

WP 3: The political economy of labour and migration in the Euro-Med partnership WP Review

If Euro-Mediterranean region is compared with another region, like America, the most surprising fact is the high level of unemployment in the Euro-Med zone (see the table in Annex). So the labour and migration aspect of the Euro-Med partnership is probably not the most optimistic one. Unemployment being high in the North as well as in the South, there is probably not much to be hoped from a partnership. Northern economies having high unemployment are not ready to accept massive immigration from the south. Besides, if they do, the needs of northern economies are not anymore unskilled workers. So they are going to adopt a “chosen immigration policy” which will signify they will select the most qualified ones. In both cases, the effect could be negative for the southern economies, as the “chosen immigration policy” will possibly imply a brain drain in the South. Is it possible to make a win-win agreement regarding migration between North and South? How to improve the management of the labour market both in the South and in the North? These are problems we have to deal with in this Working Package.

To deal with these problems, we must separate two approaches. One is a microeconomic approach based on the individual behaviour. Two working papers are based on this approach. The first one is Baudasse’s one which has two objectives. The first one is to present an original model based on Harris-Todaro and which analyses the effects of agricultural liberalization on migration. The second objective of this paper is to present some alternative approaches of the migratory phenomenon and their consequences on economic policies. The second paper based on this individual behaviour approach is the paper by Driouchi, Trandas and Zouag, which deals with a problem that Baudasse’s paper has not dealt with, namely, the skilled labour migration and the brain drain / brain gain effect.

The second approach is an institutional approach. This means to study the effect of institutions on labour and migration governance. A first question is whether there is a certain kind of institutional framework which would be more capable of fighting unemployment. This is the question asked by Lavalie who first challenge the idea commonly admitted of a euro-sclerosis, and then shows that there is a deep heterogeneity in institutional characteristics of economies which have succeeded in overcoming unemployment. Lavalie then underlines in his work the existence of a variety of successful capitalisms, each one with a different type of institutional coherence. Another question is whether there is one unique type of migratory governance in Europe, and if it is possible to speak of a “european” migratory policy. This question will be dealt with by Argerey et alii. From the point of view of southern countries, the same kind of questions is treated by Elif Unan, who analyses both migration dynamics and labour market structure in South and East Mediterranean Countries. The most important finding of the Elif Unan’s work is the important part of governments in job creation which affects negatively the labor productivity and GDP growth of SEMC region.

In summary we propose to release 5 Working papers:

- 1- Baudasse’s working paper on theoretical aspect of migration (a first draft is already available on the website)

- 2- Driouchi et alii paper on the economics of skilled labour migration (a first draft is already available on the website)
- 3- Laviaille's paper on institutional aspects of labour governance in Europe (executive summary available)
- 4- Elif Unan's paper on governance of Labour and Migration in South and East Mediterranean Countries (executive summary available)
- 5- Argerey et alii's paper on European migratory policy or policies (executive summary available)

These five Working Papers will be synthesized in order to produce three deliverables:

1 – A deliverable by the French team which will be a synthesis of the works of Elif Unan [4] and Christophe Laviaille [3], and which will deal with the Labour market governance both in the North and in the South of Mediterranean

2 – A deliverable by the Spanish Team, which will be a synthesis of the works of Baudassé [1] and Argerey [5], which will deal with the Theory and Practice of International Migrations.

3 – A deliverable by the Moroccan team which will be a shorter version of the paper mentioned previously as [2].

Annex: Unemployment rates according to the World Bank Development Indicators (source: WDI Indicators, CD-ROM 2004)

	1995	1996	1997	1998	1999	2000	2001	2002
Unemployment, total (% of total labor force)								
European Monetary Union	11,4	11,6	11,6	11,0	10,2	9,8	..	..
France	11,6	12,1	12,3	11,8	11,7	10,0	8,8	8,9
Germany	8,1	8,9	9,8	9,2	8,4	7,8	7,8	8,6
Spain	22,7	22,0	20,6	18,6	15,6	13,9	10,5	11,4
United Kingdom	8,6	8,2	7,1	6,1	6,0	5,5	4,8	5,1
Poland	13,3	12,4	11,2	10,7	12,5	16,1	18,2	19,9
Italy	11,4	11,5	11,6	11,6	11,3	10,5	9,5	9,0
Tunisia	..	..	..	..	..	..	..	..
Turkey	7,5	6,5	6,7	6,8	7,7	6,6	8,5	10,6
Morocco	22,9	18,1	16,9	19,1	22,0	..	..	..
Jordan	..	..	14,4	..	15,6	13,2	..	..
Egypt, Arab Rep.	11,3	..	8,4	8,2	8,1	9,0	..	..
Algeria	27,9	..	26,4	..	..	29,8	..	..
United States	5,6	5,4	4,9	4,5	4,2	4,0	4,7	5,8
Latin America & Caribbean	8,0	8,3	8,3	8,7	9,2	..	..	..
Mexico	5,8	4,3	3,4	2,9	2,1	2,2	2,1	2,4
Peru	7,0	7,0	7,7	7,8	8,0	7,4	7,9	8,7
Venezuela, RB	10,3	11,8	11,4	11,2	14,9	13,2	12,8	..
Argentina	18,8	17,2	14,9	12,8	14,1	15,0	18,3	17,8
Chile	4,7	5,4	5,3	7,2	8,9	8,3	7,9	7,8
Brazil	6,1	7,0	7,8	9,0	9,6	..	9,4	..