

## **Economic Governance, International Mobility and Sustainable Development Dynamics: A Cross-Reading Maghreb–Mashreq**

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### **ABSTRACT**

*This article examines the links between economic governance, international mobility and sustainable development in the Maghreb and Mashreq countries. Economic governance, defined by the quality of institutions, transparency, and macroeconomic stability, remains fragile in the region due to centralization of power, corruption, and weak regional integration. International mobility and remittances are an economic and social lever, but their structural impact depends on effective governance frameworks.*

*Sustainable development requires a balance between economic, social and environmental dimensions. Morocco is making significant progress through national strategies for energy transition, human capital building and transparent public governance. Regional integration, digitalization of public services and diaspora mobilization strengthen transparency, investment and transnational cooperation. Moroccan policies promote the active participation of the diaspora and productive investment, transforming these flows into levers of growth and stability.*

**Keywords:** Governance, Sustainable development, International mobility, Diaspora, Regional integration, Remittances, Energy transition, Digitalization / e-government, Maghreb and Mashreq, Co-development.

### **General Introduction**

Since the beginning of the twenty-first century, the economies of the Maghreb and the Mashreq have undergone a profound recomposition of their development models. These changes are the result of a double imperative: to consolidate more **transparent and inclusive economic governance**, and to meet the growing demands of **sustainable development** in a context marked by globalization, demographic pressure, and massive migratory flows.

In this perspective, **international mobility** – whether student, professional or migratory – becomes both a challenge and a strategic lever. It influences the structure of labour markets, the diffusion of knowledge and the redistribution of wealth.

The Maghreb (Morocco, Algeria, Tunisia, Libya, Mauritania) and the Mashreq (Egypt, Jordan, Lebanon, Syria, Iraq) share historical trajectories marked by economic dependence, institutional fragility and persistent social inequalities. However, the trajectories diverge on several fronts: resource governance, political stability and the ability to integrate into global value chains.

According to **the Arab Human Development Report (UNDP, 2023)**, the MENA region lost an average of 1.5 percentage points of annual growth between 2010 and 2020 due to governance deficits, administrative rigidities, and geopolitical tensions.

The major challenge therefore lies in building sustainable **economic governance**, capable of reconciling competitiveness, equity and resilience. Indeed, governance in these areas can only be effective if it is accompanied by a real strategy of institutional trust and territorial economic intelligence.

According to World Bank data (2024), remittances to the MENA region reached nearly \$55 billion in 2023, including about \$14.8 billion to the Maghreb countries. Morocco stands out clearly with nearly \$12 billion, compared to \$2.8 billion for Tunisia and less than \$0.5 billion for Algeria. These transfers represent 7.7% of GDP in Morocco, 6.5% in Tunisia, and less than 1% in Algeria.

In the Mashreq countries, remittances also remain high: Egypt received about \$28 billion (nearly 7% of its GDP), while Lebanon and Jordan recorded \$6.4 billion and \$4.2 billion, respectively.

However, despite these significant flows, the ability of governments to channel these resources into productive projects remains limited, in particular due to a weak institutional environment, a fragmentation of public governance, and a weak integration of migration and economic policies. Morocco, however, stands out for its better institutional structuring (notably through the role of Bank Al-Maghrib and the Moroccan Abroad SSE Foundation (MRE) in investing in their country of origin), which gives it a comparative advantage in terms of financial governance and attracting remittances from the diaspora.

For their part, the Sustainable Development Goals (SDGs) adopted by the United Nations in 2015 have put the issue of good governance back at the centre of the debate on inclusive and sustainable development. The UNDP (2023) highlights that the Maghreb and Mashreq countries are making significant progress in education and infrastructure, but remain lagging behind on the

dimensions of institutional justice, gender equality, energy transition and economic diversification.

This study aims to analyze the interactions between economic governance, international mobility and the dynamics of sustainable development in these two subregions. It seeks to understand how governance can transform migration and financial flows into levers for development, and how, conversely, mobility influences local institutional and economic structures.

## **1. Conceptual framework: Economic governance, international mobility and sustainable development**

### **1.1. Economic governance: definitions and challenges**

Economic governance refers to the set of mechanisms, institutions and policies that regulate the economic activity of a country or region. It encompasses the quality of public institutions, the transparency of fiscal policies, macroeconomic stability, and the participation of private and social actors in decision-making (Kaufmann and Kraay, 2019).

In the context of the Maghreb and the Mashreq, economic governance faces several structural challenges:

- Excessive centralization of economic and political power;
- Weak independence of regulatory institutions (central banks, auditors, competition authorities);
- Corruption and clientelism, identified as the main obstacles to private investment;
- Weak regional integration, despite the potential for trade and energy complementarity.

According to recent analyses by the International Monetary Fund (IMF, 2023) and the Economic and Social Commission for Western Asia (ESCWA, 2024), the MENA region continues to suffer from institutional weaknesses and dysfunctional economic governance, which hamper its growth potential. These institutions point out that the misallocation of resources, weak intersectoral coordination and lack of transparency in public management significantly reduce the economic performance of several Arab countries. Estimates converge that these structural factors can shave off potential growth by several percentage points of GDP each year, compared with economies with more effective governance and more integrated institutional frameworks. In Morocco, however, there are some indicators to suggest that there is a **relatively positive sentiment** towards certain dimensions of public governance.

The implementation of participatory and transparent economic governance policies therefore appears to be a prerequisite for any sustainable development strategy. The transition to accountable governance involves a redefinition of the role of the state, a strengthening of legal frameworks and an opening up to public-private partnerships (PPPs).

### **1.2. International mobility: migration and remittances**

International mobility in the Maghreb-Mashrekian space is part of a dual logic: economic and socio-political. Since the 1980s, migration has become an adjustment variable in the face of unemployment, political crises and weak local opportunities. According to estimates by the International Organization for Migration (IOM, 2023), more than 35 million nationals of Arab countries live abroad, including nearly 12 million from the Maghreb.

Remittances play a stabilizing role in current account balances. Morocco and Egypt are among the top five countries in the world receiving the most transfers as a proportion of GDP (World Bank, 2024). These remittances support household consumption, finance construction and contribute to poverty reduction (Chaabita 1997; 2016(b)). However, they have only a limited effect on structural transformation due to the lack of effective productive investment mechanisms (Chaabita, 2016(a)).

In addition, skilled migration (or "brain drain") is a major challenge for sustainable development (Chaabita 2016(a)). Locally trained engineers, doctors, and researchers contribute to value creation in host countries, but their absence deprives home countries of essential human capital.

### **1.3. Sustainable development: an integrated approach**

Sustainable development, as defined by the Brundtland Report (1987), is based on a balance between three dimensions: economic, social and environmental. In the Maghreb context, this balance remains fragile due to several structural constraints, such as dependence on hydrocarbons (Algeria, Libya, Iraq), scarcity of water resources (Tunisia, Jordan), demographic and urban pressure (Egypt, Morocco) and low economic diversification.

According to the Arab Human Development Report (UNDP, 2023/24), sustainability requires the reform of public governance, the development of human capital and the rational management of natural resources, levers directly linked to the challenges of economic governance and skills mobility in the region.

However, Morocco has made significant progress in this area. The country has implemented national strategies aimed at sustainable development and energy transition, gradually reducing its dependence on fossil fuels. It has also improved its human capital, with health and education

indicators on the rise, and strengthened public governance in certain key sectors, contributing to better supervision of development projects.

## **2. Economic governance and its mechanisms in the Maghreb and Mashreq countries**

### **2.1. Economic governance indicators: state of play**

The economic governance indicators developed by the World Bank (Worldwide Governance Indicators, 2024) measure six dimensions: citizen voice, political stability, government effectiveness, regulatory quality, rule of law, and corruption control. These indicators show that the Maghreb and Mashreq countries are showing contrasting performances, but overall below the world average.

In 2024, Morocco scores more than 0.1 for government efficiency (on a scale of  $-2.5$  to  $+2.5$ ), Tunisia stands at 0.05, while Algeria remains at  $-0.45$ . In the Mashreq, the situation is more heterogeneous: Jordan stands out with a score of 0.2, while Lebanon and Iraq have  $-0.8$  and  $-1.3$ , respectively, due to political crises and institutional weakness (World Bank, 2024).

These indicators highlight a strong correlation between governance and economic growth. The UNDP (2023) shows that Arab countries with the highest economic governance scores experience on average GDP per capita growth 1.5 times higher than that of low-rated countries. The quality of governance thus determines the ability to attract foreign direct investment (FDI), stimulate entrepreneurship and promote sustainability.

### **2.2. Reforms and public policies: towards performance governance**

Over the past two decades, several Maghreb and Mashreq states have embarked on institutional reforms aimed at modernizing economic governance. In Morocco, the 2011 constitutional reform introduced the principle of good governance in public management (Article 154) and promoted the creation of independent institutions such as the Competition Council and the Court of Auditors. Similarly, the national anti-corruption strategy (2016-2025) aims to strengthen the transparency of public procurement and accountability.

In Tunisia, after 2011, significant progress has been made in budget transparency and citizen participation. However, the politicization of the administration and government instability continue to hinder institutional consolidation (Hibou, 2022).

In the Mashreq, Jordan adopted a new economic modernization charter in 2022 based on digitalization, innovation and efficiency of public spending. Conversely, countries such as Lebanon and Iraq are struggling to implement structural reforms because of political fragmentation and the pervasiveness of community interests (El-Badawi, 2023).

Economic governance reforms cannot have a lasting impact without a stable institutional framework and a culture of performance. According to the Arab Forum for Administrative Reform (2024), the lack of systematic evaluation of public policies remains one of the major obstacles to sustainable development in the region.

### **2.3. Regional integration and transnational governance**

Regional economic integration is a strategic lever for improving governance and strengthening the resilience of the Maghreb and Mashrekian economies. However, the region remains among the least integrated in the world: intra-Maghreb trade accounts for barely 5% of the total trade of the countries concerned, compared to 55% for the European Union (UNCTAD, 2023).

This low level of integration can be explained by multiple factors: tariff barriers, regulatory differences, political mistrust and lack of logistical coordination. The prolonged closure of the land border between Algeria and Morocco illustrates the difficulty of overcoming geopolitical divisions to build effective regional governance.

Despite these obstacles, promising initiatives are emerging. The Arab Economic and Social Council and the Standing Committee for Maghreb Cooperation promote the convergence of economic policies. Morocco, in particular, plays an active and high-level role in regional integration and transnational governance: it participates in major African projects such as the African Continental Free Trade Area (AfCFTA), which creates new opportunities for South-South integration (AfDB, 2024). The Kingdom is also developing bilateral and multilateral partnerships aimed at strengthening economic coordination, trade facilitation and the financing of regional projects.

On the Mashreq side, energy connectivity projects between Egypt, Jordan and Iraq illustrate a step towards shared regional governance, particularly in the field of infrastructure and energy transition.

Thus, regional integration appears to be a **vector of good economic governance** : it promotes transparency, policy coordination and risk pooling, while offering Morocco the opportunity to consolidate its role as a regional leader in sustainable economic development and transnational cooperation.

### **2.4. Governance and the digital economy: towards transparency and sustainability**

The rise of digital technology is transforming the mechanisms of economic governance in the Arab world. The digitalization of public services, customs procedures and payments is a major opportunity to reduce corruption and improve administrative efficiency.

Morocco has implemented the "Digital Morocco 2025" program, aimed at dematerializing 80% of administrative procedures and promoting e-government. In 2024, more than 65% of tax and customs operations will be carried out online (Ministry of Digital Transition, 2024). In Tunisia, the e-Idara platform already brings together 130 digitized public services.

According to the OECD (2024), digitalization would increase annual GDP growth in MENA countries by 1.2% through reduced transaction costs and improved productivity. However, this transition requires governance based on cybersecurity, data protection and bridging the digital divide.

## **2.5. Economic governance and social sustainability**

Sustainable development cannot be achieved without governance that ensures social inclusion and economic justice. In the Maghreb and Mashreq countries, income inequality and job insecurity threaten social cohesion.

According to the Arab Social Development Report (ESCWA, 2023), nearly 29% of the population lives below the multidimensional poverty line. Youth unemployment exceeds 23% in the Maghreb and reaches 28% in the Mashreq. These figures reflect a deficit in economic governance focused on equity and the creation of opportunities.

The implementation of active employment policies, social entrepreneurship programmes and green initiatives (renewable energy, sustainable agriculture) is a possible response. Morocco, for example, has launched the "Green Generation 2020-2030" program and the Mohammed VI Fund for Investment, mobilizing more than 45 billion dirhams to boost green and inclusive growth.

## **2.6. International mobility and sustainable co-development**

The governance of international mobility is a crucial dimension for the Maghreb and Mashrekian countries. Diasporas represent a strategic resource, not only in financial terms, but also in terms of knowledge, skills and networks.

In Morocco, this dynamic is particularly well supervised: remittances reached USD 11.6 billion in 2023, or about 7.4% of GDP (World Bank, 2024), and are supported by institutional mechanisms that promote investment and the involvement of the diaspora in the country's economic and political management. This approach includes the establishment of transparent governance structures, the simplification of administrative procedures and coordination between ministries and financial institutions, thus enabling Moroccans living abroad to actively contribute to local development.

In comparison, in Egypt, remittances exceed USD 32 billion, constituting the country's largest source of foreign exchange, but their structural impact remains limited without a strong governance framework.

Co-development policies aim to involve the diaspora in local projects, such as investment in SMEs, technology transfer, and support for education and research. Programmes such as IOM's Skills Mobility Programme (2023) encourage the temporary return of experts from the diaspora to build local capacity.

Thus, Morocco illustrates how good governance of the diaspora, combining transparency, institutional coordination and economic incentives, can transform migratory flows into a lever for economic development and political stability, while strengthening the civic participation of its nationals abroad.

## **CONCLUSION**

The analysis of economic governance, international mobility and sustainable development in the Maghreb and Mashreq regions highlights a systemic interaction between these three dimensions.

Good economic governance is the foundation of sustainable development: it ensures transparency, institutional justice and responsible management of resources. In turn, international mobility – whether in the form of migration, remittances or the movement of skills – can enhance the sustainability of development when framed by coherent and inclusive policies.

The results show that countries that have invested in institutional and digital reforms (Morocco, Jordan, Tunisia) achieve better economic and social performance. Conversely, states affected by political instability and weak governance (Lebanon, Iraq, Libya) see their development hampered despite significant human and natural resources.

The sustainability of development in the Arab world is therefore based on three strategic levers:

1. Institutional consolidation: strengthening transparency, the rule of law and the evaluation of public policies.
2. The development of human capital and the diaspora: mobilizing migrant skills for economic transformation.
3. Regional cooperation and digitalization: creating collective and intelligent governance for sustainable development.

By 2030, the convergence between the objectives of good governance and those of sustainability appears to be the essential way to transform the structural challenges of the Maghreb and the Mashreq into opportunities for shared emergence.

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