

Entrepreneurship of Young Migrants across Mediterranean Borders

Luisa Mengoni

University of Bologna
Strada Maggiore 45, 40125 Bologna (Italy)
luisa.mengoni3@unibo.it

The Mediterranean countries, with their specific socio-cultural identities, are facing a process of huge and wider integration that fosters the interdependence of the regional economies and strengthens transnational relations through economic cooperation and common political dialogue. Among the integration mechanisms, migration, especially of young people, represent a crucial tool of changing the Euro-Mediterranean societies and a means of transferring and mobilizing resources across national boundaries. The recognition that a well managed migration process can contribute to optimise economic and social outcomes for both countries of origin and destination is reflected in the adoption, by the European region, of co-development programmes, aiming at encouraging vocational training for migrants and at promoting professional reintegration through voluntary return. From the sending countries perspective, migration experience in Europe, especially for young people that face problems of unemployment and difficulties in acquiring competences and skills at home, offers a unique opportunity of training, of knowledge transfer and brain circulation. The return migrants in the Mediterranean organize their lives across national borders, trying to integrate in the host societies but keeping strong networks with their homelands so that the acquisition of new ideas and entrepreneurial functions during the permanence in the European countries (in particular for young migrants whose propensity to learn is higher with respect to older generations) helps the implementation of entrepreneurial projects and the financing of expenditure in key areas for development. Migration in Europe becomes a development tool when financial and social remittances (namely ideas, practices, identities) sent back home by the migrants have significant effect in transforming economies, lives and values of recipient countries. For the host countries temporary migrants can be beneficial to solve market imbalances and to provide examples of different ways of conducting business activities. The paper aims at providing an overview of actual flows of young people across the Mediterranean with particular relevance to human capital (skills and abilities) and entrepreneurial functions. Some evidence will be drawn from returnees of the MENA countries (Middle East and North Africa) as they provide interesting examples of these dynamics.

Keywords: Migration, entrepreneurship, MENA.

Introduction

The recent debate¹ on international migration management across Mediterranean borders put the emphasis on the necessity to strengthen the synergies between migration and development and see the southern shore asking the European countries to co-operate in order to promote economic and social development of sending countries by facilitating remittances and circular movements. Drawing on the potential role of the private sector and of the local institutions of migrants' countries for their successful reintegration together with the promotion of training mechanisms through working experiences in northern countries are among the most relevant issues. For the sending countries of the Euro-Med area in fact migration represents an alternative way of acquiring additional skills, competences and information that, once back, can reduce the perception of risks and uncertainty linked to the entrepreneurial activities and promote economic projects of returnees. This is of particular relevance for the Med-MENA countries (Middle East and North Africa Mediterranean countries) whose economies are not always "well-behaving" economies but rather show fragmentation of economic activities and a not easy access to market information and credit. For the hosting countries of the European side, temporary migration can also be beneficial as it can help labour shortages in certain sectors and can increase labour mobility. For what concern the flows of entrepreneurial functions, migrants' private businesses can be an alternative model of conducting economic activities, based on different values as solidarity and informal mechanisms. These dynamics are more evident in the case of young migrants as their are not only more educated with respect to older generation, but their propensity to learn to acquire and to internalize new practices and ideas is much higher.

Given that, nowadays, the population of young migrants in the Euro-Med area has become consistent, the aim of the paper is to investigate the composition of such flows, their process of

¹ See the two Euro-African ministerial conferences on migration and development held in Rabat (July 2006) and in Paris (November 2008).

integration in hosting countries and reintegration in sending economies and their role in promoting integration mechanisms through entrepreneurship creation.

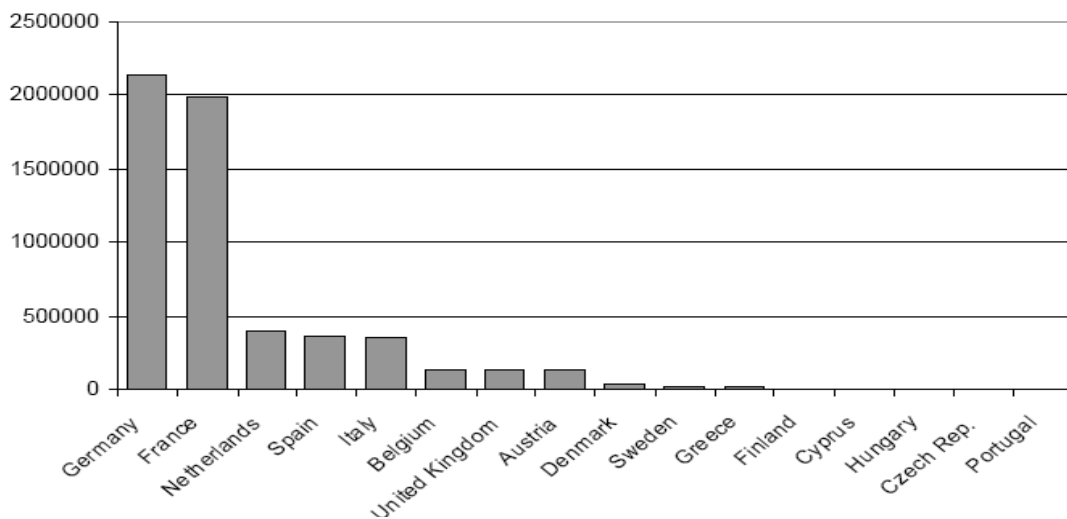
The first step will be devoted to give an overview of migration flows in the Euro-Mediterranean area, of their evolution till the more recent trends and to provide some stylized facts on the issue (Paragraph 1.). Starting from the evidence of the increasing flows of young migrants in the area, their role in the promotion of entrepreneurial proclivity will be considered, focusing both on the hosting and the sending labour markets. A brief economic review on entrepreneurship and migration will be useful to give some insights of the dynamic of insertion of migrants into specific sectors in the hosting labour market and of the increasing rate of self-employment in Europe (Paragraph 2.1.) while from the origin countries side, some explanation of entrepreneurship upon return will be provided (Paragraph 2.2.).

From the general framework of analysis the paper will move to give some empirical insights on the nexus young migrants and entrepreneurial proclivity across the Euro-Med Area. Using data on return migrants to the Maghreb countries, we will see how in the immigration country entrepreneurship takes mainly the form of self employment and independent activities in the regular but also in the underground economy (Paragraph 3.1.) and how it seems that during the permanence in host countries entrepreneurial ideas are formed. For the origin countries side, the data show how a large share of young migrants engage in entrepreneurship activities once back in origin countries by investing in economic projects, mainly the set up of small and medium enterprises (Paragraph 3.2). Concluding, the renewed interest in migration policies, the necessity to link migration to development (in origin and destination countries) and the need of a joint manage of migration policies will be highlighted.

1. An overview of migration flows in the Euro-Mediterranean Area.

The circulation of people around the Mediterranean represents a key component, even more than trade, of relations between the countries of the two shores, namely the northern one (represented by the European countries) and the southern one (represented by the Middle East and North Africa Mediterranean countries –Med-MENA countries-). For the northern shore, the Med-Mena countries represents the huge region of emigration with a number of first generation migrants² between 10 and 15 million, a stock pare to 4.8% of the Med-MENA aggregated population in 2005. Europe is in fact the single largest destination of migrants from the Med-Mena, followed by the Arab oil countries with the rest of the world (mainly north America) ranking far behind. Statistics provided by EU members report the presence of around 5.8 millions migrant of Med-MENA origin, with Germany and France as main receiving countries, followed by the other members, and Netherland, Spain and Italy as core countries for flows originating in the southern Mediterranean shore (MED_MENA report 2005).

Figure 1. Med-MENA migrants to Europe (2005).



Source: Statistics of countries of destination.

² Foreigners born abroad who have acquired nationality of the host country.

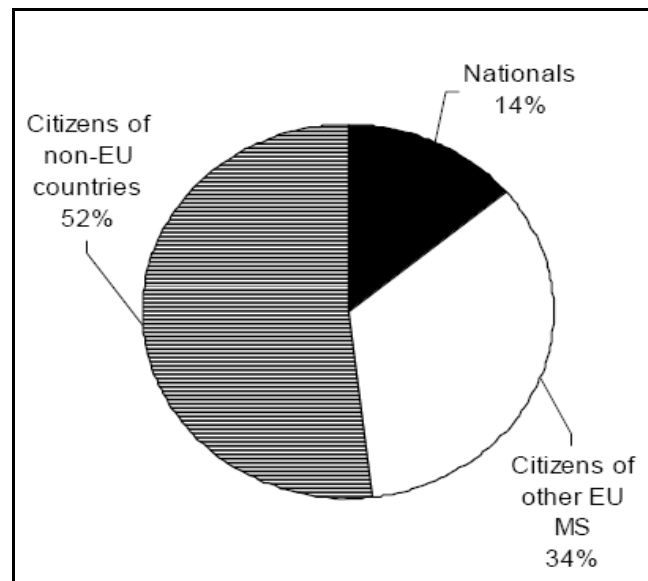
For the sending countries of the Mediterranean basin, Europe has become a main region of immigration starting from the 50' as, following the rapid economic growth, *first comers* nations (as Germany France and Belgium) followed by *late comers* (Italy, Spain, Greece and Portugal) opened up for migration. *Guestworkers* regime and recruitment policy were generally adopted to cope with labour shortages (mainly of unskilled workers) in the local markets (primarily manufacturing industries) so that in that phase labour migration was mainly the result of wage differences. Starting from the 70's, with recession and social tensions following the first oil price shock and the growing tendency of migrants to settle permanently in host countries, countries of northern and western Europe stopped recruitment and turned to restriction policies based on family reunification criteria. The next two decades saw the rise of diversification of inflows to Europe as east-west movements based on inflows of asylum seekers and refugees from the former socialist states of eastern Europe rose sharply. Despite immigration³ slowed in the last few years, the Euro Area represents still today a pronounced region for migration with 3.5 million person settled in a new country of residence in the EU-27 in 2006⁴ Citizens of all countries of the world are represented among immigrants to EU members with great receiving country variation. In 2006, about 3 millions (86%) of the total were foreigners, the rest (14%) were new comers to the EU (Polish followed by Romanians) and slightly less than half were EU citizens (EUROSTAT 2008). According to recent projection, future immigration to the EU will likely to increase following in the medium run the eastward expansion but the long run figure will probably involve higher immigration from developing countries (Boeri and Brucker 2005; Stalker 2002).

Despite the increasing diversification of migrants cohort in Europe, resulting also from the process of integration and common market creation, migrants from Med-MENA countries are among the main non-EU immigrants group.

³ Irregular flows are not included.

⁴ Statistics refers to immigrants as people establish residence in a country for a period of at least 12 months been previously resident in another country.

Figure 2. Immigration by citizenship group, EU-27, 2006.



Source: Eurostat, Migration Statistics 2008.

The diversion of flows created a new geography of migration in the Mediterranean, still present today and represented by two main migration systems (the European and the Gulf ones), as alternative poles of attraction for migrants around the Mediterranean. A broad stylization of flows in the area can be made by distinguish international migrants from Mashreqi countries (Egypt, Jordan, Palestine, Lebanon, Syria, Yemen) which are mainly directed to the Arab states of the Gulf (horizontal or south-south flows) and Maghrebi sending countries (Morocco, Tunisia, Algeria), mainly engaged in south-north (vertical) migration towards Europe. Starting from the 70', in fact, Middle East and North Africa countries, discouraged by restrictive policy of the north and by the rapid oil-financed expansion of GCC, also started engaging in south-south migration towards the Gulf region.

Concerning horizontal migration towards Europe, the reasons behind the flows are mainly the economic and institutional differences between the two shores (in terms of demographic growth, labour market structure and wage differentials, human capital and productivity level) that act as *push* factors for vertical labour movements. The perpetuation of these flows over time can be also attributed to other than purely economic factors, as the existence (and persistency) of *networks* that,

acting as enforcing mechanisms, helped migration movement to become of cumulative nature, that is “independent” from the factors that originate it. Networks in fact act as a meso dimension between the micro (individual decision to migrate) and the macro level (structural determinants) (Faist T., 1997), and affect the migration process by reducing the individual costs for the migrants, by making exchange of resources and access to market information easier and, in they long run, they shape sending-receiving countries relationship (through fostering interdependences) and the nature of the migration process (circularity, return migration). Ranging from individual of familiar to state-state ones (migration policies, cooperation agreement, trade, colonial past) (Fawcett 1989), networks explain why in the Mediterranean area flows between sending and receiving countries have evolved across certain direction thus contributing to ethnic concentration (former colonial links can be for instance among the main reasons for the massive presence of Turkish and Greece in German and of Algerians and Tunisians in France) and why they have evolved into circular or temporary flows (migration policies and bilateral agreements).

Starting from the aforementioned considerations we can draw some stylized facts concerning actual migration flows in the Euro-Mediterranean area (OECD, 2006):

- *A remarkable stability in major source countries and a significant impact on geographic proximity.* Despite the increase in flows from Central, Eastern Europe, Latin America and Asia the main non-EU sending countries remain unchanged.
- *An increase in the complexity of migrants composition.* Migration flows show variety in migrants’ composition (students or labour migrants, seasonal or permanent workers, asylum seekers) and human capital endowment with people moving with family for permanent settlement or to cope labour market shortages. Their motivation is primarily economic, that is the prospect of better wages and working conditions or employment opportunities.
- *An increase in young migrants population:* Besides economic migrants, the number of international students have increased in recent years. From 1998 to 2003 the increase was about 45% in OECD countries, much of it occurring after 2001.

Starting from these considerations, among which is of particular interest for the mean of this study the increasing flows of young migrants, their role in the promotion of entrepreneurial proclivity in the Euro-Mediterranean area will be considered, focusing both on the hosting and the sending labour markets.

2. Migrants and entrepreneurship: a two-side economic review.

2.1. The receiving countries side

In the last years there has been an increase of the immigrant population in the European countries as a share of the total labour force population, more pronounced in the countries of the southern Europe, in particular in Italy where the number of foreign born workers rose sixfold in the period 1999-2004 and in Spain (with a 3.5 times increase) (OECD 2006).

Immigrants in Europe tend to have a younger age structure with respect to natives, and a participation rate which is on the whole lower than that of the citizens (although it has improved in the last years in absolute terms). Skilled migrants face anyway a better access to markets and a higher rate of job participation with respect to unskilled migrants while the younger face more problems of unemployment especially when they face difficulties in seeing their skills and education recognised in the host countries occur. The recent trend also shows a spreading to the service sector (construction, wholesale and trade, social sectors,) with persistent overrepresentation in some unskilled segments where migrants tend to meet demand for job positions ignored by the natives due to their low status and insufficient guarantees (such as hotel and restoration), particularly marked in southern European countries. Migrants participation has also increased in the education and health sectors (OECD 2006).

An interesting fact, when talking of migration and entrepreneurship from the receiving countries perspective, is that in almost all countries for which data are available, the rate of self employment among immigrants has increased (reaching 11% of foreign born persons in 2004 in

France and the UK, 12% in Belgium and nearly 14% in Sweden) which can be both interpreted as an improvement of their position in the social ladder or a “second best choice” due to difficulties of entries in the “natives” labour market and of integration within host-countries societies. Self employment of migrants is in fact explained following “push” reasons as unemployment or “pull” factors as economic gains and financial independence that business ownership gives. Anyway, with an increasing demand for cheap and flexible labour, migrant workers are concentrated in the informal (unregistered) sector as it is in the case of Greece and generally of Southern Europe. The insertion of migrants into informal economy and in specific sectors or job positions can represent an element of continuity in the existing pattern of work organization so that immigration become a structural feature of host society and labour market. The *increasing rate of self-employed immigrants in the labour market is visible* especially in southern Europe, in countries like Greece, Portugal and Italy, where migrant’ self employment has evolved following the rapid expansion of the tertiary sector (as tourism and social services) the lower (less tight) institutional control, a relatively larger informal economy and small business presence that has given rise to opportunities for these economic activities. The so called *ethnic or migrant entrepreneurship* has been beneficial for receiving countries, as it helped solving structural labour market imbalances and increasing the employment opportunities for some ethnic segments in urban contest (Baycan-Levent T., 2008).

The literature on migrant entrepreneurship has tried to give explanation for the proclivity of migrants in host communities focusing mainly on the supply side. The factors influencing the attitude of migrants to turn to self-employment depend on individual characteristics (that influence risk-adversion) or on the structural features of the host market that cause blocked mobility. Explanation for migrants’ attitude to engage in autonomous business has been provided by different theoretical approach: in the interactive model, for instance, entrepreneurship is the result of the interaction between socio-cultural factor (migrants groups’ characteristics as specific values skills and cultural features) together with the social dimension (informal networks) and the politico-economic variables (opportunity structure) that affect access to (host or local) market and to

ownership (Waldinger, 1990). In the *social embeddedness view* particular emphasis is given to the social capital dimension as ethnically specific economic networks facilitate business operation (acquiring knowledge, distributing information, recruiting capital and labor, establishing relations with clients and supplier) (Gold, 2000) thus influencing the individual propensity to start their own business. Emerging analytical approach or *mixed embeddedness* try to combine the migrants social relation networks into a wider socio-political and institutional environment (Kloosterman, Rath, 2001) underlying the importance of host countries policies in creating different opportunity structures for the migrants.

2.2. *The sending countries side.*

The relevance of the migration experience for the promotion of entrepreneur proclivity upon return is a central debate in the recent studies on the linkage between return migration and local development that focus on the potential role of the return migrant in implementing a development path by making the migration experience profitable upon return. The economic literature on international migration and entrepreneurship from the origin country perspective, in fact, emphasises how the migration experience gives the migrants access to credit, to additional resources and to “superior” market information (scarce in origin countries) that gives him an economic advantage with respect to non migrants. Migration is seen as a productive investments or an alternative development strategy as the acquisition of financial capital (remittances) and human capital (skills, knowledge and know how acquired abroad) together with other intangible resources (new ideas and new modes of operation), fostered by continuous exchange of information with origin communities (thanks to the persistency of networks during the permanence abroad), can be used to implement entrepreneurial projects once back in origin countries (McCormick B., Wahba J. 2001; Taylor E.J. 2006).

Different studies emphasise how skills and competences acquired through working experiences in higher wage countries, act as self selection mechanism of occupational choice upon

return, mobilizing capital acquired abroad towards self-employment or towards the promotion of economic activities (Ilahi 1999, Charif, 2004). Entrepreneurship or the probability to start own business in origin countries depends mainly on the allocation of additional capital and resources acquired abroad (among them remittances as the most tangible) in investment or in consumption. The probability increase when migrants have particular purposes, households perceive remittances as transitory rather than permanent flows, migration is temporary rather than permanent (World Bank, 2006). Return migration has thus a more pervasive role as returnees tend to transfer their savings to origin communities rather than save or invest in destination countries. Anyway the likelihood of becoming an entrepreneurs upon return depends on different variables linked to the migration experience and to individual characteristics of migrants and to the economic structure of origin countries that give incentives or create constraints to the implementation of projects. Among the pre-return condition that influence the future start up of economic activities has a central relevance the degree of integration of the migrant in the hosting labour market: the occupational status determine the ability to acquire particular skills and competences that are useful in the re integration process. In the economies of the MENA region, as we have already stressed, more than the educational achievement of migrants, is the experience through *learning by doing* processes in the hosting labour market to give an economic advantage to the migrant. Entrepreneurs and economic agents in general, despite having intermediate or higher level of educational attainment, have few possibilities of training in their home countries. Experience thus becomes the main source of knowledge (Charif, 2004). It has also to be stressed that a certain degree of “compatibility” between the market of the sending and receiving countries is welcomed especially when the skills acquired abroad match the demand of origin countries. Anyway, the literature on the field emphasises how the duration of the migration experience is a central key variable in explaining activity choice after return: an “optimal migration duration” that is not too long (return migrants tend to retire once back in their origin countries”) not too short (there is few time for capital

accumulation) gives the migrants the possibility to acquire in the hosting labour market the skills and the competences to start economic activities after return (Dustmann, 2001).

3. Young migrants and entrepreneurship: a two-side evidence

3.1. Young migrants in Europe

In order to give some empirical insights on the role of young migrants across the euro-Mediterranean Area, we use data on return migrants to the Maghreb countries, based on the MIREM survey that started in the three countries involved (Morocco, Tunisia, Algeria) in September 2006 and ended in January 2007. The survey is based on a three stage-questionnaire that gives information on the sample (992 interviews) before the migration experience, during the permanence in the host country and after return. The different migration stages allow the understanding of how human, social and financial capital have changed over time and how they contribute to reintegration after return. In addition to the education and skills and professional situation, social capital and the institutional variables taken into account are also useful for explaining the integration and reintegration processes.

To the aim of the study, only young migrants⁵ are selected from the sample. They are more than 1/3 of the full sample (397 interviewed) mostly male (81.6%) that come from the urban areas (76.5%) of the relative Maghreb countries (32% from Algeria, 38.5% from Morocco, around 30% from Tunisia) and choose mainly Europe as immigration region: 40,5% choose France as main immigration country, followed by Italy (29,5%) Spain (5,8%) and German (4,8%) (Table 1.).

Most migrants arrive with official documents, with job contractor (working visa), and for family reunification reasons.

⁵ Migrants are selected on the base of age <40.

Table 1. Characteristics of young migrants.

	%
Male	81.6
Mean age (in years)	31.8
Country	
Algeria	32.1
Morocco	38.5
Tunisia	29.4
Total	100.0
Region	
Rural	23.5
Urban	76.5
Total	100.0
MCI*	
France	40.55
Italy	29.5
Spain	5.8
German	4.9
Other EU	10
Arab Countries	6.3
Other	3
Total	100.0
N	397

* The main country of immigration (MCI) is the last country of immigration before returning

Source: MIREM@EUI, author elaboration.

Not surprising the main reasons to choose the immigration country are linked to the existence of networks (family members already present in the immigration country), and desire of

Table 2. Main reason to choose the MCI.

	%
Easy of access	22.9
Better job opportunities	5.8
Better job conditions	3.3
Higher income	6.8
Job offer	6.8
Better life conditions	4.3
Family reunification	25.2
Study	19.4
Other	4
No reply	1.5
Total	100.0
N	397

Source: MIREM@EUI, author elaboration.

reunification, together with the easier access to the hosting country and economic reasons (better job opportunities, better job conditions). It is interesting to note how around 7% of the young migrants already receive a job offer before engaging in the migration experience (Table 2.).

Concerning human capital, Maghrebi migrants are endowed with medium-high level of education: 36.8% have secondary education, around 30% have university or master degree and 6.4% doctoral studies (Table 3.). Anyway only 21% has attended vocational training course before migrating and 16.37% attend some vocational training course in the destination country.

Table 3. Level of education before migrating.

	%
No education	1
Pre-school education	1
Elementary school	9.3
High school	14.7
Secondary school	36.8
University studies/Master	29.8
Doctoral studies	6.4
Other	1
Total	100.0
N	397

Source: MIREM@EUI, author elaboration.

Regarding their occupational status before leaving for abroad, most of the migrants had a job in the origin country, of whom 15% in permanent employment, 7% are employed on a short term basis, and around 6.3% as legal independent contractor. Most are in trade and the primary sector. As for their first occupational status in the host country, the percentage of unemployed decrease sharply (from 15.37% to 6.55%). Also the share of permanent employment decrease in the MCI (but increase at the time of return) which can be attributed to the fact that they move to employment on a short-term basis (16.37%) and on a part-time basis and in particular to seasonal workers (that increase from 8.3 to 15.6%). This results can suggest how migrants tend to compensate for the low participation of the native population by responding to shortages and surpluses in the labor market. It is also interesting to note how student migrants decrease a lot in the host country (they account

for around 24% of the whole sample before leaving for abroad and for 9.57% at the time of return) which can suggest a movement into the labour market.

For what concern the entrepreneurial proclivity, it is interesting to see an increase in employer in the MCI from 1.5 to 3.8% at the moment of return. The percentage of regular independent worker in the MIC is lower that in origin countries but shows stability over time while the irregular independent workers tend to increase sharply in the MCI passing from 4.79 to 11.08. This suggest that young migrants tend to be self employed in the underground economy (Table 4.).

Table 4. Evolution of occupational status.

	Before leaving for abroad	In the MCI	At the moment of return
In permanent employment	15.37	11.59	15.62
Employed on a short-term basis	7.05	16.37	18.14
Employed on a part-time basis	2.77	6.30	8.56
Seasonal worker	8.31	15.62	12.34
Employer/entrepreneurs	1.51	2.02	3.78
Regular independent contractor	6.30	3.27	3.27
Irregular independent contractor	4.79	11.08	8.82
Family helper	3.27	0.76	1.01
Unemployed	15.37	6.55	8.06
Student	23.93	18.14	9.57
Housewife	1.26	3.53	3.02
Retired	0.25	0.25	0.25
Other	3.53	3.27	6.05
No reply	6.30	1.26	1.51
Total (397)	100	100	100

Source: MIREM@EUI, author elaboration.

The integration process in the hosting society is also promoted by the existence of social capital in the form of personal networks: during their permanence in host countries, young migrants already having some family members in the host country (46% of the total) benefit from an easier access to market (47.5% of the interviewed received help in finding a job), reducing costs of finding a house (67.7%) and financial aid in general (59.% of the sample). (Table 5.).

Table 5. Role played by Network of migrants from the Maghreb (family member or friends already present in host countries) in the MCI

Multiple replies	% (Positive replies)
Find a job	47.5
Find a house	67.7
Financially	59
Obtain permit documents/visa	32.2

Source: MIREM@EUI, author elaboration.

It also seems that young migrants have a good perception of the hosting institutions. Most of the young interviewed consider the relationship with the institutions of the hosting country and society to be very good or quite good while only a small percentage report to have had serious problems with the local institutions (Table 6.).

Table 6a. Relationship with the institutions of the host country

	%
Very good	38.5
Quite good	28.5
I had some problems	15.4
I had a lot of problems	6.8
No opinion	7.3
No reply	3.5
Total	100
N	397

Table 6b. Relationship with the society of the host country

	%
Very good	40.3
Quite good	37.3
I had some problems	9.8
I had a lot of problems	5
No opinion	3.8
No reply	3.8
Total	100
N	397

Source: MIREM@EUI, author elaboration.

It is interesting to stress how among the main reasons to come back, doing business is among the key priorities of young returnees: the 7.7% of the interviewed decided to come back to run business at home, while the 15.8% declare the intent to set up a business, that is to invest in a new economic activity once back in origin country. This result can suggest that the migration experience helps the formation of entrepreneurial ideas and foster future intentions of returnees.

Table 7. Main motivation to come back to origin countries.

	%
Job precariousness in the host country	8.5
To benefit from return grant	0.40
Family problem in origin country	12.6
Family problem in the host country	6.1
Health problems	1.6
Difficulties of integration in host country	4.9
To run my business at home	7.7
To set up a business at home	15.8
Termination of job contract in host country	4
End of studies in the host country	8.5
To finish training	1.2
Homesickness	13.8
Difficult socio-cultural environment in the host country	2.8
Other	10.9
No reply	1.2
Total	100

Source: MIREM@EUI, author elaboration.

Anyway it has to be stressed that the migration cycle for young migrants seems to be interrupted by forced conditions: 37.8% in fact are compelled (from unfavourable circumstances) to return back home. For adults returnees the share decreases to 13%.

2.4. Young returnees to the Southern Mediterranean Countries

The first consideration that can be done, when investigating the relationship between migration of the young and entrepreneurial proclivity upon return concerns the improvement of the returnees occupational status, that tends also to enhance over time. The first occupation upon return

shows a remarkable share of migrants in autonomous occupation: around 11% are engaged in regular independent activities while the percentage of employer is 13%. The share of the last category increase to 16% at the time of the survey. Considering that before leaving the same category accounted for just 1.5% for entrepreneurs and 6.3% for independent workers in the regular sector, the data suggest a marked improvement in entrepreneur proclivity which can be seen as the positive outcome of the working experiences in high wage countries.

Table 8. Evolution of the occupational status at return

	First occupation at return	At the time of the survey
In permanent employment	18.6	23.7
Employed on a short-term basis	6.3	5.8
Employed on a part-time basis	1.3	1.3
Seasonal worker	5.3	4.5
Employer/entrepreneurs	13.1	16.1
Regular independent worker	10.9	12.9
Irregular independent worker	4.3	5
Family helper	1	1.5
Unemployed	23.6	17.1
Student	4.5	1.5
housewife	3.5	3.3
Retired	0.5	0.5
Other	5.8	5
No reply	1.3	1.8
Total (397)	100	100

Source: MIREM@EUI, author elaboration.

Taken together, entrepreneurs and independent workers are the two categories that increased the most during the three stages of the migration experience⁶ passing from around 8% up to 30%. The category of investors in economic project upon return is thus 1/3 of the whole sample (Table 9.).

Most young entrepreneurs invest in small and medium enterprises, with less than 10 employees but there is also a considerable share of returnees investors that set up middle size enterprises with a number of workers that range from 10 and 50 (Table 10.).

⁶ The MIREM survey also show that the same dynamic persist for the whole sample.

Table 9. N of investments carried out by returnees in country of origin (%)

N of Investments	%
One project	23
Two projects	4.5
Three projects	1.3
More than three projects	1
No reply	0.5
No inv.	69.7
Total	100.0

Source: MIREM@EUI, author elaboration.

Investment in medium business are of particular interest, as they help employment creation and create positive externalities. Considering that most business in the region are family run, the medium size SMEs can increase job opportunities also for members external to the nuclear family.

Table 10. Distribution of investment projects according to the number of employees.

Employees (N)	%
Less than 10	81.36
Between 10 and 50	10.17
More than 50	0.85
Missing	7.62
Total	100.0

Source: MIREM@EUI, author elaboration

As the data show, the main source of financing economic projects are represented by the informal credit: around 85% used self financing and 16% borrowed money from a parent while only 13.6% referred to bank loans (Table 11.). These results suggest the difficulties of access to formal banking for small entrepreneurs.

Table 11. Financial resources used to support the investments carried out by the returnees to the Maghreb (multiple replies).

Positive replies (%)	
Self-financing	85.3
Bank loans	13.6
Borrowed money from a parent	16.2
Other	12

Source: MIREM@EUI, author elaboration.

In presence of other institutional constraint for returnees investors, as administrative constraints and internal competition, social capital also plays an important role in helping the implementation of economic projects of entrepreneurs returnees: personal networks, as family and friends in the origin country are the main help to support investments (Table 12).

Table 12. Help from family and friends to support investments (multiple replies)

Positive replies (%)	
Help from family in country of origin	53.4
Help from friends in country of origin	19.5
Help from family in the last immigration country	12.7
Help from friends in the last immigration country	7.6

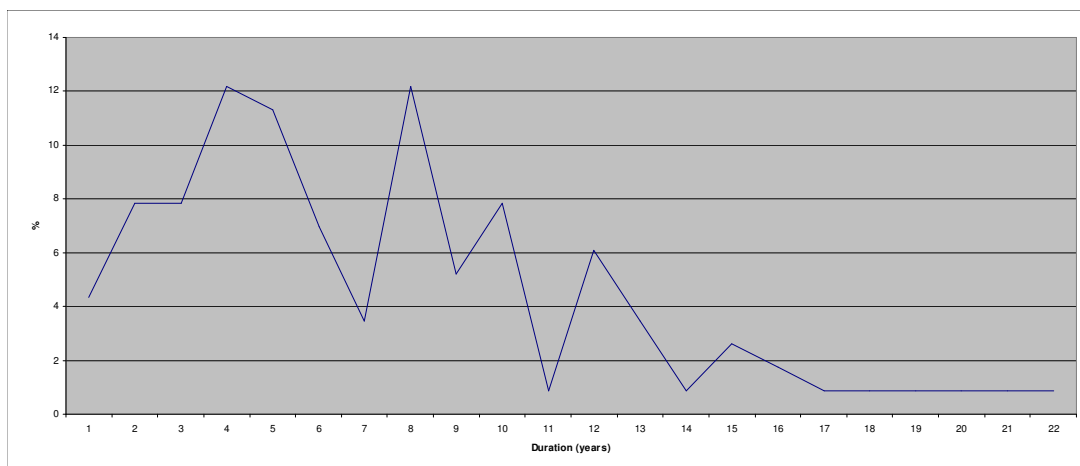
Source: MIREM@EUI, author elaboration.

To conclude, it is interesting to see how the duration of the migration experience is an important explanatory variable of entrepreneurial proclivity upon return: the probability to become entrepreneurs increases with the duration of the migration experience (the more the migrant stay abroad the more the resources accumulated and transferred) and start decreasing after a certain threshold (migrant tend to retire once back home or in the case of young migrants face problems of

reintegration). As the graph show it seems that for young returnees investors the “optimal duration” range from 3 to 8 year. The peaks can be partly explained by country variations and by other environmental and institutional factors that influence the settle up of business activities upon return (as the market structure and the profitability of investments)⁷.

Anyway, it is important to stress that for young migrants the duration of stay abroad can be not too long to optimise the acquisition of financial and human capital (skills and competences) to be invested once back home since, as already stressed, for young returnees that stay on average 6 years, the migration cycle is shorter with respect to the whole sample, which is also due to a high share of compelled return.

Graph 1. Duration of the migration experience for young returnees investors.



Source: Author elaboration.

⁷ MIREM survey shows a similar trend for the whole sample.

Conclusion and policy implication

The proposal of the paper was to underline the role of young migrants for the creation of entrepreneurial proclivity in the Euro-Mediterranean area in an attempt to go beyond the common idea of migrants from the southern shore as mainly endowed with low level of human capital and skills. As the data on returnees to the Maghreb countries have suggested, young migrants tend instead to be high educated and to have job experience and permanent employment in the native labour market before migrating. Once in Europe, they tend to shift to the labour market when arrive as student migrants and to be employed as paid workers or as a part time and seasonal labourers when migrant workers. Concerning the relationship between entrepreneurship and migration of the young the data have suggested how in the immigration country entrepreneur proclivity takes mainly the form of self employment and independent activities in the regular but mainly in the irregular sector. It also seems that it is during the permanence in host countries that entrepreneurial ideas are formed which is suggested by the declared intention of migrants to come back for running their business or to set up new business upon return. For the origin countries side, the data have shown how a large share of young migrants engage in entrepreneurship activities once back in origin countries by investing in economic projects, mainly the set up of small and medium enterprises.

These results support a broader trend of immigration in the European countries where a number of empirical studies have reported the increasing rate of self-employed immigrants in the hosting labour market. This dynamic represents a main challenge for their integration into the economy and a great impact on local development which is more marked in the light of aging population and the need for certain skills in host societies. What is more, at the micro level, migrant entrepreneurs help to satisfy a variety of needs and demand for both migrant and non-migrant consumers and represent a way of transferring conducting business practice based on solidarity and community values as more flexible job relations in businesses. The economic significance of migrant entrepreneurship relates also to the capability of empowerment of under represented groups

(among them females) and in increasing the employment opportunities for some ethnic segments in urban context (Baycan-Levent, T., Nijkamp P., 2007). The employment of migrants in autonomous occupation can also be beneficial when it helps relaxing structural imbalances and coordination deficiencies on the labour market, with employers complaining about the lack of skilled workers and a high level of unemployed workers, especially the low-skilled ones (Rettab, 2001). Immigration is in this case associated with labour mobility creation (which is quite low in Europe) when, despite heterogeneous market condition and regional variation, the immobility of the workforce coupled with uniform wages, provide cores of unemployment in some areas and labour market shortages in others (Zimmermann, 2005). Immigration thus, especially of working age people, can partly compensate for the low participation of the native population to certain activities (as seasonal works) and also respond to shortages of low-skilled in the increasing demand of some sectors (as the health-care and personal services) (Boeri, 2005).

For the sending countries of the Mediterranean area, the positive benefits of international migration instead occur when migrants come back home after a period spend abroad as the return phenomena results in direct effects for the migrants (improvement of social status or improving of financial condition) but also in indirect effects for the whole economies: the returnees can improve the stock of human capital at national level by fostering brain gain dynamic or promote economic diversification by investing in economic activities and entrepreneurial project that act also as employment mechanism creation.

The beneficial impact of return migration from both origin and destination countries seems to have been more and more recognized by both sides of the Euro-Med region that has moved to a renewed interest in migration policies. Over the last decades the dialogue on migration has focused mainly on two needs: the necessity to link migration to development (in origin and destination countries) and the need of a joint manage of migration policies. The European Commission guidelines on labour migration have moved to the introduction of temporary migration schemes (also unskilled to alleviate labour shortages) and to the recruitment of highly skilled immigrants and

foreign students (as a specific category to increase competition). There is also evidence of intention to better distribute immigrants according to the needs of local markets.

Anyway if we move from intention to practise the reality stays in the main actions carried out by the Med receiving countries whose effort remains in fact on security issues and integration problems (caused by high concentration of clusters of migrants in certain areas and competition for certain job categories in the labour market). As argued by Baldwin-Edwards, countries in the north of the Mediterranean, despite their demographic decline and labour market shortages in certain sector, have adopted an ambivalent attitude to receive labour migrants from the south, with policy fluctuation, structural shortcomings and lack of continuity in migration management (Baldwin-Edwards 2004).

From a policy perspective the northern shore of the Mediterranean is facing many challenges that stem from the increasing complexity of the immigration phenomena management and the decreasing absorptive capacity of the labour market. Anyway the aforementioned consideration suggest the potentialities coming from policies aiming at fostering the migration and development nexus. The opportunity is given by the more and more “temporization” of flows in the Mediterranean basin represented by return and circular migration. Returnees are in fact crucial actors in a broad process of socio-economic integration based on exchange of capital (human and social), knowledge, ideas, new practices and way of conducting business activities.

References.

- Baycan-Levent, T., Nijkamp P. (2007) Characteristics of migrant entrepreneurship in Europe, *Entrepreneurship and regional development*, 1-14.
- Baldwin-Edwards, M. (2005), «Migration in The Middle East and Mediterranean» Regional Study for the Global Commission of International Migration, Mediterranean Migration Observatory, Panteion University, Greece, 1-38.
- Boeri T., Bruker H. (2005), Why are Europeans so tough to migrants? *Economic Policy* 20 (44): 629-703.
- CARIM (2005), *Mediterranean Migration Report*, Fargues, P. ed.
- Charif H. (2004), «Small and medium enterprises and economic development: entrepreneurial profile and support policies in selected Mediterranean Countries», in Bellini M., Giuliani E., Pietrobelli C., Rabellotti R. ed. 2004, *The theory and practice of local development*, IRPET, Florence, 111-133.
- Dustmann C. (2001), «Return migration, wage differential and the optimal migration duration», Discussion Paper No. 264. Institute for the study of Labor, Bonn.
- EUROSTAT (2008), *Migration statistics 2008*, EU publication.
- Fawcett, J.T (1989), «Networks, Linkages and Migration Systems», *International Migration Review*, Vol. 23, No. 3, pp.671-680.
- Faist T. (1997), «The Crucial Meso Level» in *International Migration, Immobility and Development*, Hammar T., Brochmann G., Tamas K., Faist T. ed. (1997), Oxford.
- Ilahi N., (1999) «Return migration and Occupational Change», *Review of Development Economics*, Vol. 3, No.2, pp. 170-186.
- Gold, S.J. (2000), «Gender and Families in Ethnic Economies », 113-162 in *Ethnic Economies*, eds. I. Light and S.J. Gold. San Diego: Academic Press.

- Kloosterman R., Rath J. (2001), Immigrant entrepreneurs in advanced economies: mixed embeddedness further explored, *Journal of Ethnic and Migration Studies*, Vol. 27, Issue 2 April 2001, 189-201.
- McCormick B., Wahba J. (2000), «Overseas Employment and Remittances to a Dual Economy», World Development Report 2005.
- Mengoni L., (2008) *Rimesse e Sviluppo Locale nel Sistema Migratorio del Golfo Persico*, PhD Thesis in “Law & Economics”, University of Bologna.
- MIREM (2008), *Return migrants to the Maghreb countries, General report 2008*, J.P. Cassarino ed.
- Nonneman W. (2007), «European immigration and the labor market», Migration policy institute, 1-21.
- OECD, (2006), *International migration outlook*, SOPEMI 2006 Edition, OECD, Paris.
- Rettab B., (2001) *The emergence of ethnic entrepreneurship: a conceptual framework*, Research report 0103, Zoetermeer, July.
- Stalker, P. (2002), Migration trends and migration policy in Europe. *International Migration* 40 (5):151-179.
- UE (2008), Euro-African ministerial conference on migration and development.
- Waldinger R., Aldrich H., Ward R. (1990), *Ethnic entrepreneurs: immigrant business in industrial societies*. Sage publications. Newbury Park.
- World Bank (2006), *Global economic prospects 2006: economic implication of remittances and Migration*, Washington DC, World Bank.
- Zimmermann, K.F. (2005), European labour mobility: Challenging and potentials. *De Economist* 153(4):425-450.