

Colloque du GDR CNRS 2989
« Économie du développement et de la transition »
3 et 4 juillet 2008
Clermont Ferrand

Proposition de communication dans le cadre
de l'atelier du GDRI – DREEM CNRS
Économies méditerranéennes

Assessing the Effects of EU Countries' Migration Policies:
The Experience of Southern Mediterranean Countries¹

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Abstract : In the past ten years, the number of immigrants in the EU originating from Southern Mediterranean countries (SMCs) has significantly increased, especially in Spain and Italy. However, most of these new flows concern illegal migration, which has partly replaced legal migration, since EU countries have adopted more restrictive and selective policies. This has led to a paradoxical situation: on the one hand, the labour market needs are increasing in Europe, especially with regard to skilled workers; on the other hand, the rise in illegal migration hardly fits these needs. This paper investigates this issue, by assessing the impact of migration policies in the EU countries. Starting from a comparative analysis for various EU countries, this paper provides a quantitative appraisal of these policies. For that purpose, a panel data model is estimated by using new and original indexes of migration policies. The main findings show that the impact of migration policies within the EU is very different depending on the European country considered. Indeed, Northern EU countries have generally succeeded in controlling migrations flows, whereas Italy and Spain have failed, due to massive regularization policies. Germany and France exhibit intermediate results. These findings have major policy implications, since they highlight some inconsistencies of migration policies across EU countries. In particular, the coordination between trade and migration policies should be reinforced with clear common objectives. In addition, the development of a common EU migration policy should considerably increase the efficiency and the consistency of these policies.

Keywords: migration policy, European Union, Mediterranean countries, panel data.

JEL classification: F22

¹This article has been written with financial assistance from the Commission of the European Communities, through the FEMISE network (program FEM 31-01). The views expressed herein are those of the authors and therefore in no way reflect the official opinion of the European Commission.

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Introduction

In recent years, migration has become a central issue in the economic, social and political spheres in the world. In the EU, the question of illegal migration originating especially from Southern Mediterranean countries (SMCs), combined with persistent unemployment, have forced EU countries to reconsider their migration policies. While skilled migration has recently been encouraged, most EU countries have implemented more restrictive policies for unwanted migration. The central question of this paper is to assess whether these policies have been efficient in regulating migrations inflows from SMCs.

In the past few years, there has been a considerable improvement in the availability and the quality of the data at macro-level concerning bilateral migration flows. This makes it possible to provide a quantitative assessment of the impact of migration policies. In this regard, several studies have been recently published, namely Hatton and Williamson, (2005), Ortega (2005), Clark et al. (2007) as well as Mayda (2007). However, these studies mostly focus on the US or OCDE immigration. In particular, none of them specifically focus on EU migration policies with regard to SMCs. One partial exception is Peridy (2006). However, this study does not specifically concentrate on the impact of EU migration policies. Moreover, it includes a very rough proxy of migration policy, while excluding some Mediterranean countries like Turkey.

The present study fills this lack of literature by providing the following contributions. Based on the analysis of a new dataset which is specific to Mediterranean countries (Carim, 2005), section 1 discusses the most important features corresponding to recent migration patterns in the EU. It shows that migration from Southern to Northern Mediterranean countries has significantly increased in the past ten years. Although it is difficult to estimate the number of migrants originating from Mediterranean countries (especially because of illegal migration), a tentative estimation of about 10-15 million is proposed, depending on whether migrants are counted by the origin or the destination country. As a result, Mediterranean migrants account for about 3.8%-5.8% of the overall population in SMCs. It is also shown that

migration has changed at qualitative level, since the proportion of women, qualified workers, and young people is increasing, as well as the proportion of illegal migrants.

Section 2 provides a detailed comparative survey of recent migration policies in EU countries and discusses policy regulations at the EU level. It shows that most EU countries have recently put an emphasis on their need to attract skilled labor. At the same time, the survey shows that Germany, France, the Netherlands, and the United Kingdom have generally been able to curtail simultaneously unwanted immigration, thus mostly accomplishing their aims. However, Italy and Spain have failed to control migration flows, because of the use of massive regularization policies. Moreover, changes in the migration policies of the EU member states have not been the product of a united and consistent political strategy. Despite an increased Europeanization of migration policies, there is still a long way to go before achieving consistent and unified migration policies throughout the EU.

The impact of migration policies is tested in section 3. Based on new developments in migration theories, an original model of migration determinants is developed. This model is applied to migrations from nine Southern Mediterranean Countries (SMCs) to the EU-15 over the period 1993-2004. For that purpose, a dataset of bilateral migration flows is built up from various sources, including Carim (2005) and OECD (2006a). The effects of migration policies are tested by using several variables, including original ones (FRDB, 2006).

Results show that migration policies in Northern EU countries have been efficient to regulate migration flows. Conversely, the impact of Southern EU countries' policies is not significant. These results are consistent with the analysis presented in section 2. However, mixed results are obtained for Germany and France, for which the effects of migration policies are barely significant at a global level. Results also show that the impact of migration policies differs depending on the country of origin. As a matter of fact, these effects are significant for Mashrek countries, whereas they are not for Maghreb countries and Turkey. Several reasons are put forward to explain all these findings.

The final section focuses on the policy implications of our results. In particular, it points out problems of consistency at several levels: first, national migration policies are not always consistent across EU countries. This is why these policies produce different results. Second, the objectives of the trade and the migration policies are not consistent either. Finally, there is a last problem of coherence between the objectives of these policies and the facts. In conclusion, considerable effort should be made to harmonize and coordinate the objectives and the tools of EU national policies. Beyond that, the development of a common EU migration policy should substantially increase the efficiency and the consistency of these policies. Finally, the coordination between trade and migration policies at EU level should be promoted with clear common objectives.

1. Migration from SMCs to the EU: some stylised facts.

In the past 40 years, migration flows from SMCs to the EU have considerably increased from a quantitative point of view. In addition, from a qualitative standpoint, significant changes have also occurred, partly due to the renewal of migration policies in the EU. In this regard, the 70s can be viewed as a transition period. Until this period indeed, European countries experienced tremendous economic growth, which justified a strong increase in immigration. Several areas were feeding migration flows. The most important was Maghreb countries, whose workers mainly migrated to France, but also Belgium and the Netherlands to a lesser extent. In order to make the employment of the migrants easier, several agreements were concluded between origin and destination countries. Turkey was the second migration area. This country, which was a net immigration country during the period of the Ottoman Empire, became a net emigrating country at the end of the 60s. Finally, Egyptians also started emigrating toward Europe, even if their main destination was Gulf countries. Moreover, Egypt remained a country where net immigration was positive.

From 1974 onward, the impact of the oil crises on European economic growth, combined with the strong increase in unemployment rates, has led to a change in European countries' migration policies. As a result, legal migration from SMCs to Europe has slowed down. These new policies have given rise to four migration

patterns, namely family reunification, women migration, illegal migration as well as brain drain. Although some of these patterns already existed before that time, they have been reinforced since then.

First, migration as a means of **family reunification** has progressively replaced individual migration. This form of migration has been encouraged by bilateral country agreements, because the family is generally supposed to protect its members, to make their social integration in the destination country easier, and to improve their economic resources (ADRI, 1994). This process has mainly benefited migrants already settled in Europe. It has also changed the aim of the migration project, which was initially transitory but turned out to be permanent. Finally, this process has substantially changed the profile of the migrant population in the various destination countries. As a matter of fact, the proportion of children and woman has considerably increased.

In this regard, it is worth mentioning that the development of **women migration** is not only due to the family reunification process. In fact, an increasing number of women have also migrated individually. These women can be single or divorced, but also sometimes married with or without children. Turkish women have been the pioneers, since they started emigrating in the 60s. In Maghreb countries, Moroccan women have also actively migrated to Europe, especially from the mid 80s (Khachani, 2001).

Since the reduction in legal migration from 1970 onward, **illegal immigration** has considerably progressed. Although this kind of migration already existed before the 70s, it was tolerated. As a matter of fact, from 1950 to 1975, most destination countries more or less accepted illegal migrants without any control. For example, the French Minister of Social affairs of the De Gaulle government, justified the presence of illegal migrants because of the “French economy’s needs” (Vaillant, 1996). The Belgium government also used the same argument for the Belgium economy.

Despite more restrictive migration policies from 1973 onward, illegal migration has not decreased. In fact, it has replaced part of the past legal migration. More recently, the Shengen agreement signed in June 1990 (creation of visas, reinforced border

controls, increase in the selection of foreign workers, etc...) has further reduced legal migration but it has not been effective in fighting against illegal migration, as shown later.

In fact, Southern Mediterranean countries have increasingly become the main destination area for illegal migrants from SMCs. This is due to three reasons: the collapse of dictatorships in Greece, Spain and Portugal; these countries' economic take off as well as their integration into the EEC. Consequently, Italy and Spain which were traditionally emigrating countries have turned out to become net immigration countries. This process has been reinforced by the fact that Southern European markets are very attractive, while the governments are not very effective in preventing illegal migration⁶. In addition, the Shengen agreement has led these countries to become an open door with regard to the other EU countries.

These new developments have produced a change in the illegal migrant's profile. In this regard, four parameters can be identified: i) Sex: although illegal migration initially concerned men only, the proportion of women has sharply increased in recent years; ii) Age: more and more children have attempted to migrate clandestinely in track trailers or in containers⁷; 3) Education level: an increasing proportion of illegal migrants is skilled with vocational training diplomas; 4) Countries of origin: migration is becoming more internationalized. In this regard, a significant number of migrants from sub-Saharan Africa crosses the desert and reaches Morocco in the hope of going to Europe. The migration conditions for these people are very difficult and exhausting (Khachani, 2006).

The number of illegal migrants is very difficult to estimate. In this regard, depending on the statistical source, some contradictory figures are often put forward⁸. In addition, the number of illegal migrants is itself fluctuating given the recurrent regularization policies carried out in some countries. In this regard, De Bruycker (2000) estimates that from 1970 to 2000, about 1.8 million illegal migrants obtained a residence permit thanks to these policies. Although these policies have

⁶ Refer to the "strong market and weak State" argument (Peixoto, 2002).

⁷ Their presence is now visible in some Spanish and Italian cities, such as Madrid, Barcelona, Milan, Rome, etc...).

⁸ EUROPOL estimates that 500,000 illegal migrants come each year to the EU.

always been presented as exceptional by EU countries, they have in fact often been renewed. For instance, the French socialist governments adopted these policies in 1981, 1990 and 1997. In the past few years, the French governments have become hostile to regularization programs, because of “appeal effects”. Case by case regularization is thus preferred.

Belgium has also adopted regularization policies in 2000, which concerned 50,000 migrants. Despite the current political problems, another group of 100,000 migrants may be soon regularized⁹. In the Netherlands, the current government has agreed to do so for 25,000 migrants who arrived in that country before April 2001 and who have demanded a resident permit since then.

Overall, since the 90s, these regularization programs have concerned 150,000 migrants in the Netherlands, 180,000 in Portugal, 350,000 in Greece, 530,000 in Spain, up to 1.3 million in Italy (Péridy, 2006). These programs have certain advantages: they reduce the black market labor, the influence of clandestine networks and the power of mafias. They also increase the tax revenue charged by the government and they force firms to pay social contributions¹⁰. In addition, the economic and social integration of the migrants is made easier. However, the massive use of regularization policies has a major drawback related to the lack of regulation of migration flows.

The **brain drain** is the last type of migration, which is a major challenge for SMCs. This new migration channel coincides with the growing importance of technical progress in Northern countries. Moreover, the baby boomers are increasingly retiring and the lack of skilled workers forces Northern countries to look for Southern skilled people (AMERM, 2002). As a result, the proportion of skilled migrants is equal to 15% for Morocco, up to 50% for Lebanon, Syria and Egypt (Carim, 2006 and OECD, 2006a).

This inverse technological transfer broadens the skill disequilibrium between the EU and SMCs. It also raises important questions about the capacity of Southern countries

⁹ Refer to: Courrier Migration 14 AFVIC.<http://fr.news.yahoo.com>. 26 May 2007

¹⁰ For example, the last Spanish regularization program has contributed 120 million euros to the social security budget.

to foster their economic growth with less skilled workers. As shown later, skilled workers in SMCs are attracted by greater returns to skills in Europe. As a result, the brain drain has become a major migration determinant in the EU.

Now that the four migration types have been described above, we now turn to a tentative quantification of the migration patterns from SMCs to the EU countries. Given the problems related to the calculation of the number of illegal migrants and given the important number of naturalized people, statistics differ widely depending on the source used. Generally speaking, the number of migrants who are counted by the country of origin is greater than the migrants who are counted by the country of destination. This difference ranges from +19% for Turkey, up to +145% in the case of Egypt (Table 1). Adding up the five SMCs for which these double statistics are available, the overall difference is about 3 million migrants. As argued by Carim (2005), in addition to the problem of counting illegal migrants, this gap is also due to various statistical problems, including migrants with two nationalities, temporal migrants who have returned to their home country, etc... Nevertheless, Carim (2005) tentatively estimates that the total number of migrants in the EU originating from SMC ranges from 10 to 15 million people, depending on the counting country. This amounts to between 3.8% to 5.8% of the overall population in SMCs, i.e. 260 million inhabitants in 2005.

In we only take the legal migrants into account, national statistics in EU countries estimate that their total number is equal to 5.8 million people. Germany and France are two traditional destination countries which account for more than 70% of the overall migrants. These two countries are followed by the Netherlands, Italy and Spain (20% of the migrants), as well as Belgium, the UK and Austria (7%).

In recent years, Spain and Italy have become a major area of attraction for migrants from SMCs and sub-Saharan Africa. In particular, in the past decade, Spain has registered the highest migrant growth rates. This country is also characterised by the greatest migration balance in the EU. As a matter of fact, Eurostat (2006) estimates

that over the period 2001-2006, the number of migrants increased by 3,613,000. This amounts to a yearly average of 600,000 additional migrants¹¹.

From the origin countries' standpoint, four countries exhibit more than 2.5 million migrants, namely the Palestinian territories, Turkey, Morocco and Egypt. They are followed by Algeria (more than one million) as well as Tunisia and Lebanon (half a million each). As a proportion of their population, the Palestinian territories are in a particular position, since the number of migrants exceeds that of the population living within these territories¹². For the other countries, the emigration rate is below 10%, with the exception of Lebanon (16%).

The above stylized facts show that in recent years, migration from SMCs has been significantly increasing, especially toward Southern Europe. However, most of these new flows concern illegal migration, which has partly replaced legal migration, since EU countries has adopted more restrictive and selective policies. This has led to a paradoxical situation: on the one hand, the labour needs are increasing in Europe, especially with regard to skilled workers; on the other hand, the rise in illegal migration hardly fits these needs. This questions the efficiency and the consistency of migration policies in EU countries. This also questions the rationale of a harmonized and common EU migration policy. The next section goes further, by investigating these policies in a comparative analysis, whereas the last section provides a quantitative assessment of these policies.

2. An analysis of recent migration policies in the EU.

This section presents an assessment of the current national immigration policies of several EU Member States, which attract immigrants from the South Mediterranean countries. The main finding that arises from this section illustrates how these EU Member States have put an emphasis on their need to attract skilled labor and also some types of unskilled workers, while attempt to completely halt illegal immigration.

¹¹ As a result, the total number of migrants is equal to 4.8 million in 2006, i.e. 11% of the Spanish population. Most of these migrants are originating from Maghreb countries (especially Morocco), but also South America (Colombia and Equator) as well as Sub-Saharan Africa.

¹² Recent migration flows are very small compared with those corresponding to refugees of the second or third generation. These people make up the great bulk of the 4.7 million Palestinians living outside the Palestinian territories.

When reviewing six case studies (France, Germany, Italy, the Netherlands, Spain and the United Kingdom), the need to attract workers has been more apparent in countries where shortages in specific sectors have been acute, such as Germany and the United Kingdom. The different policies adopted by the six case studies have been summarized in Table 2 below according to five types of migrants (workers, asylum seekers, family reunification, illegal immigration, and students).

In order to meet the demands for labor, the countries studied have undertaken numerous means, whether by running specific sector programs, attracting students to stay in the country following their graduation, and/or by easing residence rights for skilled workers. For instance, Germany's recruitment of foreign labor is mainly narrowed down to very limited, project-specific, and carefully managed guest-worker programs (Wayne and Tsuda, 2004),¹³ especially in the fields of agriculture, restaurants, hotels, construction, health care and the IT industry (Meyers, 2004).¹⁴ Such projects have also been apparent in the United Kingdom with programs such as the Seasonal Agricultural Workers Scheme (SAWS), the Highly Skilled Migrants Program (HSMP), a Science and Engineering Graduate Scheme (SEGS), the Sectors-Based Scheme (SBS), a Working Holidaymakers Scheme (WHMS), and the Innovators Scheme (Ensor et Shah, 2005).

The Netherlands, which has experienced a shortage of low-skilled workers, has for decades allowed the entry of temporary foreign workers from non-EU countries only for publicly announced vacancies and when no willing Dutch or foreign resident workers or EU workers can be found. This has changed with the 2006 Act on Integration Abroad (*Wet inburgering buitenland*), which tightened regulations with respect to the introduction and integration schemes of immigrants (OECD, 2006a, p.200).

Other countries also produced changes in their legislation to alter their immigration policies. For instance, by granting the government powers to encourage high-skilled migration; ease foreign students' stay; stem illegal immigration; tighten the rules on family reunification; limit access to residence and citizenship, and promote integration into French society, France's Sarkozy Law II (Law no. 2006-911) is a

good example of how changes in national legislation has facilitated the needs of the economy (Murphy, 2006).¹⁵

The success of such policies has also relied on the country's ability to control unwanted migration, mainly of unskilled and illegal migrants. In this area, there have been mixed results and at times, limited success. On the one hand, countries such as Germany, the Netherlands, the United Kingdom as well as France to a lesser extent, which all chose a selective labor immigration policy aimed at attracting specific people with specific skills were generally able to curtail simultaneously unwanted immigration, thus accomplishing mostly their aims.

On the other hand, by choosing guest worker programs and a quota-system, aimed at relieving provisional (yet sometimes permanent) demands for labor, and at the same time being unable to stop the inflow of illegal migration, Italy and Spain have found it difficult to control immigration into the country.¹⁶ Their solution has been to regularize (i.e. according amnesties and legalizing the residence) the foreigners present in the country according to certain criteria (Cornelius, 2004; Calavita, 2004). Such a policy does not seem to be aimed at attracting the desired skilled migrants for permanent residence.

Yet one interesting type of policy adopted both by Spain, the Netherlands and several other EU countries to combat illegal migration has been by negotiating bilateral migration agreements with various countries of origin for controlling labour migration and migration movements in general. Spain has done so with countries of origin such as Morocco, Colombia, the Dominican Republic, Ecuador, and Nigeria (Kreienbrink, 2006). However, in the Netherlands, due to an abundance of unemployed natives and resident foreign workers and a substantially decreased need for low-skilled workers, the government forfeited this strategy (Muus, 1985).

In any case, the countries that have not adopted selective immigration policies will in years to come have to develop proactive migration policies to meet their burgeoning demographic and economic needs. Attempts at adopting a joint EU strategy for attracting or recruiting workers have not been evident. This is mostly due to the fact

¹⁶ France has also implemented regularization policies.

that each country has different needs and demands, ties with different countries of origin, and different laws regulating the entry of foreigners.

The main challenge for European policymakers has been to position their countries to recruit migrants matching their labor needs, while still sustaining economic growth and supporting their public pension systems. Given those goals, according to Münz and Straubhaar (2006), a common European approach to immigration can play a crucial role in tackling shortages of labor and skills, provided the qualifications of immigrants are appropriate.

In this regard, with the enlargement of the European Union to Central and East Europe, there has been a gradual openness to flows of immigration from the new EU member states and their adjacent neighbors; replacing the migration from sending countries farther away. Nevertheless, Münz and Straubhaar (2006) note that in the medium and long term, potential migrants will inevitably be recruited also from distant regions of the world because Europe as a single market economy will have to compete with traditional countries of immigration, such as Australia, Canada, and the United States, for the required migrants to fill labor gaps.

In order to fill these labor gaps, Table 2 also illustrates that several destination countries have found family reunification immigration as a source for unskilled labor and not only perceive this phenomenon as a humanitarian right. Therefore, in countries where unskilled labor is acutely in shortage, such as Italy, one finds fair policies towards family reunification and a hard stand towards illegal entries, which substitute each other.

In Germany, though the new Immigration Act (*Zuwanderungsgesetz*) has kept the ban on recruiting unskilled workers or persons with low qualifications this ban has not been applied to persons admitted under family reunification (OECD, 2006a). This is not the case in countries such as France and the United Kingdom, which have a limited interpretation of the humanitarian notion of family reunification. France particularly has put an effort in recent years to prevent immigrant families from becoming dependent on France's welfare system and also avoid marriages of convenience (Murphy, 2007).

In their attempt to attract high-skilled workers, EU Member States have also put stress on the importance of attracting foreign students to study in their country and perhaps later on integrate into the host country's economies. This view has been clearly evident in Germany and the United Kingdom, and to a lesser extent in France. The latter has promoted the reception of non-EU students coming to France to pursue higher education by simplifying procedures for international students to study and work in France. Foreign students who receive a master or higher degree and who are seeking to stay in France after they complete their studies are allowed to pursue a "first professional experience" that contributes to the economic development of both France and the student's country of origin (Carrera, 2006).

In this respect, the EU supra-national level has also adopted a harmonized legislative framework concerning migration policies on students and on researchers, specifically, the European Council's Directive 2004/114/EC regarding the conditions of admission of third-country nationals for the purposes of studies and Directive 2005/71/EC which set out a specific procedure for admitting third-country nationals for the purposes of scientific research (OECD, 2006a).

In addition, the six countries demonstrate how Europe has become weary of dealing with bogus asylum seekers, trying to abuse European humanitarianism to entry the country for economic purposes. These six case studies have together and separately found different ways to deal with this phenomenon, with Spain and Italy to a lesser degree, being exceptions as they are not viewed as "attractive" countries for asylum seekers. Germany has lately tried to relieve the financial burden of providing its tolerated asylum seekers welfare assistance by listing new criteria as necessary for applying for permanent residency status (clean criminal record; independent financial security; regular employment; a high level of integration into German society; etc.) (Leise, 2007).

However, several of the case studies altered their asylum policies not necessarily for the purpose of restricting even further the entry of asylum seekers but rather to facilitate the admission of genuine asylum seekers; simplify procedures; and grant the entitled with the tools to live respectfully in the country of destination. For instance, the Dutch Aliens Act of 2000 aimed at simplifying procedures by creating a single

(temporary) refugee status and by introducing new conditions for granting refugee status and related rights, among other things (Meyers, 2004).

It is worthwhile mentioning that the dynamic changes in the migration policies of the EU member states have not been the product of a united and consistent political strategy, except perhaps in the field of short-term visas, asylum and border control, but rather of a series of choices and measures adopted at various levels and in successive periods which, nevertheless, have unfolded and continue to unfold effects which are, for the most part, convergent. The latest trend of selective openness to highly skilled migration flows by traditional immigration receiving countries (the United Kingdom, Germany and, lately, France), which for decades remained rather closed to economic migration of a non-seasonal nature, cannot be seen as associated with a coherent and joint effort by the European countries to tackle immigration together.

Finally, what is most apparent, needless to say, is the restrictive stance of European countries towards illegal immigration. Today, more than ever, illegal immigration is not only perceived as a phenomenon burdening the economy and posing a threat to the cultural identity and to the social values of the host country, but also a matter of national security (Lutterbeck, 2006). Illegal migration has long been associated with the illegal trafficking of drugs and people, but in the post-September 11 era, many European countries jointly and separately have stressed the threat from terrorism.

Some examples include France's Law on Everyday Security (LES) and the Law on Internal Security (LIS), which were both adopted to deal with criminals and dangers to society (Brouwer, 2003). Germany, with its second antiterror package, also altered legislation to better deal with the threat of terrorism and other matters relating to migration and security (Bundesregierung, 2002). Another good example has been the British acknowledgement of the need to tackle illegal migration by steadily increased resources for securing the borders, following the publication of the IND Review '*Fair, Effective, Transparent and Trusted: Rebuilding Confidence in our Immigration System*', published in July 2006 and the "*Enforcing the Rules: A Strategy to Ensure and Enforce Compliance with Our Immigration Laws*" of 2007 (Somerville, 2007).

These examples coincide with the wider EU-based initiative to better control the movement of people in and out of the EU at its borders. Progress has been evident

when in 2007 the EU broadened the extended Schengen Information System (SIS II), by also approving a European visa data system (VIS) which will store biometric information (fingerprints and photos) on roughly 70 million visa-holders who pass through the EU's borderless travel zone each year (Directorate General Communication, 2007).

This move has been in accordance with the sometimes disputed argument that without a common migration policy at EU-level aimed at managing the flows of people entering the EU, national immigration policies aimed at achieving the same purpose are most likely to fail due to the free flow of people between the Schengen parties. Despite the many proposals brought forth by the European Commission for developing a coordinated approach, which takes into consideration the economic and demographic conditions existing in the EU, most of these proposals were quickly rejected after a first reading by the Council of Ministers.

3. Migration policies in the EU: a quantitative assessment

This section first develops a theoretical model of migration determinants, including migration policies. Secondly, this model is estimated with panel data econometrics in order to provide a quantitative appraisal of the impact of these policies with regard to SMCs.

3.1 An eclectic model of international migration flows.

The traditional theories of migration determinants are based on the human capital approach (Sjaastad, 1962 ; Harris and Todaro, 1970). According to this theoretical framework, migration depends on the income difference between the country of origin and the country of destination, net of standard migration costs. The latter generally includes the geographic distance as well as differences in languages between the source and destination countries.

The model developed here goes far beyond this traditional framework, since it takes into account some recent developments in migration theory. First, the use of self-selection models (Borjas, 1987) makes it possible to argue that migration depends also on income inequality as well as skills in the emigration and the immigration countries. In addition, the welfare magnet theory (Borjas, 1999) includes the role of social transfers in the migration decisions. According to this theory, once migrants are self-selected, they can choose to migrate in the country which offers the highest social transfers.

Another recent development concerns the specification of trade costs. In particular, it is expected that standard migration costs can be reduced if a migrant can take advantage of human or business networks in the country of destination. In this regard, it has been increasingly recognized that the community of migrants already settled in one destination country considerably increases the attraction of new migrants from the same country of origin. This migration dynamics is theoretically explored in Carrington et al; (1996) as well as Vergalli (2006).

The relationship between trade and migration has also been increasingly discussed in the literature. In the standard HOS framework, trade and migration are viewed as substitutes, since international trade can alone equalize factor prices. As a result, there is no need for migration flows. However, the development of the new international trade theory contradicts this result. Indeed, as competition is imperfect, trade cannot alone equalize factor prices. Consequently, trade and migration become complementary (Markusen, 1983; Venables, 1999). Such a complementary relationship can also occur in case of economic distortions (such as taxes) or if countries have different technologies.

A final and important renewal of the migration theory concerns policies. For example, Benhabib (1996) and Bianchi (2006) theoretically show that migration decreases as migration policies become tougher, since they reinforce migration costs. Some other authors include endogenous migration policies through the use of lobby models which explain the creation of immigration quotas (Epstein and Nitzan, 2005; Facchini and Willmann, 2005).

The eclectic model developed here takes into account these new theoretical developments. It is worth mentioning that it can be derived from a single theoretical framework which includes the new developments mentioned above¹⁷.

$$\begin{aligned}
M_{sdt} = & a_0 + a_1 \frac{W_{dt}}{W_{st}} + a_2 \frac{\sigma_{ws}}{\sigma_{wd}} + a_3 \left(\frac{\sigma_{ws}}{\sigma_{wd}} \right)^2 + a_4 \frac{T_d}{T_s} \\
& + a_5 D_{sd} + a_6 L_{sd} + a_7 \frac{H_d}{H_s} + a_8 \frac{U_d}{U_s} \\
& + a_9 TRADE_{sdt} + a_{10} COL_{sd} + a_{11} POL_{dt} + a_{12} \frac{S_h}{S_d} \\
& + \alpha_s + \beta_d + \gamma_t + \varepsilon_{sdt}
\end{aligned} \tag{5}$$

The dependent variable M_{sdt} denotes migrations from the source country s to the destination country d at year t . It is calculated as a migration rate, i.e. migration as a proportion of the source country's population. The selected source countries correspond to nine SMCs, namely Morocco, Algeria, Tunisia, Egypt, Jordan, Syria, Lebanon, Turkey and Israel. The destination countries cover the EU-15¹⁸ and the time period ranges from 1993 to 2004. Overall, this three-way panel data model includes 1560 observations. The main statistical sources are Carim (2005) as well as OECD (2006a). As a sensitivity analysis, our estimations use both migration stocks and flows.

The independent variables include the destination/source income ratio W_{dt}/W_{st} , calculated with per capita GDP in purchasing power parity (statistical source: Cepii, 2006a). A positive parameter α_1 is expected, following the standard human capital model. $(\sigma_{ws}/\sigma_{wd})$ denote the source/destination social transfer ratio, which is proxied by the Gini coefficient (source: United Nations, 2006). The new migration theory based on self selection models expects an inverse U-shape relationship between this ratio and migration. Indeed, for low income inequality in the source country, migration first increases with income inequality in this country. However, after a certain threshold, migration starts decreasing. This is due to the fact that when the

¹⁷ For example, refer to Clark et al. (2007) for a complete derivation of a model comparable to the one presented here.

¹⁸ Belgium and Luxemburg are considered as a single country.

domestic income inequality becomes significant, people expect a significant return to skills in their home country. This more attractive salary reduces the incentive to leave abroad¹⁹. Thus, α_2 and α_3 are respectively expected to be positive and negative.

T_d/T_s accounts for the social transfer ratio. According to the welfare magnet theory, an increase in social transfers in the destination country (relatively to the source country) increases migrations. Several proxies have been tested for this variable. The first two ones correspond to education and health expenses as a percentage of GDP (source : WHO, 2005 and UNESCO, 2006). The two other proxies cover overall public expenses (including transfers) as a proportion of GDP (OCDE, 2006b and Luxembourg Income Study, 2005). In the final model, estimation results are presented with the last proxy, which is more complete than the others in terms of country coverage and data availability.

The second line of equation (5) includes traditional migration costs. These are the geographic distance (D_{sd}), differences in languages (L_{sd}), the cost of living ratio (H_d/H_s) as well as the unemployment ratio (U_d/U_s). Following the standard migration theory, migration is expected to decrease with distance and language differences. In the same way, it is expected to decrease as the cost of living and unemployment become higher in the destination country²⁰.

In the third line of equation (5), $TRADE_{sdt}$ accounts for business networks between the source and the destination countries. We assume that an increase in the bilateral trade flows between these countries captures additional business links, which attract additional migrants. As a result, a complementary relationship between trade and migration is expected, in accordance with the new trade theory (source: OECD, 2006c).

COL_{sd} denotes the presence of past colonial relationships between countries, as a proxy for historical and cultural links. It is measured by a dummy which is equal to 1

¹⁹ For additional details about the relationship between income inequality and migration, refer to the pioneer article of Borjas (1987).

²⁰ The statistical sources used for these four variables are respectively Cepii (2006b), CIA (2007), Mercer (2005) as well as the International Labor Organization (2006). Moreover, the calculation of language differences is identical to that developed in Wagner (2002).

in case of substantial participation in the colonized country's governance and 0 otherwise (source: Cepii, 2006a).

(S_h/S_d) allows for testing the direct impact of skills on migration. If the corresponding parameter shows a positive sign, this suggests that migration increases with the qualifications of the migrant. This is an indication that migrants are positively selected, according to Borjas terminology (Source: Unesco, 2006).

POL_{dt} measures the destination country's migration policy. Unfortunately, due to the lack of data at a macro level, it proved to be impossible to obtain harmonized international data corresponding to specific migration policies, such as quotas and selective policies. In spite of this limitation and given the importance of this variable for our study, three proxies have been tested alternatively.

The first ($POL1$) is based on an original aggregate index of migration policies, recently developed by the *Fondazione Rodolfo Benedetti* (FRDB, 2006). This index is a weighted average of several measures corresponding to various migration criteria, such as the admission standard for migrating, the quota level, the time necessary to get a residence permit, the maximum duration of the first migration period, the number of ministries the migrant must contact to be admitted to a destination country, etc... A rise in this index means that the migration policy is more restrictive (a negative sign is expected for a_{11}). To our knowledge, it is the first time that this new variable has been used in an empirical model of migration determinants.

A second proxy ($POL2$) is a combination of the previous index with a specific index of asylum policy (Hatton, 2004). This aggregate measure of migration and asylum policy is useful for assessing the impact of EU countries' global migration policy. Finally, the third proxy is calculated by taking the total number of residence permits granted by each destination country, as a proportion of the source country's population (source: OECD: 2006a)²¹.

²¹ Some other proxies for migration policy are sometimes used in the literature. One is the opinion of natives with regard to migrants. It is expected that the more this opinion is negative, the more likely the government restricts its migration policy (Bauer et al., 2000). In this connection, some other studies use indexes of patriotism and chauvinism, which are also expected to influence migration policy (Hatton and Williamson, 2006). However, these indexes do not directly measure migration policies. This is why they are excluded from the present analysis. Finally, the United Nations (2002) publish inquiries

The last line in equation (5) includes country and time specific effects, which account for data heterogeneity and omitted variables. Such effects may be estimated as fixed or random, depending on the estimation procedure.

3.2 Estimation results

In order to estimate equation (5) with appropriate econometric methods, a significant number of tests have been implemented. First, the model is specified in a semi-log basis, where the dependent variable is in logarithm and the independent variables are linear. This choice is motivated by the Davidson and McKinnon test, as in other similar recent studies of international migrations (Clark et al., 2007; Pedersen et al., 2004; Peridy, 2006).

Second, several estimators have been tested. The OLS is rejected by the LM test, which indicates the presence of heterogeneity. The standard fixed effect model (FEM) has also been estimated. However, since it cannot estimate the parameters corresponding to time-invariant variables, this estimator has also been rejected. The random effect model (REM) has been left out as well, because the Hausman test suggests a problem of endogeneity. Consequently, the estimator selected here is that of Hausman and Taylor (HT), which makes it possible to estimate time-invariant parameters while addressing the endogeneity bias (Greene, 2003, Egger, 2004). While Tables 1 and 2 only present the results for this estimator, the parameter estimates have been calculated and compared across all the estimators mentioned above, in order to check the stability of the parameter estimates²².

The final tests include multicollinearity, heteroskedasticity as well as autocorrelation. With regard to multicollinearity, the variance inflation factor is close to 30, i.e. the upper limit generally admitted (Table 1). Turning to heteroskedasticity and autocorrelation, the estimation of a corrected GLS made it possible to check that

about the government prospects with regard to their migration policies. They indicate whether a government intends to restrict its migration policy in the future or not. One drawback with this method is that results are not published for each destination country, due to confidentiality reasons. As a result, it cannot be used here.

²² Detailed results for all the estimators are available upon request.

parameter estimates show similar magnitudes and size compared to the HT specification.

Table 3 stresses that both traditional and new migration determinants are significant. Starting with the traditional ones, the income gap between SMCs and the EU is unsurprisingly of major importance. The corresponding parameter estimate is always significant at 1% level. In the same way, the geographic distance is a significant migration cost. As a matter of fact, an increase of 1000 kilometres in the distance between two countries reduces the emigration rate by more than 1% percentage point²³. A rise in unemployment and the cost of living in the destination country also reduce the migration rate, since this makes it more costly to migrate from SMCs to the EU. Finally, differences in languages have unsurprisingly a negative effect on migration²⁴.

Turning to new migration determinants, Table 3 exhibits an inverse U-shape relationship between income inequality and migration. This means that once income inequality reaches a certain threshold in EU countries, the return to skills paid to migrants from SMCs becomes significant. This is a strong incitation to migrate, especially for qualified migrants, who can hardly find an attractive salary in their home countries given their qualifications. This result is supplemented by the parameter corresponding to the skill ratio, which is always positive and significant at 5% level. This suggests that the more Southern Mediterranean workers are qualified, the more these people are incited to migrate in order to find appropriate salaries in the EU. Such a finding supports the brain drain theory (Kwok et Leland, 1982; Stark, 1991). It also suggests that immigrants from SMCs are positively selected.

However, the social transfers' ratio is not significant. This result contradicts the welfare magnet theory. It has been controlled by the use of the four proxies described previously, since none of them is significant. Thus, it seems that at a macroeconomic

²³ In a semi-log model, we remind that one unit change in the independent variable leads to a $a\%$ change in the dependent variable, where a is the parameter estimated in the model. In addition, when the independent variable is a dummy, one unit variation of this dummy leads to a $(e^a - 1)\%$ change in the dependent variable.

²⁴ It must be observed that the corresponding parameter is not always significant. This can be explained by multicollinearity problems due to the presence of the *COL* variable. Indeed, past colonial relationships have often led to more common languages. In fact, when the model is re-estimated without the colony variable, the language parameter becomes significant at 1% level.

level, migrants originating from SMCs do not primarily move to the EU to take advantage of social transfers. In fact, their main motivation is to find a job with an attractive salary which fits their qualifications. This argument is supported by the negative parameter corresponding to unemployment, the positive parameter for income and the inverse U-shape relationship between income inequality and migration.

Table 3 also shows a positive relationship between trade and migration. In fact, if trade between SMCs and the EU increases by one million dollars, the emigration rate is increased by 0.1%. This is an indication that trade and migration are complementary, in accordance with the new theory of international trade (Markusen, 1983; Venables, 1999). Such a result can be explained by the fact that the great bulk of trade between SMCs and the EU is made of manufactured products, with imperfect competition and economies of scales²⁵.

Finally, the migration policy coefficients are always negative and significant, whatever the proxy considered. In this regard, it is worth mentioning that the magnitude of the coefficients is greater for migration flows than for stocks. This global result suggests logically that migration policy is more efficient for regulating migration flows than stocks. This also means that the recent restrictions in most EU countries' migration policies have overall succeeded in reducing migration from SMCs.

Additional investigation can be done by re-estimating the model at country level. Indeed, section 2 has shown that EU countries have implemented different migration policies, especially with regard to the regularization process. Table 4a provides estimation results for each destination country. It is striking to observe that the effects of migration policies are very different depending on the EU country taken into consideration. Three groups of countries can be identified. The first includes Northern EU countries, including Great-Britain and Ireland, which seem to have succeeded in regulating migration from SMCs with appropriate migration policies. As a matter of fact, the coefficient is negative for all these countries.

²⁵ However, it may be possible that for traditional products with less imperfect competition (agriculture), there is a substitution relationship, in accordance with the standard HOS framework.

A second group includes France and Germany, for which the coefficients are negative but barely significant. At first sight, this result seems contradictory with the analysis provided in section 2, which shows that these two countries have recently implemented more efficient policies to fight against unwanted migration. However, these countries have simultaneously encouraged another kind of migration, namely that of students and qualified migrants. One limit of the model is that it does not distinguish the impact of migration policies for different types of migrants, due to data unavailability. This can explain that the migration policy for the sum of the migrants has been neutral on migration flows. In the case of France, another explanation is the use of regularization policies in the 90s. This has increased the number of legal migrants, although to a lesser extent than Italy and Spain.

The last group is made of Southern EU countries, for which the migration policy coefficient is always insignificant. This suggests that these countries have failed to control migration from SMCs, especially because of the massive use of regularization policies, as explained in section 2.

To sum up, it clearly appears that the impact of migration policies within the EU is very different depending on the European country considered. This has major policy implications, as discussed later. But it must also be stressed that the effects of migration policies also differ depending on destination countries, as shown in Table 4b. As a matter of fact, the policy parameters are significant for all Mashrek countries, especially Jordan, Syria and Lebanon, whereas they are not significant for Maghreb countries as well as Turkey. Several explanations can be provided. First, the majority of illegal migrants are originating from Maghreb countries. As a result, the regularization policies have mainly concerned these countries, especially in Spain, Italy and France to a lesser extent. This primarily explains why EU countries' migration policies have failed to control migration from Maghreb countries, while they have succeeded for Mashrek countries.

Some other minor tentative explanations can be put forward. One is that migration policies for people originating from Maghreb countries may have been less restrictive because of the traditional ties between these countries and Southern EU countries,

especially France. Another explanation is related to the fact that migrants from Turkey have more information than the others about the criteria that Germany requires from migrants, because of the size of the Turkish community already settled in this country. As a result, Turkish people succeed in migrating to Germany more easily than people originating from other countries. Whatever these explanations, the results unambiguously show that the impact of national migration policies greatly differ according to both the source and destination countries.

To sum up, the model presented above shows that at a macro level, migration from SMCs to EU countries is mainly driven by economic motivations, such as differences in living standards, differences in returns to skills as well as better prospects to find a job. These motivations are reinforced by economic networks, like trade. Indeed, we have shown that the increasing international trade between Southern and Northern Mediterranean countries must be complemented by an increase in migration, as a means of equalizing factor prices. It has also been shown that qualified migrants are particularly motivated by migration, through the brain drain and the positive selection channels. Although EU countries' migration policies have made the skill migration easier, they have only partially succeeded in controlling overall migration flows. In particular, these policies have failed in Southern European countries, due to massive regularization of illegal migrants.

4. Policy implications

The results presented above have several major policy implications. The first is related to the impact of the migration policies in EU countries. Indeed, we have shown that this impact greatly varies depending on the EU country involved. This has produced a certain migration disequilibrium within the EU, since Northern EU countries' policies efficiently reduce migration from SMCs, whereas the Southern countries fail to regulate it. This questions the rationale of these national policies and suggests the need for a harmonised EU policy.

A second implication concerns the EU migration objective itself. If this objective is to limit migration flows from Mediterranean countries, then it can be reached in the long

run under certain conditions. First, a reduction in the GDP gap between the EU and Southern Mediterranean countries is necessary. In this respect, economic development must be a priority for these countries. As a consequence, the decrease in unemployment would also reduce the incentive to migrate. This development can be accelerated by an increase in trade and FDI between the EU and these countries. This is one objective of the Euromed agreement.

Moreover, it is crucial that Mediterranean countries provide better returns to skills to their qualified workers. This would render jobs requiring skills more attractive for natives and reduce the brain drain towards Europe. This requires a strong innovation policy. In addition, selected policies of return migration for students and qualified workers could also ensure a reduction in skilled migration and thus in the brain drain.

Nevertheless, from an economic point of view, it seems unrealistic and inefficient to strongly limit migration from SMCs to the EU, simply because there are major structural migration-pushing factors. These are not only the GDP gap between these countries and the differences in returns to skill, but also the short geographic distance, the extensive human and business networks as well as the strong relationships due to colonialism. All these migration determinants explain why migration from MENA countries to the EU should continue and benefit both Mediterranean migrants and EU countries.

A third major policy implication concerns the coherence of the trade and migration policies of EU countries with regard to Mediterranean countries. Indeed, the commercial policy (mainly driven by the Euromed agreement) is aimed at liberalizing trade flows as a means of increasing North-South trade. On the other hand, it has been shown that recent migration policies in EU countries have become more restrictive concerning migration flows from Southern Mediterranean countries. However, the present study argues that these two policies are not consistent, precisely because we showed that trade and migration are complementary. As a result, the simultaneous objectives of free trade and restricted migration are not possible. Instead of that, a free trade policy is consistent with a free migration policy concerning workers²⁶. In this

²⁶ However, in the particular case of agricultural products, trade liberalization may be consistent with more restrictive migration policies, since trade and migration are possibly substitutes.

regard, the initial objectives of the European Neighborhood Policy (ENP) were more coherent with the Euromed agreement, since the former intended to provide the free movement of workers.

However, there is a significant gap between objectives and facts. Indeed, if the objective of the Euromed was mainly to increase trade through the removal of trade barriers, it is worth mentioning that this removal has not been achieved, especially for agricultural products. In the same way, the initial objective of the ENP aimed at granting the free movement of workers has faded away. Consequently, trade and migration policies are in fact both restrictive and thus coherent, even if the initial objectives have not been achieved.

Nevertheless, the consequences of these policies are not necessarily those expected by EU countries, because of the relationship between trade and migration policies via unemployment. In other words, considering that the EU protection with regards to agricultural products, combined with the removal of the multi fibre agreement (MFA) are both likely to reduce economic growth and thus to increase unemployment, then these restrictive trade policies are likely to increase migration (via unemployment), in contradiction with the objectives of migration policies in the EU.

In sum, there is a striking problem of consistency between the objectives of trade and migration policies in the EU, but also between the objectives of these policies and facts. In this regard, the coordination between trade and migration policies should be reinforced with clear common objectives. In addition, the development of common EU migration policy should considerably increase the efficiency and the consistency of these policies.

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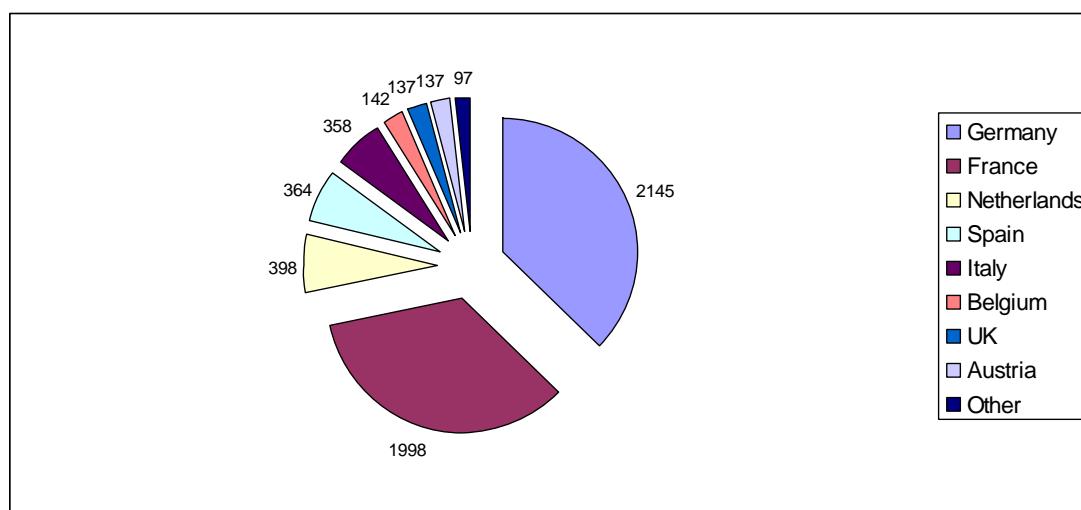
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Table 1. A comparison between the number of migrants counted by the countries of origin and destination

Country of origin	Number of migrants counted by the country of :			
	Destination	Origin	Difference (Origin –Destination)	
			absolute	%
Algeria 1995	807051	1058202	251151	31%
Egypt 2000	429428	105850	621422	145 %
Morocco 2004	1721892	2887319	1165427	68 %
Tunisia 2003	362988	691771	328783	91 %
Turkey 2002	2835665	3378000	542335	19 %
Total	6157024	9066142	2909118	47 %

Source: Carim (2005)

Figure 1. Geographical distribution of the migrants originating from SMCs



Own calculations from Carim (2005)

Table 2: Summary of the recent migration policy in six EU countries

Type of Migration Country	Work	Asylum Seekers	Family reunification	Illegal immigration	Students
France	Selective	Restrictive	Restrictive	Restrictive	Positive
	A "selective immigration policy"; residence permits for migrants with needed skills or qualifications.	Denying entry to asylum seekers, less ability to appeal their cases. Extended refugee status to people menaced not only by states.	Tightening rules on family unification; limiting access to residence & citizenship. Promoting integration into French society; prove ability to support family.	Greater power to police to arrest and deport illegal migrants; limiting their rights. Created databases & imposed penalties for marriages of convenience.	Laws to facilitate the arrival of foreign students and their stay following the end of their studies.
Germany	Selective	Restrictive	Relatively restrictive	Most restrictive	Most positive
	Ban on recruiting unskilled workers; several programs for recruiting skilled and seasonal workers.	Restriction; Several alleviations on the conditions of "tolerated" asylum seekers to relieve the financial burden on the country.	Integration of legal family immigrants; allowing same labor market access as that of family. Integration course required.	Curtail illegal migration; especially due to security concerns.	Stress on attracting and keeping students who learn occupations in demand in Germany (i.e., nurses).
Italy	Unintended consequences	Fair	Fair	Police approach	Ambivalent
	Quota system according to market needs; several guest worker programs, which failed to curtail illegal migration and admits seasonal workers.	Procedures made easier. Resources for social integration added. Once granted refugee status, receives 2-year residence permit.	Family reunification is allowed for legally residing foreigners	Restrict legal entry of economic migrants by tightening links between residence and employment permits. Italy uses regularization programs to deal with illegal immigrants.	No particular policy found
The Netherlands	Selective	Restrictive but fair	Relatively restrictive	Restrictive	Ambivalent
	Eased rules for skilled workers and admits temporary workers through bilateral agreements.	Simplifying procedures & shortening waiting-time for decision (allowing easier expulsion). Introduced new conditions for	Family reunification is allowed for legally residing foreigners though they are required to pass integration exams.	Policy of curtailing illegal migration; especially due to security concerns & social burden, though no real	No particular policy found; students are not regarded as highly skilled.

		granting refugee status.		success.	
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Type of Migration Country	Work	Asylum Seekers	Family reunification	Illegal immigration	Students
Spain	Unintended consequences	Liberal	Relatively Restrictive	Police approach	Ambivalent
	Quota system according to market needs and admits temporary workers through bilateral agreements.	Asylum policy in line with harmonized European regulations; relatively fair policy given that most foreigners arriving are illegal migrants, not asylum seekers.	Due to large waves of illegal migration, Spain has tried to restrict rights and freedoms of foreigners in Spain including family reunification. This depends on the party in government.	Police approach, which has not been successful. Spain uses regularization programs to deal with illegal immigrant flows.	No particular policy found.
The United Kingdom	Selective	Restrictive	Restrictive	Restrictive	Most positive
	Different policies and schemes according to labor demand and shortages in different sectors.	Restriction of asylum and reducing asylum appeal rights.	Historically been restrictive like movement of persons across borders.	Policy of curtailing illegal migration; also part securing the borders.	Attract more international students allowing them to work and persuading them to stay.

Table 3 : Estimation results

	STOCKS			FLOWS		
GDP per capita ratio	0.0083***	0.0081***	0.0083***	0.0024**	0.0022**	0.0024**
income inequality ratio	6.6950***	6.3198***	4.1701***	9.0324***	8.8658***	6.6624***
(income inequality ratio) ²	-2.8781***	-2.7294***	-2.0310***	-3.7795***	-3.7203***	-3.2145***
social transfers ratio	0.0001	0.0001	0.0001	0.0001	0.0001	0.0000
distance	-0.0011***	-0.0011***	-0.0012***	-0.0011***	-0.0011***	-0.0011***
differences in languages	-2.5347*	-2.4944*	-1.4202	-3.1709**	-3.1531**	-1.2600
costs of living ratio	-1.4267***	-1.4228***	-1.5353***	-1.0951**	-1.1092**	-1.0673**
unemployment ratio	-0.4118*	-0.4146*	-0.4728*	-0.2881*	-0.3243*	-0.2551
business network (trade)	0.00008***	0.00009***	0.00010***	0.00013***	0.00013***	0.00017***
colonies	2.2509***	2.6990***	2.1594***	1.9135***	1.8661***	2.4136***
<i>migration policy (POL1)</i>	-0.0005**			-0.0017***		
<i>migration policy (POL2)</i>		-0.0010***			-0.0071***	
<i>migration policy (POL3)</i>			-3.2210***			-8.0510***
education ratio	0.5573**	0.5611**	0.5473**	0.4831**	0.4878**	0.4367**
R2	0.6616	0.6682	0.6591	0.6418	0.6503	0.6734
number of observations	1188	1188	1188	1188	1188	1188
Davidson and McKinnon test	0.0004	0.0004	0.0003	0.0004	0.0004	0.0003
Variance Inflation Factor	37.0	37.9	39.8	37.0	37.9	39.8
LM test	5405.2***	5548.5***	6632.6***	5276.3***	5375.6***	4632.6***
Hausman test	216.75***	218.43***	224.35***	214.79***	216.99***	206.77***
Hausman and Taylor test (theta)	0.982	0.982	0.984	0.963	0.963	0.967

Table 4a : Impact of EU migration policies : breakdown by countries of origin

	POL1		POL2		POL3	
	Stocks	Flows	Stocks	Flows	Stocks	Flows
France	-0.0003	-0.0012*	-0.0001	-0.0005	-3.99	-5.44*
Belgium-Lux.	n.a	n.a	n.a	n.a	-0.70	-1.72
Germany	-0.0003	-0.0011*	-0.0003	-0.0004	-1.99	-4.37*
Italy	-0.0001	-0.0004	-0.0004	-0.0003	-0.36	-1.43
Netherlands	-0.0004	-0.0009*	-0.0014***	-0.0019***	-1.38	-9.47**
Great-Britain	-0.0019***	-0.0023***	-0.0020***	-0.0023***	-5.59**	-14.62***
Ireland	-0.0019***	-0.0024***	-0.0018***	-0.0020***	-5.32**	-10.39***
Denmark	-0.0006*	-0.0016***	-0.0014**	-0.0016***	-2.54*	-7.67**
Finland	-0.0012**	-0.0023***	-0.0017***	-0.0023***	-7.05***	-15.28***
Sweden	n.a	n.a	n.a	n.a	-2.25*	-5.54*
Austria	-0.0003	-0.0009*	-0.0001	-0.0009*	-0.08	-0.19
Spain	0.0002	0.0006	0.0002	0.0007	-0.09	-1.28
Greece	-0.0001	-0.0006	-0.0001	-0.0008	-0.64	-1.72

Table 4b : Impact of EU migration policies : breakdown by countries of destination

	POL1		POL2		POL3	
	Stocks	Flows	Stocks	Flows	Stocks	Flows
Algeria	-0.0002	-0.0002	-0.0004	-0.0010	-0.35	-0.42
Morocco	-0.0002	-0.0004	-0.0004	-0.0002	-0.11	-0.12
Tunisia	-0.0003	-0.0006	-0.0004	-0.0009	-0.71	-0.92
Egypt	-0.0003	-0.0022**	-0.0010	-0.0019***	-0.09	-2.16**
Turkey	0.0005	0.0009	0.0005	0.0009	-0.46	-0.37
Israel	-0.0004	-0.0010*	-0.0012***	-0.0013***	-1.62*	-1.62*
Jordan	-0.0012*	-0.0018***	-0.0018***	-0.0022***	-2.69**	-2.69**
Syria	-0.0012*	-0.0018***	-0.0020***	-0.0023***	-2.33**	-2.33**
Lebanon	-0.0021***	-0.0022***	-0.0021***	-0.0023***	-1.44*	-1.44*