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IMPACT OF ARAB REVOLTS ON MIGRATION

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Analytic and Synthetic Notes – Socio-Political Module
CARIM-AS 2011/68

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The Euro-Mediterranean Consortium for Applied Research on International Migration (CARIM) was created at the European University Institute (EUI, Florence), in February 2004 and co-financed by the European Commission, DG AidCo, currently under the Thematic programme for the cooperation with third countries in the areas of migration and asylum.

Within this framework, CARIM aims, in an academic perspective, to observe, analyse, and forecast migration in Southern & Eastern Mediterranean and Sub-Saharan Countries (hereafter Region).

CARIM is composed of a coordinating unit established at the Robert Schuman Centre for Advanced Studies (RSCAS) of the European University Institute (EUI, Florence), and a network of scientific correspondents based in the 17 countries observed by CARIM: Algeria, Chad, Egypt, Israel, Jordan, Lebanon, Libya, Mali, Mauritania, Morocco, Niger, Palestine, Senegal, Sudan, Syria, Tunisia, and Turkey.

All are studied as origin, transit and immigration countries. External experts from the European Union and countries of the Region also contribute to CARIM activities.

CARIM carries out the following activities:

- Mediterranean and Sub-Saharan migration database;
- Research and publications;
- Meetings of academics and between experts and policy makers;
- Migration Summer School;
- Outreach.

The activities of CARIM cover three aspects of international migration in the Region: economic and demographic, legal, and socio-political.

Results of the above activities are made available for public consultation through the website of the project: www.carim.org

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Abstract

This paper explores how the revolts taking place in the Arab World would affect the migratory outcomes within the region and internationally. The impact of the uprisings on migration will depend on whether the country is a country of origin or of destination. The paper focuses on two cases-studies: Egypt, being the main sending country in the region, and Libya, a main country of destination for migrants from the North African region as well as from Sub-Saharan Africa. The Arab countries are still going through the transition between an old regime and a new one, with major economic and political unrest and episodes of protests and sit ins as well as military actions and, what is more, this period of unrest is likely to last for some time. The impact of the revolutions on the economic and political status of the country is still to be debated and understood. With the lack of clarity in economic and political policies, migration will continue to be unpredictable.

Résumé

Cet article s'intéresse aux conséquences des révolutions arabes sur les migrations régionales et internationales. L'impact des révoltes diffère dans les pays d'émigration et les pays d'immigration. Ce texte traite de deux exemples : l'Égypte, qui est le principal pays d'émigration dans la région, et la Libye, qui est un important pays de destination pour des migrants nord-africains et subsahariens. Les pays arabes traversent une période de transition, qui risque de durer, entre un ancien et un nouveau régime, avec d'importantes protestations politiques et économiques, des manifestations, et des actions militaires. L'impact des révolutions sur la situation politique et économique des pays arabes doit encore être débattu et analysé. L'évolution des mouvements migratoires est difficile à prévoir en l'absence d'une vision claire des choix politiques et économiques à venir.

1. Introduction

The Arab world¹ is currently experiencing what has come to be known as “The Arab Spring” where populations have revolted against the autocratic governments that have been ruling them for decades, demanding a new and democratic era. Economic and political marginalization sparked popular anger and the continuous negligence of their needs has transformed their anger into protests demanding changes in how they are ruled.

With the Arab region’s massive waves of intra-regional as well as international labour mobility, it is important to explore just how the revolts taking place in the Arab World would affect the migratory outcomes within the region and internationally. The impact of the uprisings on migration will depend on whether the country is a country of origin or of destination. Egypt, being the main sending country in the region – according to official records and World Bank statistics, there are more than 3 million Egyptians living abroad² – will be affected by the uprisings on many levels: not least in terms of the potentiality of migration and on the return of Egyptian expatriates. The political and economic risks prevailing in the country has generated new waves of potential migrants looking for better opportunities abroad. Return migration, on the other hand, has two drivers, the first, the sense of nationalism and patriotism among Egyptians wanting to return to their homeland and to be part of the change taking place. The second the return of Egyptians from areas where conflicts are taking place, like Libya, with insecurity and chaos pushing foreign workers as well as natives abroad. However, in Libya at least, as the situation is improving slightly, with ‘Libyan rebels’ taking control of the capital and other cities that were under the control of Qadhafi, the National Transitional Council have negotiated with the government of Egypt recognising the need for Egyptians, workers and investors, to take part in rebuilding the country.

Remittances to Egypt have been affected during the 18 days of the revolution in Libya, and are expected to fall still more, both as a response to economic instability in the country and as a result of the return of many Egyptians, particularly those from Libya. However, according to the Central Bank of Egypt, remittances for the fiscal year 2010/11 broke records standing at \$12.6 billion. Another variable affected by the uprisings has been Egypt’s foreign policies, including its migration policies. The changing relations between different Arab countries, as well as between Arab countries and countries of the north will affect both the status of current Egyptian migrants and future opportunities for potential migrants. After months of revolution and with a lack of clarity regarding Egyptian foreign policies, and the changing labor laws in some Arab countries, including the UAE, there has been a return of a number of Egyptians³ and the slowdown of new contracts and work permits for potential migrants.

On the other hand, Libya is a main country of destination for migrants from the North African region as well as from Sub-Saharan Africa, and within the last decade, it has emerged as a transit country for foreign workers and refugees moving to Europe. With chaos, insecurity and civil war in Libya, migration will be affected directly, both directly as foreign workers flee the current situation, as well as indirectly with slowdown in the economy, which will have an impact on the labour market as well as demands for foreign workers. Indeed, already, the return of Egyptian and Tunisian migrants is exerting pressure on their labour markets at a time when they are already suffering from an economic slowdown. The Libyan crisis is considered the second most severe migration crisis in the region since the First Gulf War in the 1990s and it has led to the repatriation of foreign workers and a fall off in new migration waves.

¹ Starting with Tunisia and other countries including Egypt, Libya, Yemen, Syria with minor unrest in Jordan and Bahrain

² Migration and remittances fact book 2011. However other sources mention a number that is closer to 8 million emigrants.

³ Exact numbers have not been provided

2. Pre-revolution migratory situation

Egypt

Political conditions as well as labour market mechanisms are the most important factors for international migration. Changing national legislation, laws, and political instability affect Egyptian migration patterns. In addition, the socio-economic conditions of the migrants and their families can be a major factor affecting migration in Egypt.

The history of migration in Egypt goes back to the nineteenth century. Organized migration, however, started in the 1930s with Egypt's sponsorship of school teachers for Iraq (IOM, 2003). In the mid 1950s the Government of Egypt imposed restrictions on the migration of skilled labour, and starting from the mid 1960s a large pool of skilled Egyptian workers migrated permanently in search of better scientific and financial conditions where their skills were better appreciated and invested more efficiently (Farrag, 1999). With the 1973 oil embargo, oil prices increased and the Arab oil-producing countries adopted ambitious development plans and programs, and Egyptian workers were required to supplement the Arab labour to achieve these plans⁴. During the late 1980s and early 1990s, Egyptian migrants began to face competition from low paid Asians and South Asian workers. The reduction of oil prices together with the First Gulf War, in addition to a decrease in demand for construction workers in the Arab countries, as well as the policy of replacing foreign labourers with nationals in the Arab importing countries, have all been hazards affecting Egyptian migrants through the years.

Due to the massive increase in working age population and a more general demographic shift the Government of Egypt (GOE) has started to look at migration as a strong pillar in the economic growth strategies. Here was a way of letting pressure out of the labour market, and providing financial gains that outweighed the cost of brain drain. Despite the best efforts of the Egyptian Ministry of Manpower and Emigration (MOME) to organise and regulate migration, through policies, national legislation and bilateral agreements, Egypt has experienced waves of irregular migration⁵. Starting in the early 2000s, Egyptians went through Libya and north across the Mediterranean, or Egyptians overstayed tourist visas in Europe. The proximity of Europe together with declining employment opportunities in the Arab region were the main factors causing irregular migration (Roman, 2008).

Historically unskilled migrants, particularly construction workers, moved to the Arab oil rich countries more often than the highly skilled. However, in recent decades, public sector jobs have decreased, the public sector being the main employer of university graduates, the young, educated, first-time job seekers find themselves in a vulnerable situation where the unemployment rate among this group reached more than 30%. Given this lack of opportunity, together with the high pay expected from migration, the share of highly-skilled migrants has increased in recent years. As a result, the skill composition of migrants has changed with the percentage of the skilled and highly-educated migrants increasing and the unskilled decreasing. Migrants with higher education form the majority of Egyptian migrants in the OECD countries, as well as the Gulf countries, with unskilled migrants choosing mainly Jordan, Lebanon and Iraq (Sika, 2010).

Libya

Given Libya's geographical location, between Africa and Europe, and given its dynamic economic growth – at a rate of approximately 6% per annum – Libya attracts intense migration flows from Sub-Saharan Africa, as well as from North Africa, and more recently from the Middle East and Asia. Its massive oil revenues, together with its economic and social programs and its structural lack of labour,

⁴ Egyptian migration to these countries was also a response to socio-economic and political transformation in the Arab Gulf Countries.

⁵ Exact numbers are usually very scarce with regards to irregular migration and if available are generally inaccurate

has attracted foreign workers, particularly those from neighbouring African countries (Tunisia and Egypt). Conflicts and vulnerability in the Sub-Saharan Countries set off refugees and migrants' flows to Libya. But Libya has also been a transit country, mainly for Sub-Saharan Africans as well as for North Africans heading to Europe, particularly Italy. Being a gateway to Europe, southern European countries have tried to maintain strong ties and to cooperate with Libya to control irregular migrants coming from the North African countries as well as from Sub-Saharan Africa.

Migrants to Libya started in the early 1960s and the numbers have increased massively since the 1970s, reaching more than 2 million migrants in 1992, with at least half of them from Egypt and the rest from Tunisia, Asia and other Arab countries (CARIM, 2011). Pan Arab migration policies that were implemented prior to the UN air and arms embargo, allowed Libya to satisfy its labour market needs and to fill gaps in sectors such as education and agriculture from neighbouring Arab countries. Disappointed by the lack of solidarity Libya got from Arab countries after the embargo, Libya welcomed Sub-Saharan unskilled economic migrants and promoted Pan-African migration policies. The 1992-99 embargo together with its important diplomatic relations with Sub-Saharan African countries and privatization in the Libyan economy came together with the open door policies, which led to a rapid increase in Sub-Saharan Africans in the country. The open door policies and the agreements signed between Libya and African countries not to mention Qadhafi's media speeches encouraging Africans to go to work in Libya meant that the numbers of Sub-Saharan Africans increased and were considered problematic for border control; certainly it became increasingly difficult to differentiate between regular and irregular migrants. Anti-African riots took place in the 2000s and caused the death of at least 130 Sub-Saharan migrants. Following on from these tragedies, Libya's Pan-African policies were toned down, and hundreds of thousands of irregular migrants were sent back to Sub-Saharan Africa (Bredeloup et al. 2011).

The route for irregular migration has emerged in an environment where options for legal migration to the North have significantly diminished and increasingly restrictive asylum policies and greater border control measures have been put in place. In an effort to cooperate with Europe on controlling and managing irregular migration, Libya imposed entry visas on both Arab and African migrants in 2007. Likewise, large-scale expulsions were carried out by the Libyan government, starting with 4000 migrants in 2000, reaching 64,000 thousand in 2006 with the majority being from Sub-Saharan Africa (Bredeloup, 2011): this also served the interests of Libyan labour market needs. Visa requirements were implemented for all nationalities, except for Maghrebians and resulted in the loss of free access to health, education and public services for these other migrants. This was in part meant to deal with Libyan unemployment, and thus marked the beginning of "Libyanisation"⁶ policies (Werenfels, 2008). In 2010, negotiations took place with the EU, resulting in the expulsion of UNHCR, and the conclusion of a cooperation agenda to combat irregular migration strengthening border control and a dialogue on refugees, which would override the ratification of the 1951 Geneva Convention. However, this situation did not long continue and a few weeks later, UNHCR was back operating in Libya. Hosting or expelling foreign workers has been one of the key instruments of Libyan foreign policy since the 1970s, an instrument meant to influence diplomatic relationships with Arab and Sub-Saharan neighbours and, more recently, with Europe.

The global financial crisis and its impact on migration in the MENA region

One of the biggest cyclical challenges facing migration and remittances has been the 2008 Global Financial Crisis. The crisis had a dual effect on migration, a direct effect and an indirect one. The direct effect was the lower demand for migrants in Europe, where the demand for migrant workers is driven by employment opportunities, when opportunities decline, the demand for foreign workers declines too. This has been highlighted through the unemployment rates among foreign workers in

⁶ Where the share of foreign workers in public and private entities is fixed at 70%

several major European destination countries reaching levels of 17% in some countries and 7% in other countries: Europeans have been forced by the crisis to lower their reservation wage and accept jobs that foreign nationals used to take (ILO, 2009). This effect had a negative impact on the stock of migrants in Europe as well as on new flows (Agramunt, 2010). Fewer contracts were available for new potential migrants, especially lower skilled ones, and current migrants have been moving back to their home countries due to loss of jobs. However no large scale returns took place despite the return programmes introduced by some European states (ILO, 2009). Indeed, European countries attempted to encourage the return of migrants to save on costs or to provide job opportunities for their own nationals. Among the schemes undertaken to ease the return of migrants, was the attempt by Spain to offer unemployment benefits for migrants in two instalments: one on pre-departure from Spain and the second upon arrival at the country of origin with the promise that they will not return to Spain for at least 3 years. Attractive as this might seem, fewer than 4000 migrants took advantage of the offer, a small number compared with the 1 million unemployed migrants that Spain was then hosting (2009, European Commission).

As a result of the crisis, many European countries reacted by either lowering the quota for migrants (reaching zero in Switzerland, Spain and Ireland) or making the procedures for legal migration more difficult. Closing doors to legal migration, naturally opens the doors to irregular migration, even in the absence of attractive opportunities in the countries of destination (Agramunt, 2010). Indeed, as countries of origin experienced lower demand for migrants and lower remittances accordingly they started to face flows of irregular emigration coupled with increased pressure on the formal sector to provide alternative opportunities for irregular and return migrants (IOM and ILO, 2010).

The indirect effect of the financial crisis on migration came in the Gulf States. The Gulf Cooperating Council (GCC) countries were affected by the financial crisis not only through the fall in the price of crude oil, but also through their investments in the international financial markets. Although the financial crisis had its direct effects on the oil rich countries in 2008, the oil revenues they enjoyed in the years before this meant heavy investments in 2006-07, requiring the use of workers from other countries and, therefore, the effect of the crisis on migration was felt in 2009. This significantly changed migratory outcomes in the region and internationally with fewer migrants and fewer remittances. Studying the impact of the financial crisis on migration gave an insight into how crises affected migration outcome and what results were to be expected. The uprisings in the Arab region will too have an impact on migration.

3. The uprising in Egypt and Libya

Uprisings in Egypt

Starting on 25 January and lasting for 18 days, the uprisings in Egypt were the result of anger among Egyptians, especially the young, against economic and political distress, with the police suppressing the demonstrations violently, employing tear gas and rubber bullets. 28 January large and violent protests erupted in the cities, specifically Cairo, Alexandria and Suez. Banks and government institutions were forced to close given the security problems. The Cairo and Alexandria Stock Exchange closed for a period of 50 days. 11 February the then president and the delegation of those responsibility to the Supreme Council of Armed Forces (SCAF) stepped down. Since 25 January, ministers have been replaced five times, with the latest change taking place at the end of July, as a response to the new waves of anger at the current economic and political situation: the prime minister was accused of appointing ministers from the old regime who could not be trusted to manage the country. Chaos, lack of security, economic and political instability characterise Egypt at present and migration aspirations will naturally be affected.

The uprisings in Libya

Like other Arab countries, Libya has a large young population with high reservation wages and unattractive economic opportunities, coupled with a discriminatory and oppressive regime. Earlier this year small protests erupted in Benghazi. These were put down violently by the police – as in Tunisia, Egypt, Syria and Yemen orders were given to the army to fire. Then situation changed fundamentally, and some members of the army joined the protesters in Benghazi. According to media reports, Qadhafi hired Sub-Saharan mercenaries, to support his army in the fight against the protesters (Branthwaite, 2011). Given the support Qadhafi has given to African leaders over the years⁷, this was an unsurprising development.

The war in Libya raised various issues in the region as well as internationally. Libya supplies 2% of the world oil, and the civil war puts oil reserves and oil output at risk. Another major issue was the flows of Libyan nationals as well as international workers crossing the borders to neighbouring African countries or over the sea to Europe through Italy and Malta.

4. The political and economic implications of the revolts.

Egypt

Inspired by the revolution in Tunisia, the people of Egypt, particularly the young, began taking to the streets protesting against poverty, unemployment, corruption, and the autocratic government of the then president Mubarak. The protests, that started on 25 January was the largest demonstration against the Egyptian regime since the 1970s. During the last decade, major problems had come to a head causing anger among the rich and the poor. A steady deterioration in the social, economic, political, and professional lives of Egyptians had characterised the previous decade. Corruption⁸ was to be found in every government institution. There were many factors then: the high unemployment, especially among the young⁹, inflation in food prices, the ‘stolen’ parliamentary elections of 2010 together with the violence that Egyptians faced from the police and the State Security services abusing the emergency laws and the state of emergency, that has existed for decades in the country. All these things made the mood worse and transformed Egyptians from a silent group afraid to use their voice to demand their rights into a mass of angry protesters fighting for three human needs: “decent life, dignity, and freedom”. Politicians, economists and social scientists among others were the first to try to predict what the future holds for Egypt on two main interrelated pillars that were worrisome for each and every Egyptian: politics and economics.

Many steps have been taken, so far, in an attempt to find political stability. The Egyptian parliament was dissolved, the constitution was suspended and a constitutional article, to manage the current period, was announced: emergency law and emergency conditions are slowly being lifted¹⁰ and laws were introduced to ease the creation of new political parties. This shows the government as well as SCAF’s willingness to promote democracy in Egypt. However, the last couple of months have revealed popular suspicions over SCAF’s decisions and particularly SCAF’s very slow actions regarding the timing for the elections, both parliamentary and presidential.

⁷ Qadhafi sent troops to support Idi Amin’s regime in Nigeria in 1972, and in the 1980s, he funded an anti-government uprising in Chad and furnished military equipment and rebel training grounds to Charles Taylor of Liberia and Foday Sankoh of Sierra Leone.

⁸ Egypt has maintained a weak position in the corruption perception index ranking 98 out of 180 countries and with an index value of 3.1 in 2010 (0 Highly corrupt-10 very clean)

⁹ Assaad et al 2007. 90% of unemployed Egyptians are below the age of 30

¹⁰ Negotiations are still taking place with SCAF who keep on extending the state of emergency due to the lack of security in the country, a fact contested by the public

The economic pillar is facing numerous problems and is the source of continuous anger on the part of the people. Economic conditions have gotten worse; inflation and unemployment have recorded numbers higher than their pre-revolution equivalents. According to the former Egyptian Minister of Finance (Dr Samir Radwan)¹¹, the last quarter of the 2010-2011 fiscal year saw major drops in many of the economic indicators. GDP reached just over 1.2% following the post revolution economic slowdown, and is expected to reach 1.8% in 2012. The foreign currency reserves fell from \$36 billion at the end of 2010 to \$27 billion at the end of May 2011. The balance of payments ran an overall deficit of \$6071 million, Foreign Direct Investments (FDI) decreased by 124.9%¹². Tourism revenues plunged from \$3.29 billion in the previous quarter to \$1.792 billion. These declines caused the closure of several companies in Egypt, leading to \$16 billion being withdrawn from Egypt by June 2011. Exports are down by 40% and industry is working at only 50% capacity because of constant strikes. These events together increased the unemployment rate by 3 percentage points between the second and the third quarter of the same fiscal year: in fact, overall unemployment reached 12%.

The budget for the fiscal year 2011/12 has been approved with an expected deficit of 10.95% of GDP. Dr Samir Radwan, who prepared the new approved budget plan as his last task in government, stressed that one of the significant features of the state budget would be an increase in the expenditure for workers' compensation. In addition to support for minimum wages, the budget will also increase social security. Dr Biblawy, the current Minister of Finance, promised that the poor would be given more in the 2012/13 budget plan. The government plans to finance the deficit through grants and loans. Dr Biblawi publicly mentioned his preference for local as opposed to international borrowing and his intention of offering treasury bills to the public.

The lack of clarity in Egyptian economics generally¹³ is part of the cause for the loss of trust on the part of national and international investors. One of the proposed solutions is a stronger engagement on the part of the government with the private sector and the need to make it clear that a healthy private sector is necessary for all stakeholders.

Economists have called for national investments before looking at international investors, since the resources and capabilities within Egypt deserve attention and support if there is to be real development and a proper national market. According to the head of the General Authority for Investments (GAFI), 2,600 new companies have been established since the revolution, showing that, despite the current lack of stability, investors understand the potential of the Egyptian market. The country should, therefore, take solid steps towards making it easier to start and operate a business where an improved overall environment as well as proper access to finance is a priority. Political and economic instability is still prevalent across Egypt, creating new forms of distress. The main challenge facing SCAF and the current government is the need to satisfy public expectations, while nursing the economy back to health. Egypt is now witnessing the later lifecycle of all revolutions and finds itself in a period of mild economic paralysis. Toppling Mubarak was a major achievement, but it was the beginning not the end of the country's renewal.

Libya

With the National Transitional Council (NTC) getting control of most of the country it is now possible to start measuring losses and planning for the future of the country. Being a *rentier* economy, 98% of the Libyan economy is oil based, with oil exports¹⁴ comprising 95% of the total export revenues with 17% of

¹¹Who was replaced by DrHazem el Beblawy on 18 July.

¹² Central Bank of Egypt, July Monthly Statistical Bulletin. Registering an outflow of \$163 mn.

¹³ Lack of clarity regarding the economic system as to whether Egypt will see a free market system with government intervention or go back to Nasser's socialist system.

¹⁴ Right before the war.

GDP from services most of which are oil and gas related (Khalifa, 2011). Despite massive investments in agriculture and non-petroleum related industries, the percentage of Libya's GDP derived from oil has remained fairly constant since the early 1970s, fluctuating between 50% and 60%¹⁵. According to international economic analysts, GDP growth in Libya has been constrained by a lack of development in non-oil sectors and high unemployment rates, with 30% of the Libyan population unemployed. Bureaucracy has prevented Libyans taking the economy forward. Government and private sector borrowing is non-existent. Moreover foreign exchange reserves stood at more than \$100 bn at the end of 2010. However, wealth was concentrated in the hands of the regime.

In post revolution Libya, oil output has already fallen to 0.5-1¹⁶ million barrels per day, and according to Citigroup researchers, it might take until 2012 before Libya returns to the pre-war situation of 1.6 million barrel per day (Enright, 2011). This decline reflects the extent to which the oil and gas industry depends on foreign workers, many of whom have left the country. Although the protesters were able to gain control of major cities in the country, the war has not stopped yet and the pro-Qadhafi faction is still fighting to prevent the protesters from gaining other cities. Moreover, the end of the war will not mark the end of political disputes in Libya. It will unleash conflicts between Libyans as well as between the different Libyan tribes over the future of Libya. Indeed, we can say that due to the continuation of the violence and the civil war in the country, together with the interference of Western countries, the economic impact of the war is as yet unclear. However, the current situation, with the NTC is controlling most of the country and gaining control of the cities one at a time, is promising and gives the NTC a chance to calculate losses and to start planning for the future. There is no question though that Libya is currently facing political, economic and social challenges, where unlike Tunisia and Egypt, political structures and state institutions need to be built from scratch. Lahcen Achy (2011) listed problems that may hinder the development of the country. The first difficulty is restoring security and this is a problem faced not only in Libya but also in Egypt and Tunisia as well; achieving this will increase confidence in the transition governments. There are also other challenges: the creation of a constitution; harnessing the oil resources and creating a transparent system to prevent conflict over them; overcoming the economic legacy of excessive reliance on oil revenue; the need for a comprehensive development strategy to encourage private-sector entrepreneurship; the need for an effective bureaucracy that supports investors; a dynamic banking sector that ensures access to finance; a clear regulatory framework that protects property rights and prevents anti-competitive practices; an impartial judiciary system that enforces contracts, and adequate mechanisms to promote the social trust; the need to address the numerous problems with the labor market; and finally the need to mobilize opportunities for regional and international cooperation. Overcoming these difficulties will allow the rebuilding and the development of the country.

Understanding the economic impact of the revolutions in Egypt and Libya helps us understand the likely impact on migration. Since migration outcomes largely depend on economic conditions and stability, the current uprisings are very likely to affect migration in a negative way, especially in Libya the main destination country in the region.

5. Impact of the revolution on migration for sending countries: Egypt

The topic of emigration disappeared from the Egyptian media shortly after the Egyptian revolution. There was then more focus on political and economic instability, as well as the trials of Mubarak, his sons and the "men of the regime"¹⁷. With the unresolved economic issues in Egypt, Egyptians are still though facing the same problems that have, if anything, been worsened by recent events.

¹⁵Until 1982 when declining oil revenues caused it to drop below 50%.

¹⁶ Different sources give different numbers as the NTC did not report a final production output yet.

¹⁷The ministers, members of the parliament and the national Democratic Party and the businessmen who made their profits through their linkages with Mubarak and his sons.

Unemployment and inflation are up, education and the health system are still suffering and other economic and social problems face Egyptians in the post-revolution era. Moreover, the political instability and the violence that prevailed across the nation represents another hardship that affects migration in Egypt. The impact of the uprisings on migration in Egypt can be studied in several ways. The most important is surely the new waves of potential migrants in the younger generation. Other frames include the Egyptian Diasporas and the intent to return irregular migration to Europe, as well as the return of Egyptian migrants fleeing violence in other Arab countries experiencing revolutions.

The January revolution restated the challenges facing Egyptians in general and the young in particular but it also posed a number of new challenges, the principal one being obviously the chaos and lack of security. The challenges facing young Egyptians before the revolution, the challenges that led to the uprisings were themselves the push factors that had pushed previous waves of emigration. The International Organization for Migration (IOM, 2011) was one of the first institutions to carry out a survey. They examined 750 Egyptians¹⁸ (IOM, 2011) to understand how the political instability and the current uncertainty affects their intention to stay or leave the country. 79% of the respondents stated that their biggest problem now is employment, 43% have problems with the wages and salaries, with the other major problems being corruption, security, education and health. At least 50% of the respondents were optimistic about the political and economic security of Egypt in the future. However, 15% of the respondents stated that they are willing to migrate because of the current situation after the revolution, with the rest not willing to migrate or having already taken the decision to migrate before the revolution¹⁹. 60% of potential migrants have recorded a lack of security as the main push factor together with a lack of job opportunities and bad living conditions.

It is worthwhile comparing the results of this survey with the Survey of Young People in Egypt (SYPE) that was carried out in 2009 by the Population Council on 15,000 Egyptian between the ages of 10 and 29²⁰. 18% of the represented sample intended to migrate in the near future. A lack of job opportunities was the main push factor amongst the young then hoping to leave the country.

The percentages of potential migrants did not change pre-revolution and post-revolution, the same percentage of the young aspire to migrate in the two surveys. And the same was true in the year 2000 in a Push and Pull factors Survey covering several countries including Egypt. Economic conditions are the main push factor in pre and post revolution surveys. However instability and lack of security is a new push factor that has to be taken into account. It has always been known that migration acted as a way of taking pressure off the labour market, attracting mainly those who suffer from unemployment and underemployment, lack of opportunities, low pay, or those employed hoping for better conditions in another country. However, the new factor that has been acting as a very strong push factor in the post revolution era, and has been apparent in the IOM survey is political instability and the lack of security. The problem with this factor is that it did not generate an intent to leave on the part of the young people only, however, as reported earlier, by various other people including investors. This factor may not help release the pressure on the Egyptian labour market. However, with the escape of many investors and entrepreneurs, there will be still more unemployment among the young.

Impact on remittances flows to Egypt

The impact of the revolutions in the Middle East on the volume of remittances to Egypt is still unknown. However, the suspicion is of a slight decline in remittances due to the repatriation of Egyptian migrants from areas of unrest, especially Libya. During the month of January and early February, when the banks in Egypt were closed, the volume of remittances fell sharply, and Egyptians

¹⁸ The survey comprised the results of 750 successful interviews with 750 Egyptian between the age of 15-29 in 17 densely populated governorates in March and April 2011.

¹⁹ So their decision to leave the country was not driven by the events taking place

²⁰ Identifying several aspects of their lives with a special focus on the intention to migrate

abroad, even if willing to send money, did not have channels to do so. According to the Central Bank of Egypt annual bulletin, the volume of remittances in the fiscal year 2010/11 was expected to be 5% lower than the previous fiscal year, when Egypt recorded \$9.5 billion in remittances. Efforts were made to encourage Egyptians abroad to send money back to Egypt through official channels. The Bank Misr in the United Arab Emirates offered free of charge transfer of money for a period of two months to encourage remittances to Egypt so as to help the Egyptian economy.

Violence in Libya has interrupted the volume and frequency of remittances since the beginning of the year, and with the return of at least 100,000 Egyptians escaping the war in Libya, many of whom have lost their savings and belongings to the Qadhafi regime, compensations will be paid by the Egyptian government to ease the living conditions for the repatriates. In a country where remittances are the fourth source of income, and millions of families rely on remittances, the unrest taking place in the MENA region, and specifically Libya is naturally a grave matter.

Against expectations, The Central Bank of Egypt issued their annual financial report showing that on Sunday 2 October Egyptian remittances recorded their highest level in the history of Egypt reaching \$12.6 billion for the financial year 2010-11. The volume of remittances came as a surprise to many Egyptians and different attempts have been made to analyse the remittances received in this time of chaos in Egypt and other Arab countries. The optimists believe that the increase in remittances is an altruistic response to the revolution with expatriates determined to help vulnerable families and friends. Perhaps too Egyptians, after the revolution, have more faith in the Egyptian economy and believe that the situation will improve in the near future and they prefer to return with accumulated savings to their home country and to get more involved in the Egyptian economy. However, the pessimists have another explanation. They believe that the increase in remittances was due to the return of Egyptians from Arab countries whose labor laws have changed and this may add to the pressure of unemployment in Egypt. Economists and migration experts must wait for the actual figures before giving definite answers.

Egyptian diaspora post-revolution

The Egyptian revolution has, to date, achieved very few of its political aims. However it has achieved one major aim: it has given Egyptians back a sense of belonging to their country and patriotism. The scene in Tahrir Square in the 18 days of protests, from 25 January until the stepping down of Mubarak, generated examples of patriotism and nationalism that Egypt has not seen since the 1970s. This feeling did not only affect Egyptians living in the country, but also the Egyptian diaspora scattered all over the world, whose role in the past was to send remittances to their families in Egypt, thus positively affecting the Egyptian economy. Several proposals have been made by the Egyptian diaspora to support the economy, one of which was the Tahrir Square Foundations, with an Egyptian- American and Egyptian-Canadian board, to support the economy (Cabot 2011). A second proposal was for Egyptians abroad to use their savings to start projects in Egypt while still abroad. A third idea was that members of the diaspora return to Egypt with knowledge, expertise and savings and investments in the country. The first two proposals were very appealing and would contribute a lot to the economy when money is badly needed. However, knowledge and expertise are particularly vital and would really promote development in the new era. The return and reintegration of expats will not be an easy process. However several Egyptians still insist on going back, according to interviews²¹ with Egyptians in Kuwait, the US and Europe who want to contribute to the development of post-Mubarak Egypt with projects that are already prepared and that are pending only legal hurdles (Reeve, 2011). One attempt by the government to increase the flow of money from Egyptians abroad to support the economy directly was the creation of a bank account at the Central Bank of Egypt where Egyptians abroad can deposit money in this account that will support the stock exchange as well as improve the

²¹ Ihab Fouly Kuwait, Ahmed Lotfy USA, Hana El Hattab USA.

liquidity of the government. These transfers may be one of the reasons for increased remittances to Egypt in the first half of 2011.

Reaction of the GCC countries to the Egyptian revolution and impact on Egyptian migrants UAE closed-door policy

The UAE and Saudi Arabia are the main countries of destination for Egyptians²² in the Gulf region. Therefore, any change in the migration or labour policies of that country, would affect Egyptian potential as well as current migrants. In the course of the 25 January revolution in Egypt, the United Arab Emirates closed the doors on Egyptian migrants and stopped allowing new migration flows, as well as refusing renewal of existing Egyptians work permits. This decision was not only economic but also political. The UAE's decision followed Egypt's announcement that it would put ex-President Hosni Mubarak on trial²³. This goes back to the strong ties that existed between the king of UAE and the Ex-President of Egypt, and, in fact, a number of Arab Kings and Presidents, especially in the UAE and Saudi Arabia, disapprove the trials of the Mubarak. The UAE Immigration Office said that there was a failure of the security authorities in Egypt to answer questions regarding the potential immigrants in search of jobs, and that the move to deny Egyptians visas was a sovereign decision. However, the most likely reason for the decision, was the change in Egyptian foreign policy as well as the recent difficult relations between Egypt and Iran. Moreover, the risk that Emirati investments faced in Egypt, and the need for insurance against those risks was another factor that caused tensions between Egypt and the UAE. Some of the major Emirati investments, including a huge compound in the New Cairo district of greater Cairo, risked contract termination due to the illegal procedures taking place as well as the involvement of businessmen and ministers who are currently in prison facing accusations of bribery and illegal business acts. After the visit of Prime minister Essam Sharaf to the UAE in early July 2011, the UAE agreed to open the door to Egyptian migrants again, with other negotiations about new investments in Egypt once it had found a way to secure existing investments. As of September 2011, investment packages together with a loan of \$3 billion were negotiated with the UAE and these will probably be finalized before the end of the year. The Egyptian finance minister Dr Hazem El Biblawy expressed his preference for borrowing from Arab countries rather than the World Bank and the IMF (Doukopil et al. 2011).

Saudi Arabia Labour Laws

Another factor that has changed very recently and that will affect Egyptian migrants, as well as potential migrants, are the changes in the labour laws in some of the Arab countries with a special focus on Saudi Arabia. The Saudi Minister of Labour has announced some changes in the labour laws that will mainly affect foreign workers. Being a main country of destination for Egyptian migrants, many are at risk of losing their jobs because of those changes under the new "Notaqat" system. The Notaqat system divides Saudi Private sector companies into four groups, according to the percentage of Saudi employees in each. Where there are less than 10% of the workers being Saudis, the company cannot renew any contract for foreign workers who have been with the company for 6 years or more. These changes in the law were introduced after the Egyptian revolution and have caused much debate among migration experts and politicians. Many politicians²⁴ believe these changes are essentially anti-Egyptian, after the attempts to restart relations with Iran. Others²⁵ claim that, on the contrary, it will not even affect Egyptians much, since many of the Egyptians who work in Saudi Arabia are already

²² 0.26 million Egyptians in the UAE and 1.3 million in Saudi Arabia according to the Ministry of Foreign Affairs 2009 statistics.

²³ AlMasry Al Yom 25 April 2011

²⁴ Mr Osama El Ghazouly and Mr Hassan Nafea providing their opinion on the Notaqat system

²⁵ Dr Ayman Zohry, providing his opinion on this matter

low skilled workers doing jobs that Saudis refuse to do. Under the program, foreign workers who work in companies with less than 10% of Saudi workers are allowed to seek employment in another company that satisfies the threshold. This brings us to another issue, which is how this gels with the *Kafeel* or sponsorship system.

The “Kafeel” (sponsorship) system is another challenge that migrants in the Arab countries face, specifically those in the GCC countries. Every migrant from another Arab country or from a different region should have a sponsor for his stay in the country of destination. This sponsor, being a person or an institution, is the main intermediary between the migrant and the employer, on the one hand, and the government, on the other. Before the arrival of the migrant, the sponsor signs an agreement with the government the he is fully responsible for that migrant with respect to his or her financial as well as legal affairs, and in some cases the migrant is obliged to give his travel document to his sponsor so that he cannot leave the country without the approval of the sponsor. Moreover, any negotiations with the employer, with regards to pay, working hours or working conditions can only take place through the sponsor. This system has been much criticized by rights groups as well as the International Labour Organization (ILO), saying it renders workers vulnerable to abuse by their sponsors and limits their right to freedom of movement. Yet it persists in most of the Arab receiving countries²⁶.

Current efforts by the transitional government

Many debates have been taking place since the referendum that took place in March 2011 on how to include Egyptian expatriates in the political decision-making at least through elections. Negotiations are still taking place with regards to the applicability and technicality of this decision, to make sure it is applied in a transparent way and to avoid forgery as much as possible. With the official records saying 3.7 million live Egyptians abroad, and according to the Ministry of Foreign Affairs and migration experts²⁷ the true number being closer 7-8 million²⁸, these Egyptians will certainly make a difference to the outcome of elections. However, by looking at the profile of Egyptian migrants, we can see that Egyptians in the west²⁹ are educated and have been exposed to democracy and therefore could advance democracy in Egypt. Egyptians in the Arab countries are, recently, more educated and not significantly more conservative than Egyptians in Egypt. All of this suggests that Egyptians abroad will not have a significant impact on the outcome of the presidential elections as their opinion closely mirrors the voters in Egypt (Itameri, 2011).

Despite being more concerned with labour issues, minimum wages, pensions and other major disputes currently facing the Egyptian labour market, the minister, Dr Ahmed El Boraie, the Minister of Manpower and Emigration Affairs, has emphasised the importance of migration. The Egyptian MOME has undertaken many steps³⁰ with regards to Egyptian irregular migrants, expatriates, as well as Egyptians fleeing Libya. The minister, Dr El Boraie has emphasised the importance of having a conference for Egyptians abroad focussing on the two main pillars, economic and scientific integration, in order to make the best use of their expertise to help develop Egypt. He also emphasised the urgent need to reinforce the roles of the Unions for Egyptians Abroad with a more active role as well as the creation of secondary unions under the supervision of the General Union for Egyptians Abroad, which includes Egyptians from the US, Europe and Asia.

²⁶ The Kingdom of Bahrain was amongst the first countries to announce the abolition of the sponsorship system in May 2009.

²⁷ Ayman Zohry in Itameri 2011

²⁸ The World Bank ranks Egypt eleventh in the world for its number of emigrants and fourteenth in terms of remittances received through official channels.

²⁹ Europe, US, Canada and Australia

³⁰ According to the media center at the MOME covering the different steps taken by the ministry in the current post-revolution period.

The Kafael system, together with the recruitment offices have abused potential migrants, selling visas and job contracts at very high prices. Accordingly the ministry has prepared a proposal to cancel the Kafael system and replace it with a law that protects the rights and dignity of the workers, and current negotiations are actually taking place with the governments of the Gulf Countries, the Kingdom of Bahrain being the first country to cancel this system for Egyptians. ILO is supporting the cancellation of the Kafael system, and in pursuit of this goal, several proposals were made at the Arab Labor Conference that took place in Egypt in July 2011. Formal and informal negotiations took place at the ministerial level to provide a law that would regulate migration and the employment of foreign workers in the GCC countries but that would protect the rights not just of the employer but also of the migrant.

Egyptian workers who migrate to Arab countries should already have a job offer and a contract pre-departure. However, upon arrival, many find new contracts with new conditions and lower pay (Zohry, 2010). In accordance with this problem, the Egyptian minister Dr El Boraie emphasised the need for a system that will revise the contracts and make sure that they are the same ones the Egyptians received pre-migration.

Many of the Egyptians who came back from Iraq after the First Gulf War have still not received their wages even the issue has, for a long time, marred relations between the two countries. Negotiations have currently achieved positive steps where the Egyptian MOME were able to prepare a list of all the Egyptians to whom the Iraqis owe money about 637,000 returnees and L.E. 400 million. The Iraqi government has stated that it was willing to return the money after Ramadan. However, due to disagreements between the Iraqi government and the Egyptian government over interest³¹, Egyptian delegates were to visit Iraq in September to re-discuss the issue and reach a final agreement.

Other efforts include bilateral agreements with different countries for vocational training and human resource development, as well as coordination with different international institutions concerned with migration affairs, where the Egyptian MOME together with IOM have worked on monitoring Egyptians fleeing Libya. Moreover, the Ministry of Finance has encouraged the returnees to state the belongings that they had to leave behind in Libya as well as the financial and material losses so compensation can be arranged.

With respect to irregular migration, the Egyptian MOME have been holding negotiations with different European countries to try to reach a solution for this problem that started several years ago and that has been exacerbated with the events taking place in the region together with the low demand for foreign workers in the Arab countries.

Very recently, NTC backed-negotiations have taken place to rebuild Libya. Delegates from MOME and the Egyptian government headed to Libya in September to discuss opportunities for Egyptians in Libya. Another Egyptian delegation, formed mainly of Egyptian investors, will visit Libya to start discussing different investment opportunities (mainly infrastructure) and different implementation strategies. At the level of workers, Libya has sent a request to the MOME asking for Egyptians to be able to return to Libya and for compensation for their losses. New demands for Egyptian workers have also been discussed as well as the reduction of the price of work permits for Egyptians going to Libya from 500 Dinars to 100 Dinars. Libyans need help in rebuilding their country and to achieve this they will need foreign workers, and given the major support the NTC got from the Egyptian government and SCAF, Egypt was given the priority with regards to supplying the required foreign workers and investments.

³¹ Where Iraq was not willing to pay the interest for the 20 years, which was not acceptable to the Egyptian government.

6. Impact of revolution on migration for labour-receiving countries: Libya

The Libyan revolution, and the uprisings against the forty-year old dictatorship became extremely violent and with an estimated 1.3 to 1.8 million migrants in the country, the revolution would necessarily have its impact on migration. Many of the immigrants, at least half a million, have fled into Tunisia, Egypt, Chad and Algeria³². Moreover, there has been a limited flow of irregular migrants, across the sea, escaping Libya and heading to Italy and Malta³³. Meanwhile, the new flows of migrants to Libya have dried up for reasons of economic slowdown and security.

The situation in Libya has had an impact on migration for the South as well as for the North. The number of migrants leaving Libya to escape the war, and the losses incurred, both material and financial, send alarming signals to the countries of origin, especially Egypt and Tunisia, two nations already suffering from the post-revolution economic slowdown. Then, while flows to Europe have not been huge, and have been much lower than episodes of irregular migrants in the past, they have, nevertheless, elevated xenophobic feelings among Europeans (Dujisin, 2011).

The Libyan revolution has had its impact on migration in the region directly and indirectly then. The economic slowdown following the revolution will reduce the demand for foreign workers, and the political unrest has turned Libya into a conflict zone where foreign workers are not safe. One of the major issues that stand out from the Libyan crisis is the large-scale displacement of migrant workers and refugees. With an estimated 1.3 to 1.8 million migrants in Libya³⁴, according to the IOM, with their families back home, and remittances amounting to \$1 billion, according to official records³⁵, the crisis is expected to increase poverty at least in the short run (Duvell, 2011). With the political unrest and lack of security, at least 600,000 migrants have already left Libya and many have been repatriated. The situation is serious for developing countries, particularly for Arab countries³⁶ for two reasons. First, there has been a decline in opportunities for migrant workers since the global financial crisis, and the oil-producing countries, such as Libya, were amongst the few remaining destinations for migrant workers. A second and more severe issue is the current economic and labour market situation in Egypt and Tunisia, the two main sending countries of migrant workers to Libya, where after the uprisings citizens of these countries are even less likely to find work at home, given the post-revolution slowdown, and depend on working abroad. Most of the workers escaping the unrest lost their jobs and income, and often had to leave behind their assets and often some of their savings. Some never received their last wages and others saw their money and valuables taken by the Libyan forces.

Conditions on Libyan borders and the role of international institutions

The current migration crisis in Libya is considered the largest since the first Gulf War in 1990. The turmoil has caused the escape of many foreign workers, as well as Libyans. Given that Libya shares its borders with six countries and given too that Italy and Malta are close, nationals and the foreign workers poured out of the country in every direction in search of protection and assistance. The first wave included 140,000 Egyptians and 20,000 Tunisians who left during the first week of the crisis. They were followed by a large flood of nationals from Asian countries, with the third wave being mainly made up of Sub-Saharan Africans. As of September 2011, the later waves were diversified. However, they were largely composed of Africans. Sub-Saharan Africans are the most vulnerable group of immigrants in Libya and include a large portion of the stranded migrants in need of assistance. At the town of Sebha, Sub-Saharan Africans are the biggest category of migrants for whom evacuation is needed and as of mid-September 2011, their situation was getting worse as they were

³² IOM reported 706,000 migrants fleeing Libya as of 30 September 2011.

³³ IOM reports around 27,000 migrants fleeing Libya to Malta and Italy as of 30 September 2011

³⁴ With 600,000 regular migrants and 750,000-1.2 million irregular migrants.

³⁵ Where money sent unofficially is estimated to be a good deal more.

³⁶ Who experience economic instability due to the revolutions.

increasing in numbers and yet food was running out. With the number of Egyptians crossing the Sallum borders declining, the number of Libyans has been steadily increasing. However they have not requested assistance or international protection.

As of 30 September 2011, 706,073 people had escaped Libya through borders, or by sea to Malta and Italy. 226,000 crossed the Egyptian borders (62% of whom were Egyptians); Tunisia has seen 304,127 people crossing the borders with fewer crossing the Libyan borders with Algeria, Chad, Niger and Sudan. 26,000 crossed the sea to Italy and 1,500 to Malta. The repatriation movements were organized mainly by IOM and UNHCR, where they formed a joint Humanitarian Evacuation Cell (HEC), working closely with governments of border countries, embassies, consulates, and NGOs.

IOM and UNHCR had access to some of the borders, particularly with Egypt and Tunisia, with little access to the borders with the other countries for security reasons and conflicts with the Qadhafi regime. However, they were able to receive migrants, provide shelter, food, medical assistance, mental health and psychosocial support; help with ground transport to camps and departure points, registration, pre-departure consular representatives; set up travel bookings, procurement of land, sea and air assets and reception in countries of destination. UNICEF has responded to the needs of families in the border camps by providing safe drinking water, adequate sanitation and making sure that children's health needs are met. They have also sent emergency health kits to Eastern Libya from the early days of crisis as well as 3 boats to Misrata with life saving supplies.

With the continuous efforts to provide assistance to foreign workers as well as nationals trying to escape the crisis in Libya, there is a large group of migrants who are still in Libya, who either do not wish to go back or who are underprivileged and lack the means to go back or fear to become the victim of racist attacks. With the rumours spreading that Qadhafi has been using militiamen from Sub-Saharan Africa, the protestors tend to mix between those who are peaceful migrants and Qadhafi's militiamen, forcing the Sub-Saharan Africans into a vulnerable situation, stuck in the conflict, and, until mid September, stranded in Libyan cities in vulnerable conditions unable to safely move to the borders.

Irregular migration and cooperation with Europe

The uprisings in the Middle East and the lack of economic opportunities and the economic slowdown, together with the violence taking place in Libya, the major country of destination in North Africa, have led to a great fear in Europe that there will be waves of irregular migrants. The European commission has been working on cooperation agreements with Italy to combat irregular migration, an agreement that was finally signed in 2003. According to the cooperation agreement, Libya was to work closely with Europe, specifically Italy, to control her borders and to limit the irregular migration of Sub-Saharan Africans and North Africans to Europe (Hamood, 2008).

The intervention of European countries in Libya has had debatable motives. Whether it was primarily for oil rights or for human rights, however, the fear of waves of irregular migrants from Libya also played a significant role. Over the last decade, Colonel Qadhafi has been using oil and migration issues to forge partnerships with EU countries and Italy in particular. Making irregular migration to the EU appear much bigger than the true situation was a way for Qadhafi to ensure a continuous inflow of money to protect the borders and to control irregular migration. In the wake of the unexpected UN Security Council resolution and subsequent attacks by French, British and US forces against Libyan military goals, Gadhafi has announced that he will stop cooperation with Europe in stemming irregular migration from Libya. Moreover, he threatened that, if the Europeans continued to support the protesters, he will open the migration floodgates, and will send boats filled with migrants from North Africa and Sub-Saharan Africa to the European coasts. As of 30 September, almost 30,000 migrants have made the journey to Italy and Malta. Irregular migration from Libya to Europe has taken place since the 1990s, representing 2% only of all migrants in Europe. However, the irregular migration Europe is facing as a result of the Libyan crisis is a question of refugees rather than economic migration, and the numbers are not huge.³⁷ Indeed, they are much lower than previous episodes of irregular migration.

³⁷ Estimated at 5000 refugees

7. Conclusion

The Arab spring did not only affect economics and politics: it also had fall out in the migratory sphere. Being a common feature in the region, migration has played a role in reducing pressure on labor markets as well as satisfying the labor market needs of labor receiving countries. The Arab countries are still going through the transition between an old regime and a new one, with major economic and political unrest and episodes of protests and sit ins as well as military actions and, what is more, this period of unrest is likely to last for some time.

The Egyptian revolution has not yet achieved its aims. The political and economic struggles that continue to take place in the country nine months after the uprisings would be normal in any revolutionary transition. However, SCAF and the current government should be very careful in the decisions and actions that are implemented in their temporary control of the country. Economic and political policies, particularly foreign policies need to be clearly and publicly announced as this is what will achieve stability in the country. The lack of a defined path is holding back both national and international investors. Migration in general has been shaken up in the last 9 months. Egyptians returned from Libya and the Egyptian diasporas expressed hope for a new and democratic country. Then the lack of clear foreign policies has been reflected in the decisions of destination countries towards Egyptian migrants. Any lack of clarity will cause further unexpected outcomes with respect to migration and remittances, factors which are currently considered one of the most important revenue sources, given the decline in direct foreign investments and the industrial slowdown in Egypt.

Previous international crises affecting migration in the Arab region might give an insight to how the current situation in the region, specifically the Libyan crisis (CARIM, 2011), will affect migration and remittances. With the current situation in Egypt and the emergence of new waves of potential migrants amongst the young, as well as the return of Egyptians from conflict zones, specifically Libya, Egyptian economic, social and migration policies should be modified to target current issues in an efficient way. With regards to migration policies, the government of Egypt has been focusing on increasing quotas in countries where bilateral agreements have been concluded, as well as aiming to conclude new agreements and to open new markets for potential migrants. In addition to the current efforts, policies should encourage investments in Egypt, by nationals as well as by foreign investors. It would also be important to improve the financial institutions that facilitate entrepreneurship especially among the young people by relaxing financial constraints. Both points would achieve risk diversification without too much dependence on migration, and without fighting migration and spending resources on preventing migration.

The situation in labor receiving countries is more serious, especially in the countries where conflicts exist. Excessive reliance on foreign labor in strategic economic industries will lead to downturns in the economy, especially after foreign workers have fled the country to escape the hazardous situation there. The over reliance of Libya on foreign workers in strategic industries (oil, which is the main source of revenues for the country) generated a problem for the country during the war when foreign workers fled the country. With the NTC taking control of the country, the Libyan government is currently working on rebuilding plans as well as encouraging investments in the new country and concluding agreements with neighbouring countries, particularly Egypt, for the provision of workers as well as for attracting investments.

The impact of the revolutions on the economic and political status of the country is still to be debated and understood. With the lack of clarity in economic and political policies, migration will continue to be unpredictable.

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