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DEMOGRAPHIC TRANSITION AND ITS IMPLICATIONS ON EMPLOYMENT AND INTERNATIONAL MIGRATION

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A. INTRODUCTION

One of the major challenges Arab countries are faced with is international migration. This issue countries and chose to assign high priority to the Arab labour force. This created a kind of balanced regional labour market during that period. Owing to the high oil prices, these countries managed to increase their capital accumulation and thus their economic growth, which opened up a large number of

2. Phase Two: regressed economic growth

Chart 1. Arab countries: population age structure is changing dramatically (between 1980–2050)

Historical evidence shows that the simultaneous process of fertility decline, along with the slow growth of the elderly population, offers a number of countries in the region—at different points in time and only for a limited time—a demographic window of opportunity through which increased personal savings and investment become possible.[1] This opportunity will allow the dependency ratio to decline, since the number of the dependent young population (aged 0–14) will be declining faster than the increase in old-age dependency. In other words, during a specific period of time, the overall dependency ratio—

Moreover, as globalization proceeds, the need for a dynamic and flexible labour market will also increase, and more investment in education will be needed to enable the labour force to acquire the required skills; more investment in health will be necessary to improve the quality of life; and more investment will have to be made in high technologies. All of this will place pressure on the country's economic resources.

As noted above and in Chart 1, population trends in the Arab region started to change in the last decades of the past century towards more advanced phases of the demographic transition, paving the way to changes in the age structure of people in the region. The increase in the number of working-age people may be a good opportunity to increase the savings and investments that result from the decrease in the dependency ratio. When the dependency ratio declines—as in the case of Arab countries, from 90.9 in 1980 to 71.5 in 2000 and to 61 per 100 people aged 15-65 by 2015—more resources will be freed for investment. However, it may not prove to be a good opportunity if those savings and investments are not able to accommodate the growing number of working-age people, thus urging them to migrate (Chart 2).

integration with the rest of the world. The countries of the region receive only one third the foreign direct investment (FDI) expected for developing countries of equivalent size, while portfolio investment is virtually non-existent, because equity markets are underdeveloped. Global financial integration lags behind that for other developing countries—less than half the Arab countries have meaningful access to financial markets. Trade performance is also below that of other regions, although oil exports continue to be a substantial source of foreign exchange earnings, despite their overall decline since 1985. As a result , the region's share of the world export market fell by more than half between 1980 and 2000 (whether including or excluding oil exports), whereas the trade share of other developing regions rose slightly during that same period. It should also be noted that the region's informatreio ihr8lso 3(lw8(eio iha7)12.68ec)3(lwnou

Furthermore, government policies that neglected agricultural development in favour of capital intensive industrialization have created legacies of instability and promoted large-scale urban migration. The growth in the number of jobs envisioned by the industrial sector, however, was not adequate; it absorbed only a small percentage of the labour force, and an imbalance between the supply and demand of labour resulted. In addition, inequalities between the developed and the underdeveloped world, as well as real wage differentials, pushed workers to seek higher wages outside their country.

Associated with those policies, unfavourable vocational and educational policies led to a mismatch between the requirements of the labour market and the available skill level of the labour force. The main focus of the education policies adopted by Arab countries was on expanding the number of people with educational degrees rather than on providing them with the skills needed by the labour market. The educational process, by and large, was separated from the overall development process—its aim was to satisfy social preferences rather labouratha tioiiB[(int)8.eacye88(er)F 8an on 2et ynJ -.001,en03.2(etffaenry)12.2(2.
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Lebanon (US$ 2.3 billion). In Jordan, remittances of Jordanians working abroad have played a key role in the country's economy—US$ 2.2 billion in 2003, compared to US$ 1.54 billion in 1998, representing an average annual growth during that period of 8.4 percent. Jordan, in fact, ranked as the ninth largest emerging demographic bonus and achieve higher economic growth, thus containing international migration and making the option to remain in one's country a viable one for all people, will depend on:

1. How efficient their socio-economic and demographic policies are in converting the youth bulge into productive human resources, in increasing investment in education, in empowering women, and in adopting good governance. These policies will have a reinforcing effect in helping to create a "virtuous cycle" of sustained economic growth.

2. To which extent these countries will be able to fit into the evolving global economic order. It is imperative that Arab countries find a niche in the rapidly integrating global market, based on the comparative advantage of each.[9] Markets promote efficiency through competition and the division of labour—the specialization that allows people and economies to focus on what they do best. Global markets offer greater opportunities for people to tap into more and larger markets around the world. It means they can have access to more capital flows, technology, cheaper imports, and larger export