suggest that it may be more difficult for migrants from Southern Mediterranean countries to enter Northern Mediterranean countries
Political • **Trend toward loss of trust in government** • **Increasing political polarization** • **Resurgence of extremist groups**	All three trends suggest that there will continue to be an anti-immigrant climate in Northern Mediterranean countries
Social • **Increased tribalism and identity politics** • **Increased awareness of relative deprivation** • **Weaker social safety nets**	All three trends suggest increasing anti-immigrant climate in Northern Mediterranean countries
Environmental • **Climate change** • **Extreme weather and challenging water/food/energy/security nexus** • **Environmental degradation**	All three trends may increase pressure for migration out of Southern Mediterranean countries
Technological • **Disruptive emerging technologies** • **Digitalization** • **Automation**	While technological change creates opportunities, it also creates challenges in terms of social and economic disruption. Rapid automation and digitalization may also reduce demand for labor which can offset the declining labor force trend in Northern Mediterranean countries

Network Readiness Index Northern vs Southern Mediterranean Countries

	Overall Index	Environment	Readiness	Usage	Impact
Northern Mediterranean					
• France	24	26	27	20	19
• Greece	70	92	77	62	61
• Italy	45	85	41	43	48
• Spain	35	41	34	32	34
• Turkey	48	49	40	59	58
Southern Mediterranean					
• Algeria	117	131	95	125	129
• Egypt	96	113	97	89	85
• Libya	Na	Na	Na	Na	Na
• Morocco	78	77	94	60	80
• Tunisia	81	109	64	80	84

Source: WEF Global Information Technology Report 2016 (out of 139 countries

Human Capital Index: Northern vs Southern Mediterranean Countries

	Overall Index	Capacity	Deployment	Development	Know-How
Northern Mediterranean					
• France	26	39	86	20	14
• Greece	48	50	116	29	35
• Italy	35	41	107	28	23
• Spain	44	66	101	30	31
• Turkey	75	83	106	46	59
Southern Mediterranean					
• Algeria	112	113	115	82	103
• Egypt	97	80	126	86	50
• Libya	Na	Na	Na	Na	Na
• Morocco	118	106	121	99	108
• Tunisia	115	110	127	78	73

Source: WEF Human Capital Index 2017 (out of 130 countries

Conclusions on Labor Markets and Mobility-1

1. There is significant economic migration from Southern to Northern Mediterranean countries.
2. Policies that can increase the benefits to the sending and receiving countries include
   a) Increased information about market needs and skill requirements
   b) Accreditation of education and skills from sending countries
   c) Facilitation of circular migration
   d) Increased pre-migration preparation in sending countries and integration programs in receiving countries
3. Virtual migration facilitated by information technologies may be another employment option for youth from Southern Mediterranean countries. This will require
   a) Improved ICT infrastructure with greater speed and lower cost
   b) Improved ICT education and training
   c) Regulatory agreements on cross country flows of data and services
4. For physical and virtual migration, better education and skills upgrading and lifelong learning are increasingly important

Conclusions on Labor Markets and Mobility-2

5. While physical and virtual migration can absorb some youth this will be small relative to the rapidly growing youth population in Southern Mediterranean Countries
6. This means that it is critical that Southern Mediterranean countries find better sustainable development strategies to successfully absorb the youth bulge
7. There are opportunities in:
   - Agriculture
   - Manufacturing
   - Services
8. Taking advantage of existing and new knowledge which is increasingly mobile will be critical
9. Harnessing digital technologies will be particularly important
   - Not just for virtual migration
   - And to more efficiently deliver education and skills
   - But also for more inclusive and sustainable development

Thank You!

Carl J Dahlman

carl.dahlman@gmail.com

The Growth Dialogue