

## Remittances, Unemployment and Demographic Changes between Tunisia and Europe

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**Abstract :** The objective of this paper is to present our contribution to the theoretical literature through a simple theoretical model dealing with the effect of transferring funds on the labor market of the countries of origin and on the other hand to test this relationship empirically in the case of Tunisia. The methodology used consists of estimating a panel of the nine main destinations of the Tunisian diaspora in Europe between 1994 and 2014 in order to better value the net effect of these migratory financial flows on unemployment through population growth. The empirical results show that the main factors explaining the decision to emigrate are the economic factors related mainly to the income differential, the demographic factors related to the differential age structure of the origin and host populations, and the cultural factors linked basically to the mastery of the language. Indeed, the stock of migrants is one of the main determinants of the transfer of migratory funds to Tunisia. But there are other variables that do not lack importance such as the economic conditions linked by the host countries. This shows that Tunisian migrants react more to economic conditions in European countries than in Tunisia. The economic situation of European countries dominates the numbers of emigrants as an explanatory factor for the amount of transfers from Tunisian emigrants to their country of origin. Similarly, it is clear that there is an indirect effect of transfers on unemployment in Tunisia. This suggests that the demographic transition conditions the effects of transferring funds on the level of unemployment.

**Keywords :** demographic changes, international migration, labor market, remittances

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