International migration and regional development in Morocco:
a review

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Abstract

Despite its status as one of the world’s leading emigration countries, empirical work Morocco has been largely absent from the lively theoretical debate on migration and development. The impact of international migration on development in Moroccan migrant-sending regions is assessed through a review of empirical studies. Notwithstanding empirical lacunas and methodological flaws, available evidence suggests that migration and remittances have considerably improved living conditions, income, education and spurred economic activity through agricultural, real estate and business investment, from which non-migrants indirectly profit. This has transformed migrant-sending regions such as the Rif, Sous and southern oases into relatively prosperous areas that now attract internal ‘reverse’ migrants. Although this challenges prevailing pessimism, the developmental potential of migration is not fully realized through several structural constraints. Migration impacts are heterogeneous across space, socio-ethnic and gender groups, and tend to change over time and household migration cycles. Migration and remittances may enable people to retreat from, as much as to invest in, local economic activities, depending on the specific development context. Paradoxically, development in migrant-sending regions seems to be a prerequisite for return and investment, rather than a consequence of migration.
Introduction

Over the past four decades, Morocco has evolved into one of the world’s leading emigration countries. Since the mid-1960s, Morocco has experienced large-scale migration of mostly unskilled migrants to western Europe. This migration was primarily oriented towards France, but also increasingly towards the Netherlands, Belgium, Germany and, since the mid-1980s, Spain and Italy. The previous expectation that these ‘guest workers’ would return never materialized. Following the economic recession and the tightening of immigration policies after the 1973 Oil Crisis, relatively few Moroccan migrants returned. Migrant networks, combined with a sustained demand for migrant labour, explain why policies aiming to curb migration have had only limited effects. Although most migrants originate from Morocco’s three main migration belts (the Rif, the Sous and southern oases), there has been a process of spatial diffusion, in which more and more rural and, increasingly, urban areas are becoming firmly integrated in the Mediterranean-European migration system (cf. De Haas 2005).

Moroccans form not only one of largest, but also one of the most dispersed migrant communities in Western Europe. Out of a total population of 30 million, well over 2 million people of Moroccan descent lived abroad in 2001. The actual number may be substantially higher, due to undocumented migration. Moreover, this does not include the approximately 700,000 Jews of Moroccan descent living in Israel. France is home to the largest legally residing population of Moroccan descent (more than 1,025,000), followed by Spain (397,000), the Netherlands (315,000), Italy (287,000), Belgium (215,000), and Germany (99,000). Smaller communities live in Scandinavian countries (17,000), the United Kingdom (50,000), the United States (85,000), and the Canadian province of Quebec (70,000) (De Haas 2005).
In contrast to earlier predictions, migrant remittances from Europe to Morocco have shown an increasing trend over the past decades. Receiving $3.6 billion in official remittances in 2003, Morocco was the fourth largest remittance receiver in the developing world. The inflow of hard currency remittances is crucial to the balance of payments. While remittances represented 6.4 percent of Morocco’s GNP over the 1990s on average, they represented 20.1 percent of all imports in goods and services. In 2001, remittances were six times higher than official development aid, five times higher than FDI, and also exceeded revenues from tourism and the export of agricultural produce and phosphates (De Haas and Plug 2006).

The so-called “Euro effect” and concomitant money laundering can only explain part of the recent surge in remittances. The structural solidity of remittances is explained by the unforeseen persistence of migration to northwestern Europe; new labour migration towards southern Europe; and the durability of transnational and transgenerational links between migrants and staybehinds. The stable economic-political environment and new policies towards migrants explain why Morocco has been relatively successful in channelling remittances through official channels (De Haas and Plug 2006).

It is often feared that this increase in income is artificial and temporary and therefore creates a dangerous dependency on external sources of income (cf. Aït Hamza, 1988; Mter, 1995; Kagermeier, 1997; Lazaar, 1989). However, empirical evidence indicates that remittances are a comparatively stable, lowly volatile and countercyclical source of income and that the relation between migration duration and remittances is not linear. In fact, remittances tend to increase in the first two decades after migration, and that the subsequent ‘remittance decay’ is more delayed and that the slope of this decline is much flatter than previously assumed (De
Haas and Plug, 2006). According to a 1988 study undertaken in France, 29 percent of the second generation ‘Moroccans’ abroad remit regularly (Collyer, 2004). Interpretation of this figure is ambiguous. Collyer (ibid, p. 19) observed that, although this can be a cause for dismay, “it does nonetheless suggest a significant degree of continued contact of the second generation”.

Notwithstanding the macro-economic significance of remittances and incomes of migrants’ families, the extent to which international migration and remittances can bring about more long-term, sustained development and economic growth in migrant-sending areas in poor countries is quite a different question. This very issue has been the subject of intensive debate over the past decades, in which the more pessimistic views have tended to dominate.

Up to the 1960s especially, developmentalist ‘migration optimists’ have argued that migration and the flow of remittances, as well as the experience, skills and knowledge of returning migrants would help sending regions in developing countries in their economic take-off (Penninx 1982, 782–3; cf. Beijer, 1970). In recent years, this optimistic developmentalist view of migration, remittances and development seems to be experiencing a remarkably renaissance (cf. Kapur, 2003; Ratha 2003; Global development finance 2005).

On the other hand, ‘migration pessimists’ — inspired by the structuralist paradigm and dependency theory — have argued that migration and concomitant changes, such as growing inequality and individualism, lead to the breakdown of traditional, stable communities and regional economies, leading in turn to the development of passive, non-productive communities, which become increasingly dependent on remittances. The latter are said to be spent mainly on luxury goods and ‘consumer’ investments, and rarely invested in productive
enterprises. In a process known as cumulative causation (Myrdal, 1957), migration is claimed to undermine the local economy by depriving communities of their valuable labour force. South-North migration is perceived as discouraging the autonomous economic growth of migrant-sending countries (Lipton, 1980; cf. Rahman, 2000; Rubenstein, 1992).

However, both approaches seemed to be too rigid and determinist to deal with the complex realities of migration and development interactions. In the 1980s and 1990s, the new economics of labour migration (NELM) emerged in American research as a response to both functionalist-developmentalist (the ‘migration optimists’) and structuralist migration and development theory (the ‘migration pessimists’). Stark (1978; several articles compiled in 1991), in particular, revitalized academic thinking on migration from the developing world, by placing the behaviour of individual migrants within a wider societal context and considering the *household* — rather than the individual — as the most appropriate decision-making unit (cf. Taylor, 1999). This approach models migration as the risk-sharing behaviour of households. Migration is perceived as a household response to income risks, since remittances serve as income insurance for households in the country of origin. In addition, migration is ascribed a vital role in providing a potential source of investment capital, which is especially important in the context of the imperfect credit (capital) and risk (insurance) markets prevailing in most developing countries (Stark, 1991; Taylor, 1999). Migration can, therefore, also be a strategy to overcome various market constraints, enabling households to invest in productive activities and to durably improve their livelihoods.

A growing body of more recent empirical work strongly suggests that the developmental impacts of migration are often far more positive than is commonly assumed. Several studies have shown that migrant households tend to have a higher propensity to invest than do non-
migrant households, but also that consumption and often trivialized ‘non-productive’ investments can have positive income-multiplier effects, through which the benefits or remittances might also indirectly accrue to non-migrant households (for outstanding reviews, see Taylor et al., 1996a and 1996b; reprinted in revised versions in Massey et al. 1998; see also Özden and Schiff 2005).

However, there is a striking absence in this debate of micro and meso-level empirical work from the major source countries of European-bound labour migration south and east of the Mediterranean (cf. Massey et al., 1998). Recent theoretical insights on migration and development are almost uniquely based on micro-studies done in Latin America, particularly Mexico. Because of this bias, it is unclear to what extent actual migration impacts in migrant-sending areas outside the Western Hemisphere do correspond with these findings.

This certainly applies to Morocco, where the systematic study of migration and development has been relatively neglected after a temporary surge of largely pessimistic studies in the 1970s, while the Moroccan migration and development context and the theoretical debate have radically changed since then. Detailed empirical studies that have been conducted tend to be exclusively descriptive and theoretically disconnected, and are therefore generally not designed to test theoretically derived hypotheses on migration impacts. Moreover, most empirical work on Moroccan migration impacts is written in French\(^1\), and often concern non-published reports, theses or working papers or is published in the form of conference proceedings, books or in journals with a very limited distribution. Consequently, existing empirical work has remained largely unknown and theoretically underexplored, in particular, outside the French-speaking world. It is significant in this respect that recent attempts by Leichtman (2002) and Nyberg-Sørensen (2004) to address migration and development
interactions in Morocco have ignored most prior empirical work. The striking result is that (predominantly francophone) empirical work from a prime emigration country like Morocco has been absent from the (predominantly anglophone) theoretical debate on migration and development.

The aim of this paper is to establish such a link for Morocco through reviewing a substantial part of the empirical literature on the effects of international migration on social and economic development in Moroccan-migrant-sending regions and the communities they contain. The analysis also aims to assess how this empirical evidence relates to the general theoretical debate on migration and development. However, we do not pretend to be comprehensive, since existing evidence is patchy. Therefore, the final aim of the analysis is to identify empirical lacunas.

**Remittances, income and living conditions**

A recent survey revealed that 94 percent of 1,239 migrants who were interviewed during their holiday in Morocco said they had remitted money to Morocco during the 5 years covered by the survey and sixty percent reported that they had transferred at least one quarter of their income (Hamdouch, 2000). In 2000, migrants in France, the Netherlands, Belgium, Germany, Spain and Italy remitted an average of 10,740 Moroccan dirham (approximately € 1,000) per year to Morocco (De Haas and Plug, 2006). This included children and the inactive population. At the household level, this implies that remittances per remitting migrant reach higher levels. A recent survey in south Morocco revealed that the average remittance-receiving household received 32,000 dirham (approximately € 3,000) annually (De Haas,
2003). Much money is handed over personally and migrants take many goods (e.g., electronics, household appliances, furniture, cars, car spare parts and clothes) to Morocco as gifts or as merchandise (Refass 1999). Remittances in kind have been estimated at levels of 25-33 (Refass, 1999) and 30-50 percent (Khachani, 2002) of money transfers.

There is some macro-economic evidence that the inflow of remittances substantially contributes to income growth (cf. Testas, 2002). Teto (2001) projected that 1.17 million out of 30 million Moroccans would fall back to absolute poverty without international remittances, and the proportion living below the poverty line would increase from 19.0 to 23.2 percent.\(^2\)

The actual contribution of migration to income growth and poverty alleviation is likely to be higher, as this study only considered official remittances and ignored the income multiplier effects of remittance expenditure. However, the middle and higher income classes profit relatively more from remittances than the lowest income groups (Teto, 2001), because migration itself has proved to be a selective process, and most Moroccan migrants therefore do not belong to the poorest groups (Schiff, 1994, p. 15)

In regions with high international out-migration, the contribution to income growth can be far higher. In several communities in Morocco’s three main migration belts — the Rif Mountains, the Sous valley and southern oases (de Haas, 2005) — between one fifth to over a half of all households have at least one member who has migrated abroad (De Haas, 2003; Schoorl et al., 2000, p. xv). De Haas (2003) found that the average international migrant household’s income was 2.5 times higher than the non-migrant household’s income, and that this was largely the effect of remittances. International migration is a highly effective way of enormously improving the financial situation and living conditions of households (De Haas, 2003; Fadloullah et al., 2000, p. xx).
Migration, consumption and investments

As has been the case in the general literature, pessimism has pervaded the Moroccan literature on the development impacts of international migration. It is generally believed that remittances are primarily used for daily expenses, conspicuous consumption and ‘non-productive’ investments, such as the construction of palatial houses, which spur inflation and do not create employment. Productive investment in agriculture or industry, by contrast, is claimed to be very limited. In many instances, it is argued, migrant households even withdraw from productive activities in and outside agriculture. This is believed to lead to a dangerous, passive dependency on remittance income (cf. Fadlullah et al., 2000; Hamdouch et al., 1979; Lazaar, 1987; Kagermeier, 1997; Mezdour, 1993; Seddon 1981).

However, the empirical and analytical basis of such assertions seems to be rather weak. Firstly, the vast majority of studies only address migrants and do not include non-migrants and their households in research populations. The lack of systematic comparisons between migrant and non-migrant households makes it difficult to assess properly the impact of migration on the economic status and consumption and investment patterns of households. Secondly, virtually all studies ignore the analytical implications of the fungible nature of household income. Because the diverse sources of household income are typically pooled in the common household budget, it is not possible to earmark remittances (cf. Taylor, 1999). This makes common assertions such as “remittances are spent on x, y, or z…”, difficult to sustain. Thirdly, impact studies tend to concentrate on remittances and migrants’ activities and do not consider other sources of household income. Nevertheless, remittances and income
from other sources are likely to affect each other reciprocally, whether income is pooled or not. Therefore, all activities of households should be taken into consideration — the ‘whole household approach’ advocated by Taylor (1999) — in order to assess properly the impact of migration.

Furthermore, claims that remittances are mostly used for conspicuous consumption (e.g., luxury houses, videos, television, satellite dishes, cars) are often not based on any attempt at systematic data collection at all (cf. Aït Hamza, 1988; Kagermeier, 1997). They tend to be based on general impressions, which however typically tend to record only the most visible type of — status-related — expenditures such as cars and palatial houses. They are likely to ignore or underestimate other, less visible, but necessarily not less important, consumption and investments. Subsequently, assertions that migrants spend their money “irrationally” (cf. Aït Hamza, 1988) on luxury goods and non-productive investments can become truths in themselves, as they are hardly subjected to sound empirical verification.

Nevertheless, if we look at the pertinent empirical data that is available, a considerably more positive picture arises. In the 1970s, Heinemeijer et al. (1976) already concluded on the basis of a large-scale survey in two main migrant-sending areas (the Rif and the Sous) that migrants actually had a relatively high propensity to invest, although the unfavourable and uncertain economic conditions limited investment opportunities (see also Bonnet and Bossard, 1973). More recent studies have also indicated that migrants do not indulge in conspicuous consumption and that they are more prone to invest in non-housing sectors of the local economy – the service sector in particular – than was previously assumed (De Haas, 2003; Khachani, 1998; Refass, 1999).
A recent survey claimed that over 70 percent of migrants had invested in Morocco (Hamdouch, 2000), although this figure is probably biased towards the more involved migrants, because only migrants on holiday in Morocco were interviewed. McMurray (1992, cited in Nyberg-Sørensen 2004) found that 41 percent of return migrants in Nador entered commerce, services or transportation. 12 percent were business owners or independent operators before migration, against 39 percent after return. From his survey, De Haas (2003) concluded that, between 1975 and 1999, 43 percent of return migrants as against 15 percent of non-migrants invested in agricultural water pumps; 29 percent as against 9 percent bought agricultural land; 88 as against 54 percent invested in real estate; and 39 as against 13 percent invested in non-agricultural enterprises. On average, current and returned international migrant households invested four and six times more, respectively, than non-migrant households.

Khachani (1998) argued that there has been a diversification in the economic activities of Moroccan migrants. In several migrant-sending communities, remittances not only enable migrants’ households to construct modern houses, but also permit the purchase of agricultural land and modern agricultural equipment, the introduction of state-of-the-art stock-raising, or the establishment of non-agricultural enterprises, such as those in the tourist sector, and the setting up of commercial establishments and small and medium-size industries in food-processing and the supply of building materials (cf. Nyberg-Sørensen, 2004; cf. Bencherifa and Popp, 1990; 2000). Migrants are also said to have played a significant role in activating the stock exchange in Casablanca and are managing parts of the privatized transportation system, such as bus services (Nyberg-Sørensen, 2004).
Most studies do not systematically compare the consumption and investment behaviour of migrants and non-migrant households, and it is also unclear to what extent the relative propensity to invest in particular sectors is higher or lower among migrant households. Nevertheless, on the basis of prior research, some tentative hypotheses can be drawn up, which need further verification.

**Migration and real estate investments**

Unsurprisingly, literally all studies agree that housing construction is the migrants’ first investment priority (cf. Fellat, 1996). Hamdouch (2000) concluded that 83.7 percent of all migrants’ investment projects were in real estate, as against 7.5 and 8.8 percent in agriculture and other sectors, respectively. De Haas (2003) concluded that 71.1 percent of the total monetary sum of investments by households in his sample was in real estate, 11.3 percent in agriculture and 17.5 percent in non-agricultural enterprises. The most visible spatial effect of international migration is the construction of new, often concrete houses and the related decline of the traditional, adobe or stone, habitat. In migrant-sending areas throughout Morocco, this building fever has transformed certain villages into towns, where migrants also prefer to locate other investments (Fadloullah et al., 2000).

The majority of researchers lament the migrants’ priority for real estate investments. The size and self-indulgent style of migrants’ houses is generally frowned upon. Both scholars and policy makers have tended to strongly disapprove of what Kaïoua (1999, p. 124) dismissed as a “mentalité de pierre” (stone mentality). They almost seem to accuse international migrants of building large, richly-ornamented houses in an urban style which has been considered as
“exaggerated” (Ben Ali, 1996, p. 354), reflecting an “irrational” (Aït Hamza, 1988) use of money for unnecessary status symbols. The lack of entrepreneurial mentality among migrants is often blamed for this orientation towards what Kaioua (1999, p. 124) called a “refuge sector par excellence”. This discourse is typically accompanied by a call on policies to “divert remittances to productive sectors of the economy” (Agoumy, 1988, p. 159) by “guiding” migrants towards more “rational” investment behaviour (Kaioua, 1999, p. 124).

However, there seems to be ample reason to criticize this attitude as rather patronizing, for blaming migrants’ irrational mentality \textit{a priori} rather than trying to comprehend their motives. Houses do indeed function as a status symbol, expressing the upward social mobility achieved through migration (Mezdour, 1993, p. 182).\textsuperscript{5} However, besides the fact that they tend to fulfil this function in virtually all societies, it appears to be erroneous to reduce the desire to construct houses as simply a quest to erect status symbols.

The importance attached to housing should primarily be explained by the universal quest for space, safety, privacy, fewer conflicts and better health. Hajjarabi (1988) has pointed to the legitimacy of the desire for convenient living and basic hygienic facilities. The first objective of migrants is to meet the household’s immediate needs through providing them with proper nutrition, health care, clothing and housing. The relatively large, new houses and the sanitation and other equipment they tend to contain can offer more convenient living, privacy and safety\textsuperscript{6} than was conceivable in traditional dwellings. Dismissing such aspects of well-being as ‘non-developmental’ reflects a particularly narrow view of development. In fact, by suggesting that rural people should stay in their mud brick houses, wealthy and urban-based social scientists apply different standards to others than they would probably do for themselves.
Secondly, there are specific social and cultural reasons that explain the priority for housing construction. In extended families remittances are seldom sent directly to the migrant’s wife, but generally to one of the men within the household (Hajjarabi, 1988, p. 180-1). Traditionally, the in-laws decide on the use of remittances. This situation is widely known to generate numerous conflicts between migrants’ wives and their in-laws (De Mas, 1990; Hajjarabi, 1995, p. 107). Hajjarabi (1988, p. 182-3) argued that, because they expect to gain significantly in personal liberty and privacy, the wish to have one’s own house — away from the authority of their parents-in-law — is a top priority among women (cf. Van Rooij, 2000).

This creates a push for migrants’ nuclear families to establish their own households by constructing a new house either in the native village or in nearby towns. Besides increasing the personal liberty of migrant wives, this can also be an effective strategy for migrants to escape from the heavy financial burden of supporting large extended families. Such disaggregation, in which intra-household tensions about remittance use accelerate the break-up of extended families, the nucleation of family life and the physical ‘lifting out’ of nuclear families, has been observed in several migrant-sending areas (Aït Hamza, 1988; 1995; Berriane, 1996; De Haas, 2003; De Mas, 1990).

Thirdly, housing also turns out to be a rational, relatively secure capital investment through which households are able to generate additional income through various lease arrangements. Second and third houses are generally built in nearby towns and cities. Taking into account high population increase, the nucleation of family life, fast urban growth and the concomitant large demand for housing (Dhonte et al., 2000), real estate investments can be a highly rewarding investment strategy, which potentially enables migrant households to secure and
increase income. Moreover, house ownership provides ‘life insurance’ for the migrants’ households (De Haas, 2003).

Thus, the high priority for housing seems to be rational, because it is a relatively low-risk investment in an insecure investment environment, which increases wellbeing and has potentially high benefits (cf. Ben Ali, 1996, p. 360). Because of sustained population growth, urbanization and the general process of household nucleation there is a persistent scarcity on the urban housing market (cf. Dhonte et al., 2000). Construction has become one of the pillars of the Moroccan economy, not least because of migrants’ investments (Charef, 1986). Moreover, as we will see, real estate investments have had important, indirect positive economic effects in creating local and regional employment opportunities.

**Migration and agricultural transformations**

It has been commonly argued in the Moroccan literature that international migration has contributed to the agricultural decline and a general disaffection with small-scale peasant agriculture. The ‘lost labour’ of able-bodied (migrated) men is ascribed a key role in the process of agricultural decline. The *exode rurale* is supposed to have led to agricultural decline or even abandonment of agriculture (De Mas, 1990; Ferry and Toutain, 1990; Kerbout, 1990, p. 55). Instead of investing, it has been argued that migrant households tend to withdraw partially or entirely from agriculture. Return migrants who *do* invest in agriculture often do so, not out of rational economic motives, but because of their strong emotional attachment towards agriculture. It would therefore concern a “ritual” (De Mas, 1990) or
“sentimental” (Bencherifa, 1991) agriculture, in which the migrant practices a kind of “hobby farming” (Bencherifa and Popp, 2000, p. 142).

However, this pessimistic perspective is fundamentally challenged by an increasing number of empirical studies showing that international remittances have played a key role in facilitating agricultural investments. As long ago as the early 1970s, Bonnet and Bossard (1973, p. 19) observed that remittances had made possible intensification of agriculture in the Sous region. In other migrant-sending regions, too, migrants play an important and innovative role in the development of subsistence and commercial agriculture through the purchase of land, modern agricultural equipment, such as tractors and water pumps, the introduction of new crops and techniques and the establishment of new farms. Migrants show a particular preference for investments in the development of new irrigated agriculture (Bencherifa, 1991; Bencherifa and Popp, 1990; 2000; De Haas, 2001; Popp, 1999). Pascon (1985) observed that investments by international migrants in wells and water pumps have mitigated the effects of the severe drought occurring in the mid-1970s.

This apparent contradiction in the literature can be partly resolved by comprehending that migration impacts are not uniform across time and space. There are indications that the initial effect of migration on agricultural productivity might indeed have been negative, because of an acute lack of family labour. This sometimes went along with a relative degradation of the agricultural infrastructure and in particular if irrigation systems. However, in the longer term, and after an adjustment process, this agricultural decline has often been reversed through agricultural investments made possible by the inflow of remittances (De Haas, 2001). While current migrant households sometimes de-intensify agriculture, return migrants can play an
innovative and production-increasing role in agriculture (Bencherifa, 1996, p. 416-422; Bencherifa and Popp, 1990, p. 97).

This exemplifies the importance of inter-temporal dimensions in the assessment of migration impacts. A focus on short-term effects of international migration might therefore partly explain the overly pessimistic conclusions of prior research. A more fundamental weakness of the ‘lost labour hypothesis’ is, however, its ignorance of the possibility that the migrants’ labour — if it creates absolute shortages at all — can be substituted by household members, sharecroppers, remunerated non-migrant or immigrant workers and, partially, mechanization. It seems that, after a period of decline and accommodation from subsistence, labour-intensive towards more capital-intensive forms of agriculture, such substitution is indeed occurring in several migrant-sending regions. A focus on short-term effects of international migration might thus have contributed to the pessimistic conclusions of much research.

It should be emphasized, however, that migration does not automatically lead to agricultural development or other investments and, in fact, the long-term impact of migration on agricultural development in Morocco is characterized by a high degree of spatial differentiation. Drawing on Bencherifa’s (1991) seminal work, we can hypothesize the following patterns: Regions where arable land is relatively abundant and plot sizes large, where irrigation water is available in sufficient quantities and which are located near to roads and other public infrastructures, often attract investments of international migrants – and in fact of entrepreneurs in general. Where water availability is uncertain or costly and other decisive factors obstruct agricultural production and family life — such as uncertain land property rights, complex collective regulations concerning maintenance and water distribution, extremely small plot sizes — migrants tend to be far less inclined to invest in
agriculture or might even partially withdraw from that sector (see also Bencherifa and Popp, 2000, pp. 141-3; De Haas, 2001).

It is not uncommon for migrants originating from ecologically marginal areas (e.g., semi-arid mountains or certain oases) to allocate agricultural investments in more favourable environments, such as more fertile coastal or alluvial plains. In oases, peasants prefer to localize new investments in desert areas outside the traditional oases, where land is abundantly available in contrast to the microscopic land tenure systems in the old oases, and where constraints arising from the complex and inflexible collective regulations concerning water distribution and maintenance of the agricultural infrastructure do not play a role (cf. Bencherifa, 1991, pp. 132-41; De Haas, 2003).

Besides geographical and ecological factors, the availability of public services and infrastructure (e.g., paved roads, electricity, drinking water, schools) appear to be highly important factors determining the attraction of rural regions for investments in general (Popp, 1999, p. 194). Isolation and the absence of basic public amenities – to which migrants in particular have become accustomed – are major obstacles to resettlement and investments in the region of origin. Where this is the case, migrants appear to prefer settling in nearby urban centres (Bencherifa and Popp, 2000, p. 143).

Finally, it is important to differentiate between the impacts of internal and international migration. There is evidence that, especially in areas where irrigation is relatively costly or labour-intensive, internal migration is associated with agricultural stagnation or decline (Bencherifa, 1996, p. 417; De Haas, 1998). The relatively low incomes of internal migrants often do not allow for lost labour substitution. In arid and semi-arid areas where irrigation
water is accessible only through pumping, such as in several oases, internal and non-migrant households can even be forced to withdraw from agriculture if they cannot afford to invest in digging wells and buying water pumps. It is internal migration, therefore, rather than international migration, that seems to be associated with a retreat from agriculture through the decreased availability of family labour and poverty (De Haas, 1998; 2003).

Livelihood diversification, non-agricultural investments and intertemporal shifts

Notwithstanding substantial agricultural investments by migrants, the relative economic importance of agriculture has decreased through a general diversification in rural livelihoods (Bencherifa and Popp, 2000; Berriane, 1997). Exclusively agricultural-based households are becoming an increasingly exceptional phenomenon. In large parts of semi-arid and arid Morocco, for example in the Anti-Atlas, the central and eastern Rif and southern oases, agricultural activities have become an activity of secondary economic importance (Bencherifa and Popp, 1990, p. 101; De Mas, 1990; Mter, 1995). Only 4.3 percent of the ‘rural’ households surveyed by De Haas (2003) relied exclusively on agriculture. Such livelihood diversification is partly realized through migration, although the rural economies themselves are also becoming less agricultural and urbanizing, with increasing employment in non-agricultural sectors, such as retail trade, commerce, cafes and hotels, crafts etc.

This process of intra-regional urbanization and livelihood diversification seems to be associated with and reinforced by shifting investment priorities among migrants. Investments in all kinds of service enterprises, ranging from grocery stores, commerce, coffee houses, hotels, travel agencies, restaurants, money changers, to transportation (taxis, vans, buses)
have become relatively more important to the detriment of real estate and, particularly, agricultural investments (cf. Berriane, 1996; 1997; Lazaar, 1987). Migrants have also played an important role in the growth of small-scale industry. Whereas, in the 1970s, the vast majority of investment projects was in agriculture (cf. Heinemeijer et al., 1976), Hamdouch (2000) found that the tertiary sector has become the privileged target sector among international migrants, accounting for 44.8 percent of intended investment projects — 27.4 percent in trade, 12.1 percent in tourism and 5.3 percent in other services. De Haas (2003) concluded on the basis of his village-based survey that 60.1 percent of the total of non-real estate investments since 1975 had been in non-agricultural business.

It has been argued that recent, international migrants exhibit different attitudes towards investment than did the lower educated, more traditionally oriented ‘guest worker’ generation, and that recent migrants and the second generation are more inclined towards investments outside agriculture in productive, lucrative and often urban sectors (Gallina, 2004; Kaioua, 1999). Hnaka (1999, p. 165) refuted this hypothesis by arguing that recent migrants from the Sous were less interested in investing in general.7

However, it is unlikely that changing investment priorities can be wholly attributed to inter-generational differences in attitudes or structural economic transformations characterized by a decreasing relative importance of the agricultural sector compared with industry and, in particular, the service sectors. At least part of this intertemporal shift can be explained by the mere fact that migration is ‘maturing’, and therefore reflect the fact that investment priorities tend to shift over the life cycle. There is evidence of a relationship between migration duration and the sectoral allocation of migrants’ expenditure and investments. Heinemeijer et al. (1976, pp. 93-5) concluded that housing is generally the first major investment – besides
direct life necessities such as food and medical care – once a certain amount of money has been saved. As we have seen, traditional economic activities in sending areas such as agriculture might temporarily stagnate or decline in the first years after migration. After this period, however, migrants tend to exhibit a diversifying tendency towards other types of investment, such as agriculture, small-scale industry and the service sector (Berriane, 1996; Refass, 1999).

De Haas (2003) identified a sequence in which real estate investments occur relatively early in the migration cycle and peak 5-14 years after initial migration, to stabilize at a high level. Major agricultural investments mostly occurred 15-24 years after migration and investments in non-agricultural private businesses peaked 25-29 years after migration. The relatively older international return migrants therefore had the highest inclination to invest in general and the highest monetary share (77.5 percent) in non-farm business investments — which seems to refute the hypothesis that there is a big inter-generational shift in investment priorities.

**Investment leakage, regional disparities and intra-rural urbanization**

The duration of migration tends to coincide with an increasing diversification in both the sectoral and spatial allocation of investments. For instance, whereas first houses are generally constructed in the native village, second and subsequent houses are generally constructed in urban centres. Migrants tend to allocate commercial investments to housing, commerce and to agriculture outside the native village, especially when the latter offers few prospects of economic development.
It is commonly argued that such leakage of migrants’ investments from the periphery to the large cities in West Morocco would further exacerbate the already large spatial rural-urban economic disparities, which are said to subsequently accelerate the *exode rurale* (Aït Hamza, 1988, p. 169; cf. Bijaad, 1987; Fadloullah *et al.*, 2000, p. 53; Kaioua, 1999, p. 124; Naim, 1997). Nevertheless, existing evidence strongly suggests that the majority of urban-based investments by migrants tend to be allocated in rapidly growing towns within regions of origin (De Haas, 2003; Refass, 1999). The relative arbitrariness of delimiting regions implies that judgment of migration impacts on spatial disparities is not unambiguous. This means that differences in the scale of analysis affect the assessment of migration impacts on regional inequality. For instance, restricting the analysis to the village level easily leads to the conclusion that many investments leak away to central urban areas. If we extend our scope to the regional level, the conclusion can be that most investments remain within the region and that migration has actually decreased inter-regional disparities with central regions located in Morocco’s economic heartland along the coastal Rabat-Casablanca axis.

Thus, investment outside the native village or town does not necessarily mean investment outside the region. Even in the marginally located Todgha valley in south-Morocco, only 5.1 percent of all houses and only 16.0 percent of all enterprises had been established outside the oasis. Nevertheless, 19.7 percent of all houses and 42.4 percent of all enterprises had been established in Tinghir, a boomtown located within the valley (De Haas, 2003). This illustrates the general process of rural urbanization taking place in Morocco, which is closely and reciprocally intertwined with processes of internal migration and international migrants’ investments in the urban sector. Although some returnees settle in central cities such as Rabat and Casablanca, the majority resettle in towns within or close to their native regions, thus combining the advantages of urban facilities and ethnic-linguistic closeness.
The urban allocation of migrants’ investments and the fact that many return migrants prefer to resettle in towns in their native regions have spurred the development of new urban centres within or near to migrant-sending areas themselves (cf. Agoumy, 1988; De Haas, 2003; Lazaar, 1989). Numerous centrally located villages and small towns located within or nearby migrant-sending regions developed into medium-sized or large urban centres over the past few decades. Towns such as Tiznit, Agadir, Ouarzazate, Taza, Tétouan, Tangiers, and Oujda have experienced a revolutionary and anarchic growth since the 1970s. Completely new towns, such as Nador and Al Hoceima in the Rif, Zagora in the Drâa valley, and the Kelâa Mgouna-Boumalne de Dadès cluster and Tinghir in the south, have sprung up from almost nothing in just a few decades (Aït Hamza, 1999; Bounar, 1993; McMurray, 1992, cited in Nyberg-Sørensen 2004). Numerous smaller centres have developed around crossroads, markets and administrative centres, in a process of what has been called a “generalized micro-urbanization” of the rural space (Berriane, 1996, p. 368, cf. El Maoula El Iraki, 1999). The proliferation of new urban centres has been accompanied by a slowdown in the growth of large cities (cf. Giubilaro, 1997, p. 35).

Along with the general urbanisation process taking place in Morocco also international migration is increasingly becoming an urban phenomenon. Not only does an increasing share of migrants originate from towns, but return migrants also increasingly prefer resettling and investing in regional urban centres, due to the presence of public amenities (health care, schools, electricity), employment opportunities and the greater potential for investments (Berriane, 1996, p. 379-80). International migrants have constructed 75 to 80 per cent of recent houses in urban centres in the Rif and the south (Berriane, 1996, p. 368; De Haas, 2003, p. 322).
Besides the presence of public services and economic opportunities, this phenomenon can be partly explained by aforementioned preference among some still-abroad migrants to transfer their nuclear households (i.e., spouse and children) to towns, in order to avoid conflicts with and material claims by the migrants’ extended families (Berriane, 1996; 1997; De Haas, 2003; De Mas, 1990).

There also appears to be a certain selectivity in return migration, with particularly successful and wealthy return migrants favouring urban areas rather than their previous homes in often much smaller settlements in rural areas. Less successful migrants tend to return rather soon after migration and resettle in their native villages, since they lack the material and human capital and aspirations to invest in urban areas (Collyer, 2004; cf. Berriane, 1997; Kagermeier, 1997).

**Migration and education**

A study conducted in Tangiers revealed that educational facilities formed the primary motive for households to settle or resettle in the city and thus came before the quest for better living conditions and investment opportunities (Berriane, 1996, p. 376). This points to the important, but generally neglected impact of international migration on education. Two empirical studies that have addressed this issue came to the similar conclusion that — whereas international migration was not or hardly selective for education — international migrants’ children were better educated and exhibited higher enrolment rates than children from non-migrant households (Bencherifa, 1996, pp. 418-9; De Haas, 2003, pp. 325-335). Furthermore, both
studies indicated that this positive impact also applies to women and that international migration therefore plays an accelerating role in closing the gender gap in education. Remittance-enabled investments in the human capital of children may thus be another motive to relocate migrant households to towns with better educational facilities.

**Indirect economic effects and ‘reverse’ internal migration**

Through urban-based real estate and business investments, international migrant households simultaneously capitalize on, and actively contribute to, the accelerated urban growth and concentration of economic activities in existing urban centres and migrant boomtowns (cf. Berriane, 1997). This also allows for a more positive evaluation of migrants’ consumption. Provided that most goods and services are produced regionally or nationally, consumption and so-called non-productive investments in housing and the service sector can have beneficial income multiplier effects through stimulating the agricultural and service sectors and creating employment and income among non-migrants as well. Although there is no hard micro-level empirical evidence that can shed a more precise light on the economy-wide, indirect multiplier effects of remittance expenditure, there is circumstantial evidence which leads us to hypothesize that such positive effects are considerable (Bencherifa and Popp, 2000; Berriane, 1997; Charef, 1986; De Haas, 2003; Testas, 2002).

There is little doubt that urban-oriented consumption and investments by migrants and, in particular, the building fever have created an surge in the demand for labourers, particularly in housing construction, which cannot be met locally or even regionally. This seems particularly true for northern cities such as Al Hoceima and Nador, which do not only profit
from investments in real estate and other sectors by international migrants, but are also the lively centres of smuggling and drugs trade (Berriane, 1997). Remittance-enabled investments in commercial agriculture in parts of the Sous and the Rif and some oases have created substantial employment for farm workers.

The simultaneous occurrence of out-migration and investments has caused an increase in urban and rural wages. De Haas (2003) found that while, traditionally, sharecroppers used to retain 1/5 of the yield, they now retained on average 41 percent of the harvest. Although this has typically been evaluated as a negative migration impact, this wage increase is obviously beneficial for the non-migrant and internal migrant labourers. This also explains why towns located in migrant-sending areas have increasingly become destinations for internal migrants. The latter originate from marginally located villages within such regions, but increasingly come from more distant, comparatively poor regions with low rates of international migration participation.

For instance, many construction and agricultural workers in towns and commercial agriculture in the Rif are immigrants from the Tafilalt and Drâa valley in the south (Berriane, 1996, pp. 381-3; El Meskine, 1993). In oases with high emigration rates, workers are often immigrants from more mountainous villages or more marginal oases (De Haas, 2003; Saa, 1998). Similar patterns of ‘reverse’ internal migration towards regions of international out-migration have been described for the southwestern Sous (Bencherifa, 1996, p. 415). As early as the 1970s, Bonnet and Bossard (1973, pp. 19-20) described how remittances-enabled investments in commercial market gardening in the Sous area and subsequent increased labour demand had provoked immigration from other Moroccan regions.
A common contention is that remittances fuel price inflation, especially of land and real estate (cf. Aït Hamza, 1988; Hamdouch et al., 1979), partially provoked by speculation (Agoumy, 1988). Nevertheless, these studies fail to disentangle the role of remittances from other inflationary pressures and it is not specified whether this ‘inflation’ reflects a rise in the aggregate level of prices and a subsequent decline in the general value of money, or that the rise in land prices is rather the result of higher local demand for this particular fixed supply asset. Inflation has been rather low in Morocco over the past few decades. Local surges in land and real estate prices might indeed have been spurred by migrants’ investments, and have affected the poor adversely, but they seem to be primarily a constituent part of a more general process of urbanization and the concomitant increasing scarcity of such assets.

Conclusion

An increasing number of studies since the 1990s have revealed the generally positive impacts of migration on development in Moroccan migrant-sending regions and the communities they contain. Migration has enabled households to invest in housing, agriculture, private enterprises and the education of male and female children. The relatively high and stable remittance income improves living standards of households. This generally seems to confirm the hypotheses of the new economics of labour migration. Nevertheless, because much empirical work is methodologically flawed or biased, more systematic empirical comparisons and analytical rigor are needed to formally test hypotheses on the effects of migration on marginal propensities to invest, intra-community inequality and the economy-wide income multiplier effects of remittance expenditure.
However, there is substantial circumstantial evidence which leads us to hypothesize that migrants’ consumption and investments have stimulated the economies of migrant-sending regions as a whole, from which non-migrants and ‘reverse’ immigrants to emigration areas have indirectly profited through increased employment and income. Through household relocation and increasingly urban-based real estate and business investments, international migrant households simultaneously capitalize on, and actively contribute to, the accelerated urban growth and concentration of economic activities in urban centres mostly located inside or nearby migrant-sending areas.

However, one need to consider the fact differentiating valuations of migration impact may be strongly related to differentiating *a priori* assumptions about what actually constitutes ‘development’. This is visible in the widely diverging opinions about how to evaluate migrants’ consumption and investment behaviour. This raises the more fundamental question of whether the more optimistic tone of recent migration impact studies reflects a veritable change in migration impacts over recent years, the use of better or other methodological and analytical tools, or the deductive echo of a general paradigm shift away from dependency to neo-classical and neo-developmentalist views on development and migration. It appears that all these factors have at least some explanatory value. Firstly, there is indeed evidence that impacts change over time and are partly contingent on the migration stage, and that positive effects become more apparent as migration matures. Secondly, the overall quality of migration studies has improved, leading to better and more subtle insights into the heterogeneous nature of migration impacts. Thirdly, general paradigm shifts have certainly played a role. Structuralist theory has become increasingly discredited, and this might have led to less negative interpretations of dependency and a more positive value being attributed to the global incorporation and capitalization of pre-modern peasant societies.
The above analysis leads to the following three key observations. Firstly, whereas international migration and remittances have stimulated social and economic development in many migrant-sending regions, it is important to observe that this impact is fundamentally heterogeneous across space and time, as well as across socio-ethnic and gender groups. Notwithstanding the generally positive impact, some regions and some social groups can be adversely affected by migration.

A second key observation is that, instead of a more a less predetermined impact, migration and remittances give migrants and their households the freedom to retreat from, just as much as to invest in, local economic activities. While remittances enable change in both directions, they do not determine the direction of this change as such. That is why neither the ‘migration optimists’ nor the ‘migration pessimists’ are right. Whether migration will trigger development or perhaps the reverse, is fundamentally contingent on the specific social, cultural and ecological context prevailing in migrant-sending areas, as well as on national and international factors, such as migration policies and political and economic conditions, prevailing in sending and receiving societies. This context will eventually determine the extent to which migrants tend to return, circulate, remit and invest, as well as the sectoral and spatial allocation of such activities. Prudence is therefore called for in making generalized statements on the alleged positive or negative impacts of migration.

The third key observation is that there is ample evidence that the development potential of international migration for Moroccan sending communities is far from fully realized. Kagermeier (1997; 1999) was right in emphasising that many return migrants are not successful and that many investment projects fail. He questioned the dominant image of the
successful return migrant, and argued that the high visibility of their often urban-based material investments create a bias obscuring the difficult life of many return migrants and their general failure to realize their initial dream of establishing their own enterprise. The fact that Moroccans have one of the lowest tendencies to return of all immigrant groups in Europe (Collyer 2004; De Haas 2006; Fadloullah et al., 2000, p. 56) seems to indicate that Morocco is indeed not the most attractive environment in which to live and invest.

On the one hand, this might be partly related to the fact that many first generation migrants lack the financial means, education and cultural background to start innovative enterprises (Kagermeier, 1999, p. 205). On the other hand, the developmental potential of migration is not fully realized due to an unfavourable general development context characterized by inadequate infrastructure and the absence of public services, particularly in rural areas; failing credit and insurance markets; excessive red tape and corruption confronting potential investors; difficulties in obtaining title deeds on property; inefficient judiciary and a lack of legal security; as well as a general lack of trust in government institutions and doubts about future political and economic stability (Bencherifa and Popp, 2000; De Haas, 2003; Gallina, 2004; Kaioua, 1999). This might explain the generally prudent investment behaviour and the tendency to invest in relatively low-risk sectors, such as housing and retail trade.

It is not realistic to expect a large-scale return on investments for as long as the state fails to create an attractive social, political, economic and institutional environment. In fact, the increasing involvement of migrants’ associations in Moroccan community development (cf. Lacroix 2003) can also be negatively interpreted as a response to the state’s failure to develop a proper institutional framework. Three decades ago, on the basis of the first comprehensive study on migration and development conducted in Morocco, Heinemeijer et al. (1976) argued
that, although migrants exhibited a relatively high propensity to invest, the investment
opportunities for migrants in their regions of origin were very limited. They therefore
concluded that development in migrant-sending regions was a *prerequisite* for return and/or
investment rather than a consequence of migration. In fact, this thoughtful observation has not
lost any of its validity.
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Endnotes

1 In fact, English is presumably only the fifth language of publication on Moroccan migration impacts, after French, German, Dutch and Arabic. This seems to primarily reflect the fact that relatively few Moroccan migrants live in the Anglo-Saxon world. In particular Moroccan-German and Moroccan-Dutch research teams have been relatively active in studying regional migration impacts. Whereas most Anglophone researchers seem unaware of most francophone empirical studies, most Francophone or Arabophone researchers seem largely unaware of the theoretical debate on migration and development conducted in predominantly Anglophone academic journals.

2 In urban environments this increase would be from 12.0 to 16.6 percent, and in rural environments from 27.2 to 31.0 percent.

3 This problem already starts with questionnaire design. Migration impact surveys typically contain questions such as “Would you tell me in which ways the money you received from family, relatives and friends [….] was spent” (this was a question in a recent Eurostat/NIDI survey; cf. Schoorl et al., 2000).

4 In this context, Taylor et al. (1996a:411) spoke of “diatribes by academics and policy makers against migrants for their profligate and unproductive ways”.

5 Berriane (1997) and De Haas (2003) argued that the luxury of migrants’ houses is often exaggerated. Only a minority of the houses are built in a truly pompous style, whereas many houses are relatively modest in size and style. Unfortunately, such palatial houses tend to be taken as a stereotypical, representative example for migrants’ houses, because they are located along paved roads and catch the eye. In fact, this is a distorted, deductive, and self-affirmative view typical of non-systematic, impressionistic “research” based on superficial impressions (for similar criticism, see Taylor, 1999).

6 In the event of earthquakes or floods, the traditional (adobe) habitat can also be dangerous to live in because of the risk of collapse. Most of the damaged or collapsed houses during the 2004 earthquake in Al Hoceima, northern Morocco, were traditional dwellings. Most concrete structures survived the earthquake.

7 Ben Ali (1996, p. 354) observed that the propensity to invest among migrants in the Netherlands, Germany and Belgium was higher than among migrants in France and Spain, although he did not specify whether this reflected different circumstances in the country of origin or to differences in the characteristics of the migrants.
While extensive attention has been paid the role of return migrants in development, the role of migrants still abroad has been relatively neglected. This is rather strange, because these migrants send the bulk of remittances and their impact on local and regional development tends to be substantial.

In 2000, 55.2 percent of the Moroccan population were living in an urban environment (cf. Fadloullah et al. 2000:8,26).