MIGRATION AND DEVELOPMENT

A Role for the World Bank Group

WORLD BANK GROUP

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Contents

Boxes, Figures, and Tables

Acronyms and Abbreviations

AIDS	Acquired Immune Deficiency Syndrome
ASEAN	Association of Southeast Asian Nations
CARICOM	Caribbean Community
CBO	Congressional Budget Office
CCSA	Cross Cutting Solution Area
CPF	Country Partnership Framework
ECA	Europe and Central Asia
EPS	Employment Permit System
EU	European Union
FCS	Fragile and conflict-affected situations
FDI	Foreign direct investment
GCC	Gulf Cooperation Council
GCIM	Global Commission on International Migration
GDP	Gross domestic product
GEF	Global Environment Facility
GFMD	Global Forum on Migration and Development
GMG	Global Migration Group
GP	Global Practice
HLD	High-level Dialogue
IBRD	International Bank for Reconstruction and Development
ICEM	Intergovernmental Committee for European Migration
ICM	Intergovernmental Committee for Migration
IDA	International Development Agency
IDF	Institutional Development Fund
IDMC	International Displacement Monitoring Centre
IDP	Internally displaced persons
IFC	International Finance Corporation
ILO	International Labor Organization
IMF	International Monetary Fund
IOM	International Organization for Migration

IPCC	Intergovernmental Panel on Climate Change
IT	Information Technology
JSDF	Japan Social Development Fund
KNOMAD	Global Knowledge Partnership on Migration and Development
MDB	Multilateral Development Bank
M&E	Monitoring and Evaluation
MENA	Middle East and North Africa
MNC	Multinational Corporation
MICIC	Migrants in Countries in Crisis
MiRPAL	Migration and Remittance Peer-Assisted Learning Network
NAFTA	North American Free Trade Agreement
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
OPCS	Operations Policy and Country Services
PICMME	Provisional Intergovernmental Committee for the Movements of Migrants from Europe
PPP	Public-Private Partnership
SCD	Systematic Country Diagnostics
SDGs	Sustainable Development Goals
SIL	Specific Investment Loan
SPF	State and Peace-Building Fund
STD	Sexually Transmitted Disease
TDRP	Transitional Demobilization and Reintegration Program
UAE	United Arab Emirates
UN	United Nations
UN DESA	United Nations Department of Economic and Social Affairs
UNDP	United Nations Development Programme
UNGA	United Nations General Assembly
UNHCR	United Nations High Commissioner for Refugees
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near East
UNSG	United Nations Secretary-General
WBG	World Bank Group
WDI	World Development Indicators
WHO	World Health Organization
WTO	World Trade Organization

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Executive Summary

The objectives of the present paper are (i) to describe three major drivers of international migration; (ii) to highlight the benefits and costs associated with global labor mobility in both sending and receiving countries; (iii) to sketch the global architecture for governance of migration; and (iv) to suggest areas in which the Bank could design context-specific solutions to migration problems.

This paper responds to a request from the World Bank's Executive Directors to provide an overview of the economic benefits and challenges associated with migration and to "intensify work on migration." It is intended to inform the Bank's participation in the UN General Assembly's Summit on "Large Movements of Refugees and Migrants" on September 19, 2016 and the Leaders' Summit on September 20, 2016.

Two global compacts are to be discussed at the summit, one on safe, orderly, and regular migration; the other on refugees. The paper addresses the first of the two. It also acknowledges the common challenges and vulnerabilities faced by irregular migrants, smuggled and trafficked migrants, unaccompanied child migrants, stranded migrants, and migrants displaced by disasters and environmental change.

The drivers of migration

There are 250 million international migrants around the globe, of whom 21.3 million are classified as refugees. South-South migration is larger than in South-North migration. Intra-regional migration is large in Europe and Central Asia, the Middle East and North Africa, and Sub-Saharan Africa. Many of the Bank's client countries—for example, India and South Africa—are large destination countries for migrants.

Income gaps and inequality, demographic imbalances, and environmental change suggest that migration pressures will continue for the foreseeable future.[1] In 2015, the ratio between the average income of the high-income countries and that of the low-income countries stood at 70:1. It will take decades before these gaps are closed.

1. Fragility, conflict, and violence are also drivers of migration. They are not the focus of this paper, but are briefly discussed in annex A.

A well-documented demographic divergence separates high-income countries and the developing countries, especially those in Africa and Asia. In Western Europe today we find one 20-year-old for every 65-year-old—and this ratio is projected to be halved by 2040. But the ratio is 4:1 in India and 7:1 in Nigeria. Population aging will produce large labor-market imbalances and fiscal pressures in high-income countries as the tax base narrows and the cost of caring for the old surges. On the other hand, developing nations with growing pools of young people will need to create large numbers of jobs to reach their targets for poverty reduction and growth. The working-age population (15+) in the developing countries will increase by 2.1 billion by 2050. If national employment is maintained at the same rate as in 2015, only 1.2 billion of those people will find employment in their own country, leaving nearly 900 million in search of work.

Presently, climate change and weather shocks exert only a minor effect on international migration, compared with labor market factors such as wage gaps. However, increased drought and desertification, rising sea levels, repeated crop failures, and more intense and frequent storms are likely to increase *internal* migration and, to a lesser extent, international migration.

Migration's costs and benefits

Migration brings large benefits to migrants and to the countries involved. But it also brings challenges. Migrants from the poorest countries, on average, have experienced a 15-fold increase in income, a doubling of school enrollment rates, and a 16-fold reduction in child mortality after moving to a developed country.

In the origin countries, migration lowers unemployment, opening access to more-productive and higher-paying jobs. Migrants' remittances offer tangible benefits to origin countries. In 2015, remittance flows to developing countries reached $432 billion, more than three times the size of official development assistance. Migration also facilitates trade, investment, and transfers of technology. But migration may also involve costs, including the so-called brain drain, especially associated with the migration of teachers, doctors, and nurses.

In the destination countries, immigration increases labor and skill supply, innovation, and entrepreneurship. A recent OECD report (2013) demonstrated that immigration provided a net positive fiscal effect. In the aging societies, immigration of young workers could ease the strained pension systems and the burden of caring for the elderly.

Despite the documented benefits of immigration, many people and policymakers in destination countries fear that immigration leads to loss of jobs, imposes heavy burdens on public services, erodes social cohesion, and increases crime levels. These negative perceptions are factually incorrect or overblown. The wage and employment effects of immigration are relatively small, since migrants and natives are not competing for the same jobs; in many countries, migrants have net positive effect on government budgets; and immigrants are less likely to commit serious crimes or be behind bars than the native-born. This paper does not address issues related to national security or national identity.

A role for the World Bank Group

Historically, the global architecture for governing migration is marked by a dichotomy between refugees and migrants. And migration has not been the focus of successful multilateral agreements; instead, it has been dealt with on a bilateral basis, with receiving countries playing the leading role.

Analysis of the World Bank Group's past activities and consultations with partners and stakeholders suggest that the institution could contribute to the global migration agenda in four areas: (i) financing migration programs; (ii) addressing fundamental drivers of migration; (iii) maximizing the benefits and managing the risks of migration in sending and receiving countries; and (iv) providing knowledge for informed policy making and improving public perceptions. In order to operationalize these roles, the Bank Group's Sustainable Country Diagnostics and Country Partnership Frameworks should be viewed through a migration lens in countries or regions or sectors where outward migration, inward migration, or remittances are important. Finally, the paper provides a template for a migration diagnostic tool for origin and destination/transit countries. In the case of the receiving countries, solutions must address any impacts on local people.

The multi-faceted nature of migration will require partnerships with other UN organizations, multilateral development banks, civil society, and the private sector. Viewing migration through the lens of reducing poverty and sharing prosperity while respecting human rights can provide a unifying framework for operationalizing the Bank Group's knowledge on migration and mobilizing its financial resources and convening power.

Chair Summary

The Executive Directors discussed the paper "Migration and Development: A Role for the World Bank Group" and expressed broad support for the World Bank Group's (WBG) engagement in the area of migration. They supported the role of the WBG in four areas: financing; addressing drivers of migration; maximizing benefits/mitigating risks; and providing knowledge for informed policy making. They welcomed the development of the proposed migration diagnostic tool and preparation of an action plan on migration.

Directors urged the WBG to use its convening power to work with partners in addressing the multi-faceted nature of migration, including United Nations (UN) organizations, MDBs, civil society, and the private sector. They welcomed the timely preparation of the paper in the run up to the September 19 UN General Assembly Summit Meeting on Large Movements of Refugees and Migrants and the upcoming discussions of the Global Compact on Safe, Orderly and Regular Migration.

Directors appreciated the balanced approach to migration presented in the paper. They recognized the importance of South-South migration and emphasized the contributions of migration to the destination countries in general, but also those in the developing world. Directors noted the importance of maximizing the benefits and managing the risks of migration in sending and receiving countries, in particular by supporting the migrationrelated SDGs. They emphasized reducing the cost of recruitment of low-skilled migrant workers, reducing the costs of remittances, and harnessing the potential contributions of diaspora. Directors recognized the WBG's valuable contributions to research and knowledge activities on migration and urged expansion of these efforts, including data and evidence-based analysis that inform policy making and build statistical and institutional capacity to address migration.

Directors underscored the importance of understanding the costs and benefits of migration for sustainable development. They noted the need to develop tools that would support the inclusion of migration in country diagnostics and strategies, recognizing the WBG's mandate and strategic focus on reducing poverty and inequality and boosting shared prosperity, and the importance of country-level as well as regional and global responses to migration. Directors noted the need to further define the

WBG's operational instruments for addressing migration taking into account the role of the WBG and its partners, alignment with the WBG strategic focus, and resource constraints. Directors also supported technical and operational activities to better understand the growing labor force, the need for job creation, and the relationship to migration.

August 25, 2016

Migration and Development: A Role for the World Bank Group

Introduction

This paper responds to a request from the World Bank's Executive Directors to provide an overview of the economic benefits and challenges associated with international migration and to "intensify work on migration more broadly." It is intended to inform the Bank's participation in the upcoming UN General Assembly's Summit on "Large Movements of Refugees and Migrants" on September 19 and the Leaders' Summit on September 20. Section VI describes the events leading up to these summits.

The paper deliberately focuses on the broader phenomenon of international economic migration, thus directly addressing the one of the two proposed Global Compacts—that on safe, orderly and regular migration. It also acknowledges the common challenges and vulnerabilities faced by vulnerable migrants—including irregular migrants, smuggled and trafficked migrants, unaccompanied child migrants, stranded migrants, and migrants displaced by disasters and environmental change. The other global compact on refugees, based on the Comprehensive Refugee Response Framework, is partially addressed in annex A which summarizes the Bank's paper on forced displacement issued in April 2016.

This paper has three objectives. First, it sets out stylized facts on international migration and describes three fundamental drivers: income gaps, demographic change, and environmental change. Second, it highlights the benefits and costs associated with global labor mobility in both sending and receiving countries. Third, it describes the global architecture for governance of migration and suggests a few areas where the Bank could usefully contribute by designing customized solutions that address heterogeneous and context-specific complexities of migration.

Stylized Facts: Migration as Integral to Development

Economic development and growth require people to move where the jobs are, that is, from lagging to leading regions within a country or across national borders. Labor is the main asset of the vast majority of the world's poor, and migration offers the best opportunity for finding a better job (or any job) and thereby escaping poverty and unemployment. Yet, only about a quarter of migrants move to another country. The majority prefer to move short distances. Separation from family involves psychological costs, the financial costs of moving, and the risk of not finding a job. The costs of adjusting to a new place in another country can be high.

Migration is complex (box 1). Recent crises have forced us to focus on refugees and asylum seekers escaping violence, conflict, or persecution. Refugees and people displaced by such crises—and by natural and man-made disasters in general—are referred to as "forced migrants" to distinguish them from "voluntary migrants," who are not compelled by immediate events to leave and have more time to choose where and how they will reach their desired destination. The latter are driven by economic factors such as poverty and inequality. In practice, the distinction between forced and economic migration often falls into a grey zone. Motivation for migration is often mixed, with most migrants experiencing a range of economic, political, and social "push factors." Economic migrants also use the routes used by refugees. And refugees may become economic migrants at some stage, especially when moving to a different country from the first country of asylum. Refugees and migrants face similar challenges and vulnerabilities, especially in the context of "large movements."[1]

As of 2015, there were some 250 million international migrants throughout the world (figure 1), with women making up 48 percent of the total. Approximately one-third of international migrants are under the age of 30 (UNDESA 2016). More than 150 million international migrants are migrant workers (ILO 2015). Figure 1 also shows that the stock of refugees includes 16.1 million refugees recorded by the United Nations High Commissioner for Refugees (UNHCR) and 5.2 million Palestinian refugees registered by the United Nations Relief and Works Agency (UNRWA). Although the stock increased significantly in 2014 and 2015, it has yet to reach the historical high recorded in the early 1990s.

BOX 1. Complexity of definitions and measurement issues

International migrants are persons who change their country of residence regardless of reason, motivation, etc. (UN Recommendations on International Migration Statistics). Migrants primarily cross national frontiers in search of better education, living conditions, and economic prospects. Thus, in international law, a "migrant worker" is someone who engages in a remunerated activity in a country of which he or she is not a national. Migration is mainly driven by economic reasons, family reunification, or other motivations not included in the legal definition of a refugee. In practice, most countries define international migrants as "foreign-born," but some define them based on citizenship status. *Internal migrants* are those who have moved across administrative boundaries within national borders.

A *refugee* is a person "who is outside his or her country of nationality or habitual residence; has a well-founded fear of being persecuted because of his or her race, religion, nationality, membership of a particular social group or political opinion; and is unable or unwilling to avail him- or herself of the protection of that country, or to return there, for fear of persecution" (United Nations Convention Relating to the Status of Refugees). *Asylum seekers* are people in the process of having their refugee status determined.

Internally Displaced Persons (IDPs) are "persons or groups of persons who have been forced or obliged to flee or to leave their homes or places of habitual residence, in particular as a result of or in order to avoid the effects of armed conflict, situations of generalized violence, violations of human rights or natural or human-made disasters, and who have not crossed an internationally recognized State border" (UN Guiding Principles on Internal Displacement).

Refugees and IDPs are often referred to as *forced migrants*. By implication, other migrants—in particular economic migrants—are often called *voluntary migrants*. A distinguishing feature of forced migration is that the migrants may not have sufficient time and choice to determine when and how to leave and where to go. The term *vulnerable migrants* is also used to refer to unaccompanied child migrants, smuggled persons, victims of trafficking, and migrants who become stranded in another country. Frequently the term *mixed flows* is used for refugees and asylum seekers as well as flows that fall outside established protection categories but are in need of interventions, such as vulnerable migrants and economic migrants.

Irregular migrants or *undocumented migrants* are those who have entered or work in a country without a proper visa or in violation of laws governing entry, stay or employment of foreigners. Internal movements are more difficult to record than movements across international borders.

Temporary migration refers to migration for a specific motivation or purpose with the intention that, afterward, there will be a return to the country of origin or onward movement.

Circular migration involves a repetition of migration by the same person between two or more countries. Researchers point out that after 10 years, almost half of original immigrants had left their destination country in Europe and 20 percent had left Australia, Canada, New Zealand, or the United States (Dustman and Gorlach 2015, OECD 2008). The term *return migrant* is self-explanatory.

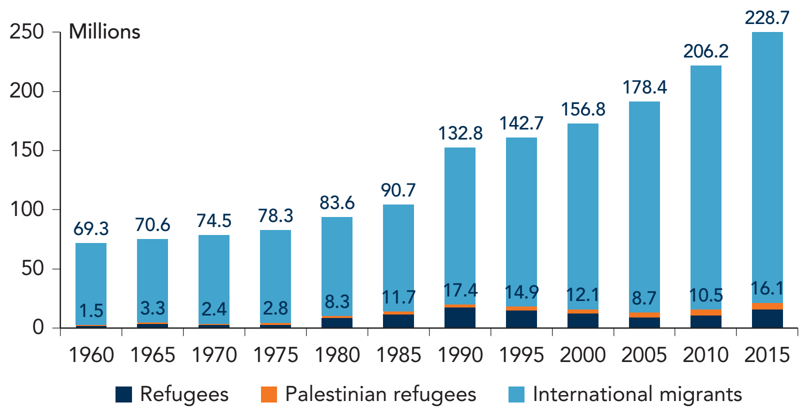
The number of international migrants (including refugees) surpassed 250 million by 2015 (KNOMAD 2016, based on data compiled by the United Nations and newly available data for some countries). By the end of 2015 there were 21.3 million refugees, including 16.1 million refugees reported by the United Nations High Commissioner for Refugees (UNHCR) and 5.2 million Palestinian refugees registered by the UNRWA. In addition, there were 3.2 million asylum seekers. Globally, internal migrants are estimated to number about 763 million (UNDP 2013, Lucas 2015). Of these, according to the International Displacement Monitoring Centre, IDPs number 40.8 million, or 5.3 percent.

Data on international migrant stocks are subject to many pitfalls, the most salient involving irregular migrants and those who move frequently. Even the data on refugees need improvement, despite the existence of a registration process implemented by UNHCR. And many practical and methodological challenges complicate the collection of data on IDPs, especially in conflict or disaster zones.

Migration data since 1990 are artificially inflated by the creation of many new countries from the territory of the former Soviet Union and former Yugoslavia, which caused many people to be classified as migrants even if they did not move. For instance, more than 2 million Russians living in Kazakhstan, formerly classified as Soviet citizens, are now classified as international migrants.

The share of immigrants in the world's population has increased only modestly in the past half-century, from 2.4 percent in 1960 to 3.3 percent in 2015 (UNDESA 2016; Ozden and others 2011). A comparison with other indicators of global integration, such as trade and capital flows, reveals that between 1960 and 2015, international migration as a share of world population increased by a factor of 1.2, while world imports as a share of world GDP increased by a factor of 2.4, and world foreign direct investment (FDI) as a share of GDP rose by a factor of 7.7 between 1970 and 2015.[2] However, the number of migrants in the population of the high-income OECD countries rose from 9 percent in 2000 to 12 percent in 2015, mainly due to migration from countries that joined the European Union after the breakup of the Soviet Union.

FIGURE 1. International migrants and refugees



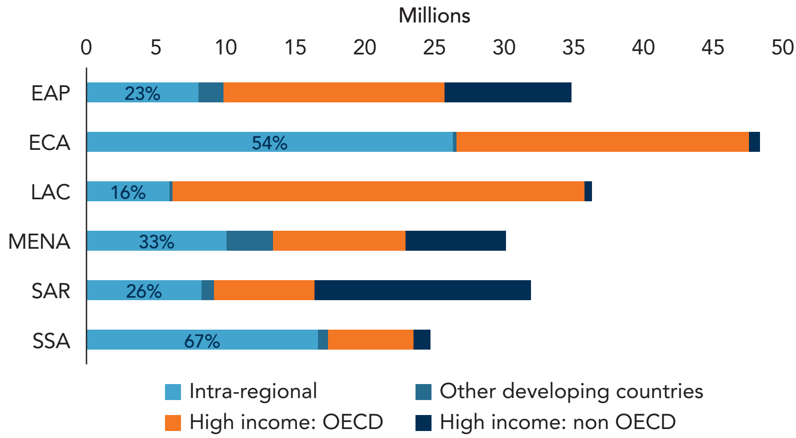
Note: Refugee data shown in the figure include refugees reported by UNHCR as well as Palestinian refugees registered by UNRWA. The latter numbered 5.2 million in 2015.
Source: United Nations Department of Economic and Social Affairs, UNHCR, UNRWA, KNOMAD (2016).

The largest immigration country is the United States (46.1 million) followed by Germany (11.1 million) and Russia (11.0 million) (KNOMAD 2016). However, as a share of population, the top migration destinations are Qatar (91 percent), United Arab Emirates (89 percent) and Kuwait (72 percent). The largest source country for migration is India (13.9 million), followed by Mexico (13.2 million) and Russia (10.9 million). However, as a share of population, the top emigration countries are small island nations such as Guyana (60.8 percent), Samoa (60.2 percent) and Jamaica (40.4 percent).

Despite the media focus on migration to high-income OECD countries, South-South migration is larger than South-North migration (figure 2) (Ratha and Shaw 2007). Outside the high-income OECD countries, Saudi Arabia, the United Arab Emirates, Ukraine, India, Thailand, Jordan, Kazakhstan, and South Africa are among the top host countries, mostly for migrants from neighboring countries. In Qatar and UAE, migrants account for nearly 90 percent of the population.[3] While Mexico-United States is the largest migration corridor in the world, Russia-Ukraine and Bangladesh-India are the second and the third largest corridors.

In Sub-Saharan Africa, intraregional migration is larger (67 percent) than migration to other regions. The equivalent figure for Europe and Central Asia is 54 percent. Major destination countries within Africa are South Africa, Côte d'Ivoire, Nigeria, Kenya, and Ethiopia. Intraregional migration is also significant in the Middle East and North Africa (34 percent) and in East Asia and Pacific (23 percent).

FIGURE 2. South-South, intra-regional, and South-North migration



Source: KNOMAD (2016) based on migrant stock data from the United Nations Department of Economic and Social Affairs.

The statistics presented above do not fully account for irregular or undocumented migrants, for whom good data do not exist. Anecdotal evidence suggests that almost all large migrant-receiving countries face the challenge of irregular migration. In the United States alone, the number of undocumented migrants exceeds 11 million, or nearly a quarter of the immigrant stock (Krogstad and Passel 2015). In Europe, Clandestino (2009) estimated about 1.9 million to 3.8 million unauthorized immigrants in 2008. Koser and Lutz (1998) found that a large number of asylum applicants who were not granted asylum chose to stay in their destination countries without residency permits. The reduction of legal paths to migration and the change of policies toward skilled migration in Europe seem to have created more pressure for undocumented migration of low-skilled workers.

Irregular migration gives rise to a set of complex problems ranging from abuse of basic human rights and worker exploitation to negative popular perceptions of migrants. Policies to address irregular migration include a combination of tighter border controls, enforcement targeting employers, incentives to return, and regularization programs. Evidence from the U.S.–Mexico border suggests that increasing the number of border control agents increases smuggler's fees but is unlikely to curtail the number of migrants (Hanson and McIntosh 2009; Massey, Durand and Malone 2002; Martin 2004; Passel and Suro 2005; Ratha 2009).[4] Since border controls are not always effective (Brochmann 1999; Cornelius 2005), destination countries—in Europe and the United States—implement policies of discouragement, exclusion, and internal control. Some examples include employer sanctions, incarceration, deportation, and increased surveillance by police. In several countries, undocumented migrants do not have access to public services. However, there is little empirical evidence of the effectiveness of these policies (Orrenius 2014). Many undocumented workers find informal jobs in host countries; when they are deported, a large proportion of them find ways to reenter. Also, contrary to expectations, requirements for the verification of employment eligibility have led to diminished employment among *legal* low-skilled workers, especially men (e.g., Amuedo-Dorantes and Bansak 2014; Bohn, Lofstrom, and Raphael 2015).[5]

Several countries have undertaken regularization programs—among them Argentina, Chile, Portugal, Spain, and the United States. Orrenius (2016) found no empirical evidence that regularization programs in the European Union countries encouraged more migration, unlike in the United States, where (undocumented) flows resumed after the 1986 regularization program (Orrenius and Zavodny 2003).

While undocumented migrants lacking access to formal job and product markets are likely to join the informal sector, there is no evidence that migration itself creates informality. Informal economic activities are often a result of burdensome tax policy, regulations, and safeguards. The regularization programs in Argentina and Spain did not appear to affect the size of the informal sector (Bosh and Farre 2013; Montoya and Giordano 2012).[6]

In the case of developing countries that already have a large informal economy, migrant workers from neighboring countries may compete with native workers, thus creating tension, especially in times of economic crisis (Dadush 2014). At times, such tension has resulted in attacks on migrants and expulsion. In 1983, for example, the Nigerian government expelled more than 2 million immigrants, most of whom had come from Ghana, following a domestic economic crisis during which the aliens became scapegoats (Lassailly-Jacob, Boyer, and Brachet 2006). In 1969, Ghana had expelled 140,000 Nigerians (Aremu and Ajayi 2014). More recent examples of forced repatriation can be found: South Africa deported more than 300,000 migrants in 2008 and the United States deported more than 2.8 million immigrants during 2008–15. Saudi Arabia sent back 427,000 workers in 2013–14 after a change in migration policy and implementation of programs to increase the employment rate of citizens.

Fundamental Drivers of Migration

Persistent income gaps, social and economic inequality, and demographic imbalances are among the main drivers of migration, facilitated by social networks, cheap transportation, and ease of communications. There is an emerging consensus that environmental change will eventually become another significant driver. Fragility of states, conflict, and violence are primary push factors for refugees and forced displacement, but, as previously noted, the focus of this paper is the broader phenomenon of economic migration; annex A summarizes a recent World Bank paper on forced displacement.

Additional push and pull factors include persecution, social exclusion and discrimination; corruption; lack of education, healthcare and other services; and marriage opportunities. The flows of people moving across borders have been facilitated in recent decades by the plummeting costs of better infrastructure and transportation services. In addition, potential migrants now have greater access to information about opportunities elsewhere (from media or relatives). Finally, integration agreements of the past 25 years have taken steps towards facilitating labor flows, starting with the proliferation of MNCs and global value chains, to regional trade agreements such as NAFTA.

Judging from the persistence of income gaps and the demographic divergence between the high-income countries and the developing countries, migration pressures are likely to continue for the foreseeable future. The factors examined here have strong interlinkages. For example, demographic transition can affect labor supply parameters and hence wage gaps within and across countries. Social tensions can be exacerbated by economic crisis, which will further affect migration flows.

The drivers discussed below are likely to affect all migration corridors and types, but their relative impact exhibits differences. For example, the relative importance of the drivers of South-South migration differs from those of South-North migration. These differences need to be taken into account in analysis and policy formulation. Overall, however, intraregional migration and South-South migration are likely to increase more rapidly than South-North migration as migration regimes in the North continue to tighten. Similarly, the tightening of regular migration channels is likely to increase irregular flows.

Income Gaps

Persistent income gaps across countries are a powerful driver of observed migration patterns. In 2015, the average per capita income in high-income OECD countries was more than $43,000 and that in low-income countries was just over $600, a ratio of 70:1. Workers migrating to the United States from a country in the 80th percentile (in income rankings) can raise their real earnings by a factor greater than 6, an absolute gain exceeding $15,600 per year (Clemens and Montenegro 2016). For example, a taxi driver with the same skills earns seven times more in Rome than in Addis Ababa. Large income gaps between high-income and low-income countries persist not only in low-skill sectors such as construction and agriculture but also in many higher-skill occupations (ILO Global Wage Report 2012/3). Nurses make seven times more in Australia than in the Philippines; accountants six times more in the United Kingdom than in Sri Lanka; and doctors five times more in the United States than in Egypt—after controlling for purchasing power parity.[7] The poorest of the poor, however, tend to migrate internally, as they cannot afford the costs associated with international migration.

Increasing returns to scale in production and spillover benefits from the agglomeration of economic activity in ever-narrower geographic areas also attract workers to specific regions and global production centers, including those in many middle-income countries. These agglomeration forces have shaped financial centers (New York, London and Singapore), technology and knowledge centers (Silicon Valley), and regional commercial hubs (Hong Kong SAR, China, Dubai), with migrants forming a large share of the labor force.

Another force is the increasing unwillingness of native workers to perform difficult, dangerous, and unattractive jobs as their income and education levels increase. The absence of native workers from agriculture and construction employment in many countries (including the United States, the GCC countries and Malaysia) is an example. This trend further increases the demand for low-skilled migrant workers in high- and middle-income countries.

Does migration pressure ease when economic development increases incomes and employment in the country of origin? The answer depends first on the size of the income gap. As noted, the ratio between the average income of the high-income countries and that of the low-income countries stands at 70:1. Assuming that the average poor country grows at an annual rate of 5.2 percent (the actual compounded annual growth rate during the past ten years) and the rich country at 1.6 percent, it will take 118 years for incomes to equalize. Indeed, the difference in per capita incomes between the two groups of countries widens for several more decades before a process of convergence sets in.[8] Even if price levels and purchasing powers are taken into account, migration pressures emanating from income gaps are, therefore, likely to continue for the next few decades. This is not to suggest that incomes will have to equalize before the migration pressure subsides, because of the effects of nonmonetary drivers of migration, such as employment growth and aversion to separation from family. For example, Thailand in the 1980s and Chile in the 1990s transformed from net-emigration countries to net-immigration countries even as their income levels lagged behind those of many high-income countries.

Second, there can be an inverted-U relationship between emigration and development: As a poor country develops, rising income levels actually enable more people to migrate by making it easier to finance migration costs. As income levels continue to rise, wage gaps with the high-income countries and relative gains from migration decline. At some point, original source economies—such as the Republic of Korea; Chile; Turkey; Taiwan, China; and Singapore—may even become destinations (Docquier, Peri and Parsons 2016). The Republic of Korea and Taiwan, China are especially interesting, as their upward income shift clearly benefitted from the presence of diaspora members overseas, in the form of skill and technology transfers as well as trade and entrepreneurship.[9]

Third, wide income inequality within the origin countries, especially low-income countries, operates as a powerful push factor. For many poor people whose labor is their only asset, migration to a richer country provides one of the few opportunities to escape poverty (Borjas 1987).

Demographic Divergence

A sharp, well-documented demographic divergence separates high-income countries and the developing countries, especially those in Africa and Asia. In Western Europe today there is only one 20-year-old for every 65-year-old and this ratio is projected to be halved by 2040. By comparison, the same ratio is 4:1 in India and 7:1 in Nigeria. The consequence of the current population trajectories will be large labor-market imbalances and fiscal pressures in high-income countries as the tax base narrows and the cost of caring for the old surges. On the other hand, developing nations with growing pools of young people will need to create adequate jobs to reach their targets for poverty reduction and growth.[10]

Demographic projections indicate that the working age population (15+) in the developing countries will increase by 2.1 billion by 2050 (table 1). If national employment is maintained at the same rate as in 2015, only 1.2 billion will find employment in their own country, leaving nearly 900 million unemployed people of working age.

TABLE 1. Implications of demographic projections for unemployment and migration pressure in the developing world by 2050

	Change in working age population, 2015–2050 (million) (A)	Change in employment 2015–2050, needed to keep employment rates at 2015 level (million) (B)	"Migration pressure" created by the unemployed (million) (A–B)
All developing countries	2,119	1,243	875
East Asia & Pacific	200	135	65
Europe & Central Asia	8	4	4
Latin America & Caribbean	179	109	70
Middle East & North Africa	204	84	120
South Asia	600	317	283
Sub-Saharan Africa	928	595	333
High income: OECD	78	44	35

Source: International Labour Organization calculations based on ILO *Trends Econometric Models* and UN World Population Prospects (2015 Revision).

Note: Working age 15+; Employment rate = Employment 15+/Population 15+.

In addition to affecting overall employment levels, demographic divergence exerts migration pressures through its effect on wages, pension benefits, and retirement decisions. For example, the shrinking of the labor force in the North, and especially of the number of younger workers, will lead to higher wage gaps between young unskilled workers in the North and younger workers in South. These widening gaps will attract younger workers to the labor market in the North; those workers are likely to try to enter informally if legal channels are blocked. Evidence and projections suggest that the resulting migration pressures will be especially strong in North Africa, South Asia, and Sub-Saharan Africa.

Aging economies would benefit by attracting younger workers to maintain the labor force and support social security systems. If managed properly, economically efficient, socially responsible, and legally sound migration regimes can enhance welfare for sending and receiving countries alike. However, the window of opportunity for such demographic arbitrage will remain open for a relatively short period of time; it will begin to close as migrants acquire the demographic characteristics of the native population (by aging and having fewer children) and lower-income countries enter their own demographic transitions (World Bank 2015a).

Environmental Change

Earthquakes, floods, and droughts have forced people to move to more hospitable locations throughout history (Black et al. 2011; Foresight 2011; White 2011). Relevant data on such displacement across borders, however, are scarce. According to the International Displacement Monitoring Centre, 19.2 million people were displaced by natural disasters in 2015. The bulk of this displacement takes place within the affected country, although it is conjectured that some displaced people cross over to neighboring countries. Current data indicate that the impact of climate change and weather shocks on international migration is relatively small, especially when compared to labor market factors such as wage gaps. However, current patterns also indicate that environmental change—through increased drought and desertification, rising sea levels, repeated crop failures, and more intense and frequent storms—is likely to increase internal migration, and to a lesser extent, international migration, especially in the case of small island nations. The poor are particularly vulnerable to these shocks (Martin 2012; Adger et al 2014; IPCC 2014).

Disasters and climate change affect migration differentially depending on their speed of onset. That is, rapid-onset events such as earthquakes and floods have effects different from those of slower-onset events such as drought and erosion. In the case of the former, migration is likely to be temporary, while in the latter case, it can be permanent (Wodon and others 2014). In Central America, increasing numbers of people are choosing to migrate as a result of a combination of factors such as food shortages, dwindling farming jobs, worsening hunger caused by droughts, as well as high levels of insecurity caused by crime and gang violence. Three and a half million people in El Salvador, Guatemala, and Honduras are affected by one of the region's most severe droughts, contributing to increasing migration within the region and to the United States and Mexico (Heimann 2015). In 2015, Angola, Botswana, Malawi, Namibia, South Africa, and Zimbabwe all experienced extreme droughts attributed to El Niño. Governments in that region are increasingly concerned about trafficking, human smuggling, and abuses of the asylum system attendant upon the movement of large numbers of people.

World Bank (2013) finds that "increasing heat waves, warmer average temperatures, stronger and more frequent hurricanes, and rising sea levels will potentially impact migration and conflict outcomes."[11] Another report (World Bank 2016a) emphasizes the importance of managing climate change and its impact on poor people to end poverty. Yet another study finds that "in areas affected by climate change, climate factors account for one-tenth to one-fifth of today's migration (Wodon et al. 2014). The same study underscores the importance of key socioeconomic factors as determinants of migration.

BOX 2. International institutional framework for migration driven by disasters and climate change

In contrast to refugee movements driven by conflict and persecution, no international conventions apply specifically to the situation of those displaced by natural disasters or the slow-onset effects of climate change (Martin 2012). However, the Nansen Initiative, co-chaired by the Swiss and Norwegian governments, presented an "Agenda for the Protection of Cross-Border Displaced Persons in the Context of Disasters and Climate Change." Endorsed by 109 governments, the Agenda for Protection focuses on three principal areas of action: (i) improving the collection of data and enhancing knowledge on cross-border disaster-displacement; (ii) increasing humanitarian protection for persons displaced across borders, including mechanisms for lasting solutions; and (iii) strengthening the management of disaster-displacement risk in the country of origin. The German-led Platform on Disaster Displacement, which was announced at the World Humanitarian Summit in May 2016, will follow-up on the Agenda for Protection to encourage implementation of its recommendations.

National, regional, and global climate-adaptation strategies related to migration fall into two major categories. First, reducing the negative impacts of climate change—for example, by modifying agricultural practices, improving infrastructure, and implementing other strategies to reduce pressures on fragile ecosystems—is seen to shrink migration pressures and encourage people to remain where they are. Second, migration itself becomes an adaptation strategy to the extent that reduces demand pressures in locations with fragile ecosystems or exposed to environmental shocks. While these two approaches may seem contradictory, they should, in fact, be complementary components of a long-term strategic plan. An orderly and voluntary migration scheme will reduce environmental pressures, increase wealth, and reduce poverty. Most importantly, such mechanisms will prevent mass migration of an even larger share of the population when disaster strikes (box 2).

Benefits and Costs of Migration

Migration affects the welfare of the migrant, the household, and the community left behind, as well as the host community in the destination country. Cumulatively, these effects translate into benefits and costs for sending and receiving countries, as explored in this section.

In a macroeconomic sense, even marginal easing of international migration barriers can lead to economic gains larger than those that would be produced by full trade liberalization (World Bank 2006).[12] The overall impact of migration on the origin country is most often, though not always, sizable, and positive. Yet differential effects on specific sectors of the economy, segments of the labor force, and geographic regions may produce negative effects. Large-scale immigration can pose serious challenges to government, which may have to build sizable supporting social and physical infrastructures and, more generally, to civil society, which may be confronted with issues of adaptation and assimilation.

The bulk of the benefits from international migration accrue to migrants themselves, as their income increases significantly. Migrants from the poorest countries, on average, experienced a 15-fold increase in income, a doubling of school enrollment rates, and a 16-fold reduction in child mortality after moving to a developed country. But benefits to migrants cannot only be evaluated in economic terms. Migration can empower migrants (especially women and minorities), providing an escape from abusive social practices (Ratha et al. 2011).[13] However, in most cases, moving to another country and being separated from one's immediate family comes at considerable emotional cost (D'Emilio et al. 2007). The impact is not limited to the migrants themselves, but also affects the family left behind. Separation from parents has long-term consequences on children's lives. And migrants incur significant personal risks: the journey can be perilous; they may face health hazards[14]; they may fall prey to traffickers, abusive employers, and unscrupulous recruitment agents; and they may have to face abrupt return owing to economic crisis or deportation.

Benefits for Origin Countries

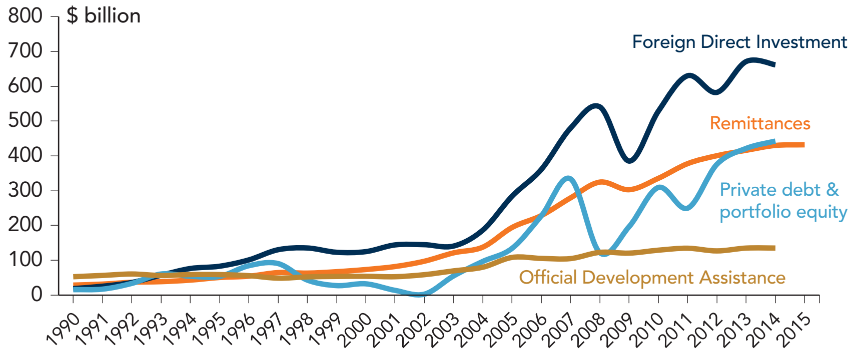
Efficient allocation of labor provides one of the most critical paths for development. Many countries stay poor and suffer from inequality because their labor force is stuck in low-productivity locations, occupations, and sectors. Migration lowers unemployment and underemployment, and creates access to more-productive and higher-paying jobs. In short, migration is a powerful tool for development. The creation of better, more productive and higher paying jobs—regardless of where those jobs are and whether workers are high- or low-skilled—is important for development. This idea needs to occupy a central role in the migration policy debate, especially for low- and middle-income sending countries.

The developmental effects of migration depend on the characteristics of migrants—high-skilled or low-skilled, permanent or temporary. Whereas permanent migration may ease integration at the destination and yield higher benefits for individual migrants, temporary migration may lead to larger benefits for the origin country through return of human, physical and social capital. Depending on the underlying labor-market shortages and surpluses, high-skilled or low-skilled emigration may provide higher benefits. The evaluation of these differences and consequent, policy responses will need to be country- and corridor-specific.

Remittances have a special place among the tangible benefits of migration to origin countries. Migrants often share their increased income with their family back home. In 2015, remittance flows to developing countries reached $432 billion, more than three times the size of official development assistance (figure 3)(World Bank 2016a).[15] Excluding China, remittance flows to developing countries also significantly exceeded FDI flows. In 2013, remittances to India were larger than its exports of information technology services. In 2015, remittances to Egypt were four times the size of its revenues from the Suez Canal. In most small island nations and countries such as Tajikistan, Nepal and Haiti, remittances amount to nearly one-third of GDP. Unlike official aid, which must go through official agencies, remittances flow directly to the families of migrants and therefore are arguably more efficient in meeting the needs of the recipients. And unlike private capital flows, which tend to be highly cyclical, remittances are relatively stable and often consumption-smoothing—that is, they act as insurance for families during economic crises—as in Mexico and the Philippines—and following natural disasters—as in Nepal after an earthquake, Central America after a hurricane, or the Philippines after a typhoon. Remittances also have strong stabilizing effects on macroeconomic volatility by financing current account deficits (Ratha 2003; De et al. 2015; World Bank 2016b).

Remittances are a great way of sharing prosperity between different places. They can reduce the level of poverty by directly augmenting the incomes of poor households.

FIGURE 3. Trends in remittances, ODA, and private capital flows, 1990–2015



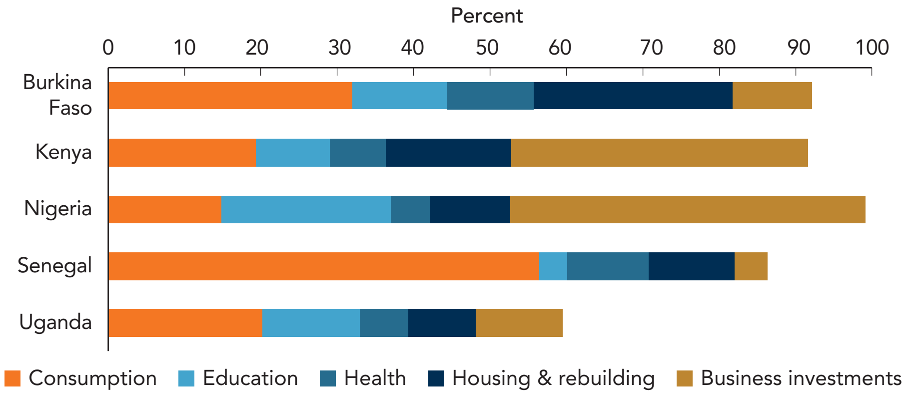
Source. World Development Indicators, DEC Migration and Remittances Unit

By raising aggregate demand, they increase the employment and wages of the poor. A cross-country study of 71 developing countries found that a 10 percent increase in per capita international remittances produced a 3.5 percent decline in the share of people living in poverty (Adams and Page 2005). Evidence from Latin America, Africa, South Asia, and other regions suggests that remittances reduce the depth and severity of poverty, while indirectly stimulating economic activity (Adams 1991; Lachaud 1999; Fajnzylber and Lopez 2007; Adams 2006b; Gupta, Pattillo, and Wagh 2007; Anyanwu and Erhijakpor 2010; Ajayi et al. 2009). Were it not for remittances, the share of the poor in the population would have been 4 percentage points higher in Nepal, 5 percentage points higher in Ghana, 10 percentage points higher in Bangladesh, and 11 percentage points higher in Uganda (Adams and Page 2005; Acosta et al. 2008; World Bank 2012; World Bank 2016a).

While remittances are spent primarily for consumption especially in the case of poorer households, they also provide funds for education, health, and business investments in many poor countries (figure 4). Household surveys for Burkina Faso, Ghana, Nigeria, Senegal, and Uganda. Plaza, Navarrete, and Ratha (2011) show that the share of remittances spent on consumption (food, clothing, and rent) ranges from more than 56 percent in Senegal to less than 15 percent in Nigeria. Conversely, spending on education, health and investments accounts for 43 percent of remittances in Senegal and 85 percent in Nigeria. In general, the latter type spending tends to be higher in the case of remittances from outside Africa than in the case of intra-regional remittances.

Empirical studies have found mixed evidence that remittances increase economic growth (Clemens and McKenzie 2014; IMF 2005; World Bank 2006b; Freund and Spatafora 2008; Barajas et al. 2009; Singh, Haacker and Lee 2009). In general, studies focusing on the labor-supply response of remittance-recipient households tend to find

FIGURE 4. Uses of international remittances in selected African countries



Note: Consumption includes food, clothing, rent, marriages and funerals.
Source: Plaza, Navarrete, and Ratha (2011).

that remittances lower work efforts and hence reduce long-term growth (Azam and Gubert 2006; Chami, Fullenkamp, and Jahjah 2003). Other studies find that remittances improve financial access and financial development and therefore stimulate growth (Toxopeus and Lensik 2007; Giuliano and Ruiz-Arranz 2005; Gupta, Pattillo, and Wagh 2007). The extent to which a country's investment climate encourages investment, remittances can facilitate imports of intermediate goods and have an important second-round effects on growth. (In the case of Vietnam, more than 80 percent of imports are non-consumption goods, whereas in the case of the Philippines such goods are less than 70 percent of imports, see Ahsan and others 2014). Empirical evidence from Latin America and Cape Verde suggests that remittances can lead to inflation of the price of non-tradables and appreciation of the exchange rate, which can reduce the competitiveness of exports—the so-called Dutch Disease (Bourdet and Falck 2006; Fajnzylber and Lopez 2007; Gupta, Pattillo, and Wagh 2007). However, the exchange-rate effects of relatively persistent remittance flows are better managed through efforts to improve economic competitiveness (investment in infrastructure, increased worker productivity) than through sterilization policies applied to one-off natural resource windfalls (Ratha 2003; Rajan and Subramanian 2005; IMF 2005).

In general, the inconclusive results on the impact of remittances and growth may be largely due to the difficulty of separating the cause from the effect: if remittances react counter-cyclically to growth, then the negative relationship between the two is a result of reverse causality running from growth to remittances, not vice versa.

International trade, migration, investment, and technology transfer are all important and interconnected facets of globalization. There is a vast academic literature on how these forces influence one another (Parsons and Winters 2015). One of the main conclusions is that the movement of people across national boundaries facilitates movement of goods, ideas and capital, by lowering transactions costs, informational asymmetries and legal barriers. Starting with Gould (1994) and Rauch (1996, 1999), empirical studies have shown the nature and the extent of the impact of migration on trade. Sharing the same language or a similar cultural background eases communication and facilitates better understanding of procedures and regulations (Plaza and Ratha 2011). The impact of migration on trade differs by type of good (for example, differentiated goods versus more-uniform commodities) and the skill level of the migrants.

Migrant networks affect investment and capital flows across a wide range of countries and sectors. Diaspora members can act as catalysts for the development of capital markets in their countries of origin by diversifying the investor base, introducing new financial products, and providing reliable sources of funding. Moreover, these emigrants may be more willing than other investors to assume risks in their origin country because they are better able to evaluate investment opportunities and possess contacts to facilitate the investment process (Lucas 2001). According to Nielsen and Riddle (2007), emotion, sense of duty, social networks, strength of diaspora organizations, and visits to the origin country are important determinants of diaspora investment. Several studies have found that migration facilitates FDI.[16]

Migrants also invest in non-resident deposits in the country of origin. It is estimated that their savings in the destination country amount to more than $500 billion (Ratha, De and Yousefi 2014). These savings can be mobilized by origin countries via innovative financial products (see section VII).

Another critical yet difficult-to-quantify effect of migrants is the role they play in transferring knowledge and technology across national borders. Japan, the Republic of Korea, and Taiwan, China are examples of economies that have relied on their diasporas as sources of knowledge. More industrialized labor-sending countries with large, skilled emigrant populations such as India and China have also been able to tap their expatriates and develop mentor-sponsor models in certain sectors or industries. Kerr (2008) finds evidence of transfer of knowledge between ethnic emigrant groups in the United States and their home countries. This diffusion of knowledge is found to affect productivity in high-tech manufacturing sectors. Agrawal et al. (2011) provide empirical evidence in support of the contribution of the Indian diaspora to the development of some the most important innovations in India.

Diasporas may also provide origin-country firms access to technology and skills through professional associations, temporary assignments of skilled expatriates in origin countries, distance teaching, and return (mainly for a short period) of emigrants with enhanced skills. Diasporas become important sources of ideas and social capital, especially during periods of democratic transition and economic opening. To increase the benefits of these activities, countries will have to survey the human resources available in their diasporas, create active networks, and develop specific activities and programs (Plaza and Ratha 2011).

Costs to Origin Countries

Among the most cited and discussed negative effects of global labor mobility on sending countries is the so-called brain drain caused by the migration of skilled people (Bhagwati and Hamada 1974; Gibson and McKenzie 2011). Such migration is indeed a broad and persistent phenomenon. More than a fifth of high-skilled workers from low-income countries and more than 40 percent of those from small island nations have migrated to high-income countries (Artuc and others 2015).

Brain drain concerns emerged in 1970s with the arguments that high-skilled emigration depletes poorer developing countries of their most scarce asset—human capital. Certain high-skilled occupations, like teachers, doctors or scientists generate social externalities that are critical for long-term growth and social welfare. Brain drain, especially migration of such professionals, leads to the loss of these spillovers (Docquier and Rapoport 2008). For example, Bhargava, Docquier, and Moullan (2011) analyze the emigration of doctors from Africa and argue that a reduction in their high level of migration would lead to improvements in several health outcomes—among them child and infant mortality, vaccination rates, and respiratory infections. Although an analysis by the World Health Organization indicates that the emigration of medical professionals accounts for a small share of the current shortages of medical personnel in parts of Africa and Asia (WHO 2006), emigration is a severe problem in over 25 countries.

An additional concern about the effects of brain drain is motivated by its implications for public finance. While developing countries finances the education of emigrants, the argument goes, the return on these investments is reaped by high-income countries. Furthermore, the sending country is exposed to significant losses in tax revenues from the emigration of people with relatively high earning potential. A third issue is based on concerns that high-skilled emigration could amplify existing inequality between the rich and the poor.

However, on the positive side, migration of highly skilled people generates remittances. An influential body of recent work claims that the migration of highly educated workers can have a net positive impact on the demand for higher education in a country, resulting in "brain gain" (Stark and others 1998; Kone and Ozden 2016). Circular mobility of professionals can facilitate exchange of knowledge and skills between the sending and the receiving countries (Alvarez and Barney 2014; Saxenian 2005).

As the labor market becomes increasingly global, educational policies in developing countries will need to be revised to invest in skills that are needed within the country as well as in global labor markets. On the other hand, the race for talent has led some destination-country institutions to actively engage in recruitment of highly educated migrants, such as doctors. Meanwhile, attempts to restrict skilled-worker mobility, or so-called "ethical recruitment policies," do little to address the underlying causes of emigration decisions and often prove ineffective (Clemens 2009). In the end, the growing global demand for skill-intensive services such as health care and education can be addressed only by increasing investments in such skills across the board (Ratha, Mohapatra, and Scheja 2011).

Brain drain may also impose a cost on source countries if the emigration of certain groups of citizens allows the government to defer economic reforms.[17] This is the obverse of a known benefit—namely, pressure to improve political accountability back home applied by migrants living in countries with strong institutions (Batista and Vicente 2011).

Benefits for Destination Countries

We have already described how immigration of young workers could ease the strained pension systems and the burden of caring for the elderly stemming from the high dependency ratios found in high-income OECD countries. In the same vein, a recent OECD report (2013) demonstrates not only that immigration has not been a fiscal drain for the destination countries—a common concern in almost every country—but that it has provided a net positive fiscal effect.[18]

Most migration patterns result from demand and supply conditions in the labor markets of both origin and destination countries. The clearest effect of immigration in destination countries is the relaxation of the labor-market constraints. Many countries face labor shortages at both the high and low ends of the skill spectrum; immigration brings immediate increases in labor supply.[19] As an example, migrants make up 16 percent of the U.S. labor force but are especially dominant in certain occupations. They constitute 60 percent of many construction-related occupations and the majority of agricultural workers. At the other end of the spectrum, more than one-third of physical scientists, engineering professors, and doctors are also foreign born, with similar ratios in the United Kingdom, Switzerland, and Canada. These levels increased gradually over the past three decades, indicating that migrants had specialized in these two ends of the skill spectrum over time. These are also the occupations in which native workers have been in short supply. In many high-income countries, the agriculture, construction, engineering, and information technology sectors simply would not survive without migrant labor.

Economic analyses of migration in destination countries often ignore an important benefit—of increased availability of goods and services and lower prices for consumers. Because of migrants, houses are cleaned and children are taken care of more cheaply. Food—whether bought at the supermarket or served in a restaurant—is cheaper and more diverse. Prices of healthcare and university education—two of the largest cost categories in typical national accounts– are probably lower because 30 percent of the physicians and academics in the United States, the United Kingdom, and Canada are immigrants who have raised the supply of these services. The impact of migration on people's daily purchases is not easy to calculate, but these gains are real and probably dwarf any other effect.[20]

Another key benefit of migration appears through the labor market complementarities between migrants and native workers. In research labs, universities and high-tech companies, skilled workers complement each other, regardless of their nationalities and origins. Agglomeration of skills improve productivity and further expand economic activity. Such spillovers are one reason why we see less opposition to migration of the high-skilled workers.

Immigrants are also disproportionately represented among inventors, innovators, and entrepreneurs. International graduate students and skilled immigrants have a significant and positive impact on future patent applications (Chellaraj, Maskus, and Mattoo 2005). The global migration of inventors and their resulting concentration in a handful of countries, has been particularly well documented. Miguelez and Fink (2013) calculate that the global migration rate for inventors in 2000 stood at 8.6 percent, significantly higher than the average for high-skilled (university-educated) workers as whole. The United States has received an enormous net surplus of inventors from abroad, while China and India have been major source countries. Interestingly, Canada, the United Kingdom and some similar countries are major destinations, but their outflow (usually to the United States) is even larger, resulting in a net negative flow. Similar patterns are observed among entrepreneurs. In almost every country, the self-employment ratio of immigrants is higher than that of natives with similar education levels. A disproportionate share of high-tech companies (36 percent) are founded by immigrant entrepreneurs; examples include Google, eBay, and Intel. And this is not a recent phenomenon: More than 40 percent of the largest firms in the United States were founded by first- or second-generation immigrants.[21]

A key determinant of how migrants benefit from the opportunities presented in the destination country and how much they contribute is the extent of their integration and assimilation into the host community.[22] Integration refers to the process by which migrants learn and adopt languages, identities, and cultural practices to become full members of the society of the destination country (Asselin et al. 2006). There are three main areas of integration: social and cultural (language and norms, levels of tolerance between groups), economic (access to labor market, housing and education),

BOX 3. Integration and public perception of migrants

Many people in the high income countries of the Organisation for Economic Co-operation and Development consider immigration to be the most important challenge their countries face (Duffy and Frere-Smith 2014; German Marshall Fund 2015). Opinion polls indicate that many people believe that immigrants make up a higher share of their country's population than the actual numbers. For example, the gap between myth and fact is quite wide in many OECD countries such as the United States (32 versus 13 percent), France (28 versus 10 percent), and Spain (24 versus 12 percent), and the United Kingdom (24 versus 13 percent). Another critical perception is the impact of migration on labor-market outcomes for natives. More than 60 percent of voters in the United Kingdom and the United States, 50 percent in Spain and Italy, and 40 percent in France and Germany believe that immigrants take jobs away from natives, while the academic evidence is mixed. Yet such perceptions shape the political debate and policy outcomes related to migration.

Providing accurate data, analysis, and information and well-articulated outreach through print and social media is a proven way to counter misperception (Sides and Citrin 2007). A 2014 survey by the German Marshall Fund found that people's perception changed—the percentage of respondents who thought there were "too many migrants" decreased significantly in many European countries and the United States—when they were given the facts ahead of the interview (GMF 2015). Equal access to education, language training, productive activities, and integrative housing, as well as the deliberate creation of platforms for structured intergroup contact, facilitate integration.[23]

and political (citizenship rights and participation). Effective and successful integration depends on several factors: legal rights granted to the migrants by the host country (which may depend on the origin country, the education level or the occupation of the migrant), visa status (family reunification, employment related, refugee status) and other fundamental principles (such as how citizenship is defined and granted).

Migration policies differ in the extent to which migrants are granted civil rights such as free speech; social rights such as welfare benefits, education, and health care; and political rights such as voting (Ruhs 2013; United Nations 2013). Experience shows that when the share of migrants in the population grows too quickly, social and cultural tensions may lead to more restrictive migration and integration policies.

Empirical analysis shows that integration and economic contribution depend on the duration of the migration experience (OECD 2013), legal uncertainty regarding migration status, the availability of citizenship and access to labor markets (as well as other legal rights), and overall cultural acceptance by the host society. A migrant may become integrated in some ways but not others, and failure to integrate in one way may have an impact on other aspects of integration Inclusion, on the other hand, facilitates self-sufficiency and human development, which reduces welfare costs, raises tax income, and improves social cohesion (Cervan-Gil 2016). Social perceptions and attitudes held by natives are highly important for integration (box 3).

Costs to Destination Countries

Despite the benefits of immigration, large numbers of people and policymakers in destination countries view immigration as an economic burden. They fear, despite the academic evidence to the contrary, that immigration leads to loss of jobs, imposes heavy burdens on public services, erodes social cohesion and increases crime levels (UNDP 2009). Such negative perceptions of migration are further exacerbated in times of economic and political crisis. This is even more so in the case of many destination countries in the South that host a large number of migrants but lack a systematic approach and (institutions) to manage immigration.

The most critical issue in the debate on migration is its impact on labor-market outcomes for natives. But the numbers show relatively small wage and employment effects. For example, the widely cited Ottaviano and Peri (2008) study found that immigration caused an average 0.6 percent wage increase for U.S. natives over the period from 1990 to 2006. Borjas and Katz (2007), however, found the effect to be 0.1 percent. Docquier, Peri, and Ozden (2014) found that the average wage effect of new migrants (those who arrived between 1990 and 2000) was an increase of about 0.3 percent in Germany and France, 0.8 percent in the United Kingdom, and somewhere in between for most other EU countries. In short, most labor economists would agree that migration is not the main culprit for the recent labor market challenges faced by older workers and those without postsecondary education. Technological innovations, offshoring, financial volatility, rigid labor markets and demographic change all shape labor market outcomes more strongly than migration.[24]

There are important caveats to any such analysis. First, these are average results and so may obscure heterogeneous effects across society. Some groups, such as older and relatively less educated male workers who cannot compete with their present skills and have little hope of gaining new skills may suffer significant losses in employment and wages. Second, many of these workers may simply exit the labor force rather than take a wage cut. For them, early retirement, disability, or unemployment benefits may be more attractive options. Such effects will not show up in the numbers if analysis does not account for this type of semi-voluntary unemployment and focuses only on the wages of the employed. Third, big-picture analyses ignore sectoral differences. Many occupations are simply taken over by migrants willing to accept lower wages than native workers. So an analysis might find little impact on high school graduates across the country but a huge impact on the subcategory of high-school-educated machine operators or high school graduates in a specific border state exposed to high immigration.

Many studies conclude that native workers and unskilled migrant workers are imperfect substitutes or actual complements, which explains the relatively low wage impacts cited above.[25] Some authors argue that job competition from new immigrants affects existing immigrant workers, whereas native workers benefit (Van der Mensbrugghe and Roland-Holst 2009). To summarize with a quote from Dadush (2014), "Because low-skilled migrants (and it would appear skilled migrants, too) are imperfect substitutes to their native counterparts, and because the capital stock and the economy tend to expand roughly in line with the expanding population, the long-term impact on wages and employment of natives overall is almost certainly positive."[26] The low level of substitutability, in essence, implies that migrants and natives are not competing for the same jobs—and the effects are observed in many migrant receiving countries. For example, in the case of Malaysia, where a large portion of the unskilled workers in construction and plantations are migrants from Indonesia, Del Carpio et al. (2015) observe that the presence of these migrants creates jobs for young high-school educated Malaysians who are employed as their supervisors. On the other hand, middle-aged Malaysians with only primary education are likely to lose their jobs or see their wages reduced as they cannot compete.

It is such heterogeneous effects across different age, education, and sectoral groups that should be at the center of analytical and policy attention. However, the paucity of data and analysis in non-OECD destination countries is a critical shortcoming and should be a key area of World Bank analytical work in the future.

Congestion in public services and the fiscal costs of social services are among the most cited costs of migration. Yet the net fiscal impact of migrants, existing studies show, tends to be positive. On average, migrants are younger and more educated than natives in almost every OECD country. As a result, they are net contributors to fiscal accounts (OECD 2013). The costs imposed by migrants, such as on education and healthcare, depend on the rights and access they are granted. Migrant children who lack adequate education and labor market skills and, as a result, are not properly integrated are likely to impose much higher costs in the long run.

Many public opinion surveys reveal a myth that migrants are disproportionately involved in criminal activity (Mattes et al. 2000; Danso and McDonald 2001; Quirk 2008). In many countries, crime surpasses even the concern that immigrants take jobs away from natives as the main reason for public demands for more restrictive immigration policies (Mayda 2006; Bianchi, Pinotti, and Buonanno 2012). Three decades of academic research found that immigrants are less likely to commit serious crimes or be behind bars than the native-born, and high rates of immigration are associated with lower rates of violent crime and property crime. This holds true for both legal and irregular immigrants, regardless of their country of origin or level of education. Ewing, Martinez, and Rumbaut (2015) show that between 1990 and 2013, the share of foreign-born in the U.S. population rose from 7.9 percent to 13.1 percent and the number of undocumented migrants more than tripled, but the violent crime rate declined by 48 percent and property crime rate by 41 percent. The same study also finds that immigrants are less prone to criminality than the U.S. native-born. Providing support mechanisms for youth at risk and ensuring proper integration of migrants are ways to diminish the risk of violence and to manage the development impact of migration. The evidence once again indicates the important role of the economic rights and labor market access policies in integrating and assimilating all types of migrants.

Issues related to national security and loss of national identity are among the most difficult migration-related concerns to address (Collier 2013).[27] Among the arguments made is that decline in social cohesion may lead to declines in public trust and the provision of public goods, and to overall deterioration of social welfare. Although several recent papers argue against these hypotheses (for example, Clemens and Pritchett 2016), there is no truly convincing empirical evidence on these topics, and the debate will continue. Yet trust, social cohesion, communication, and assimilation are critical issues for economic development (World Bank 2015c). There is a large knowledge vacuum in this area that the World Bank could address.

World Bank Group Activities: Past And Present

The World Bank Group's engagement in international migration is recent, although it has a long history of involvement in rural-urban migration. However, most of the WBG operations, focused as they are on development, arguably have a direct or indirect impact on migration.[28] A review of selective lending operation reveals that the issues in the two types of migration are similar.[29] The Bank is supporting projects related to pre-departure, entry and stay/integration at destination, and return/reintegration in the origin country; it has no interventions relating to the transit stage or entry at destination. For a detailed summary of activities see including analytical products (but excluding activities related to forced migration) is presented in the annex tables B.1 and B.2.

The World Bank Group's efforts to close the knowledge gaps on migration intensified in the 2000s. It used its role as a provider of global public goods to lead many of the most important research and policy projects over the last decade, including flagship reports for every region and global databases. In 2013, it created KNOMAD (the Global Knowledge Partnership on Migration and Development), a global knowledge hub for data, evidence-based policy recommendations, and experts and policy makers.[30]

Lending Projects

The Bank supported $748 million of lending operations on migration over the past 15 years, of which just $92 million (12 percent) went to international migration projects.[31] The projects addressed skill development, job search, recruitment and placement, access to social and public services in the destination and origin countries, and protection of workers' rights (table 2).

Findings from these projects suggest that an integrated package of services covering both skills training and employment services is more effective than piecemeal approaches. They also reveal that, some of the interventions such as providing skills training and information to migrants were not successful. Potential migrants were less motivated than other workers to undertake training at their own cost, for example, because they did not have the guarantee of a job at the end of the training.

TABLE 2. Selected World Bank lending projects on migration (excluding forced migration)

Migration cycle	Issues addressed	Intervention/ program	Country/project
Predeparture	• Vulnerability • Informed decision making regarding safe migration • Empowerment of individual migrants	• Predeparture orientation seminars • Preemployment orientation seminars • Orientation campaigns • Community involvement • Resettlement assistance for housing • Skills training	• Bangladesh: Safe Migration for Bangladeshi Workers Project (JSDF grant) • Indonesia: Empowering Women Overseas Migrant Workers (JSDF grant) • China: Rural Migrant Skills Development and Employment Project[a] • Russian Federation Northern Restructuring Project[a]
Transit	• Vulnerability		
Entry (destination)	• Lack of Information on access to decent working conditions • Support for legal issues • Availability of information on remittances		
Stay/integration (destination)	• Lack of skills and experience • Unrecognized qualifications • Lack of knowledge of local job market	• Language courses • Skills training and recognition • Employment services	• China: Rural Migrant Skills Development and Employment Project[a] • China: Chongqing Urban-Rural Integration Project[a]
Return and reintegration	• Access to credit and financial products for investment • Access to facilities for creating self-employment activities • Orientation session on reintegration into the community	• Information on investments, enterprises, and employment • Training and retooling • Projects for livelihood, entrepreneurship, and financial literacy for returning migrant workers and their families	• Bangladesh: Repatriation and Livelihood Restoration for Migrant Workers Project • Tunisia: Participatory Service Delivery for Reintegration State and Peace Building Fund grant

a. Internal migration project. This table does not include WBG operations on forced migration.

Information on recruitment did not always targeted migrants. However, such interventions were successful when the programs were implemented in close partnerships with community-based organizations.

Projects on international migration have addressed safe migration and protection of migrant rights. The "Safe Migration for Bangladeshi Workers" and the "Empowering Women Overseas Migrant Workers in Indonesia" projects provided pre-departure training on safe migration, support during the recruitment process, and financial literacy.

Several projects addressed reintegration, return and repatriation. After the crisis in Libya, for example, the Bank funded the "Repatriation and Livelihood Restoration for Bangladeshi Migrant Workers Project" which supported migrants' safe return home and provided them with a one-time cash-grant to help them meet immediate basic needs. The International Organization of Migration partnered with the Bank on the repatriation activity. The Bank also funded local service delivery to support Tunisian workers returning from Libya.

Technical Assistance and Advisory Services

Advisory services to governments aim to assist policymakers in devising migration policies, mobilizing diaspora resources, and improving regulations and transparency in the market for remittances, with a focus on reducing remittance costs.

Toward that end, the World Bank Group organizes regular technical conferences and methodological workshops with national statistical offices, Central Banks, embassy and consulate officers and academic research institutions in developing countries to improve data quality and analysis on migration, remittances, climate change and forced displacement.

It provides technical assistance on numerous migration-related issues. In Australia and New Zealand, it helped devise seasonal worker programs for workers from the Pacific Islands. In Kazakhstan it worked with the government to craft a new migration policy on skilled and low skilled labor. In Malaysia it provided advice on the labor market impacts of skilled migration. It has provided advice on protecting migrant rights (Central America, Indonesia, Mexico); and mobilizing diaspora resources (Comoros, El Salvador, Jamaica, Liberia, Malaysia, Morocco, the Philippines, Tunisia). At the request of governments from all regions of the world, it has conducted studies on barriers to labor mobility, including wages, the portability of social benefits, access to housing, and informality, and advised governments on ways to strengthen migration systems in sending countries to balance protection with mobility. It has also advised labor-receiving countries, including Australia, Germany, Malaysia, New Zealand, Saudi Arabia, Qatar, and the United Arab Emirates, on immigration issues.

Another set of technical assistance projects focuses on remittances, financial markets, and inclusion. The Bank provided advice to more than 40 countries on reforms of the legal and regulatory frameworks and the payments systems infrastructure, in order to foster the development of new products, financial literacy, and financial inclusion.[32] In Somalia it is assisting the local authorities in developing financial and payment system reforms, with the goal of enhancing the transparency and reliability of the local market for remittances. It has assisted Australia, France, Italy, Norway, and other countries in Europe and Latin America in establishing databases on remittance prices. It has also conducted technical assistance on leveraging remittances for development through financial instruments such as the securitization of remittances (Comoros, El Salvador, Sri Lanka) and has provided assistance with the implementation of diaspora bonds (Comoros, Jamaica, Kenya, Nigeria, Sri Lanka, Trinidad and Tobago). Together with the IMF and other partner institutions, the Bank helped reestablish the payments and remittances system in Haiti after a devastating earthquake in 2010.

Data and Analytical Work

The Bank's analytical work on migration and development includes efforts to improve data, understand the impacts of migration and remittances on poverty and economic growth, and design policy recommendations for both sending and receiving countries. Research and sector work focuses on the following issues:

- assessing international bilateral labor agreements, social security agreements, social protection and portability of pension benefits
- exploring international skills certification, qualification frameworks and recognition of skills and competences acquired abroad
- identifying ways to facilitate remittances, reduce the transaction costs of sending money, and increase financial inclusion
- reducing the human capital losses associated with the migration of skilled workers
- understanding the links between migration, trade, and investment
- examining the impact of climate change on migration
- analyzing demographic changes and migration trends
- integrating migrants in host countries and reintegrating return migrants
- harnessing diaspora resources for development.

The Bank has undertaken economic and sector work on migration and remittances in all key developing countries and regions. Regional studies have studied cross-border labor mobility in East Asia and Pacific and South Asia; migration and remittances in Eastern Europe and Central Asia, the Middle East and North Africa, and Latin America and the Caribbean; and migration in Africa (carried out in partnership with the African Development Bank). Several Systematic Country Diagnostics (including diagnostics on Costa Rica, Nicaragua, and Mexico) and Country Partnership Strategies (including strategies for Albania, Bangladesh, Kazakhstan, Mexico, Moldova, Nepal, South Africa, the Philippines, and Tajikistan) have included analyses of migration and remittances.

Global Partnerships

The World Bank Group has built extensive global partnerships with UN agencies, the European Union, regional development banks, and the G8 and the G20. It is a member of the Global Migration Group and a key contributor of policy papers and advice to the Global Forum on Migration and Development (GFMD). It played a critical role in facilitating the inclusion of migration-related goals in the 2030 Sustainable Development Goals (SDGs). As chair of the Global Migration Group in 2015, it advocated for including migration in the 2030 Sustainable Development Agenda as well as in the Addis Ababa Action Agenda. The Bank hosts the Global Remittances Working Group, and its Remittance Prices Worldwide database supports countries in monitoring SDG 10c (on reducing remittance costs). The World Bank is also working with the Financial Action Task Force (FATF) and other standard setting bodies on anti-money laundering and countering the financing of terror (AML/CFT) regulations—and the consequences of de-risking phenomenon for banks and money transfer operators.[33]

Global Migration Architecture

Two general observations can be made about the global architecture for governing migration. First, it is marked by a dichotomy between refugees and migrants. Second, migration has not been the focus of successful multilateral agreements. The existing ones are partial and have been ratified by very few countries. Migration has been dealt with on a bilateral basis, with receiving countries playing the leading role.

On the dichotomy, there is a relative clarity on the issue of refugees, but the approach to migration remains ad hoc and fragmented. The Second World War uprooted an estimated 11 million Europeans. To provide humanitarian protection for refugees, the office of the United Nations High Commissioner for Refugees (UNHCR) was created in 1950.[34] (Following the 1948 Arab-Israeli conflict, the United Nations established the United Nations Relief and Works Agency for Palestine Refugees for the Near East (UNRWA) by General Assembly resolution 302 (IV) of December 8, 1949 to carry out direct relief and works programs for Palestine refugees.) Both UNRWA and UNHCR began operations on May 1, 1950. In 1951, the UN Convention relating to the Status of Refugees provided a normative framework for states, in cooperation with the UNHCR, to deal with refugees and asylum seekers. The role of UNHCR has remained broadly the same until now.

The International Organization for Migration (IOM) was founded in 1951 with a mandate to identify resettlement countries and arrange transport for the estimated 11 million people uprooted by the world war.[35] From its roots as an operational logistics agency, IOM's mission has transitioned to a commitment to the principle that humane and orderly migration benefits migrants and society. In July 2016, IOM was accepted by the UN as a "related organization." However, unlike the UNHCR, the IOM has no legal protection mandate.[36] And both institutions complain of inadequate funding to meet the demand for their services.

The International Labour Organization (ILO) is responsible for formulating instruments on migrant protection. A Special Rapporteur on the Human Rights of Migrants enjoys a global mandate, and an expert committee monitors member-state implementation of the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (1990). The emerging normative framework is reflected in several international conventions, particularly ILO Convention no. 97 Concerning Migration for Employment (1949) and ILO Convention no. 143 Concerning Migrant Workers (1975), as well as the aforementioned 1990 Convention. However, these conventions have no significant number of ratifications and do not reflect international customary law in the sense of hard legal norms. By contrast, two protocols supplementing the United Nations Convention against Transnational Organized Crime (2000) have been adopted by a large number of states.

In addition to these instruments, migrants' entry and stay may be subject to specific rules of customary international law. These rules can bind a state even if they are not codified through a treaty to which the state is a party. While some such rules are expressly derived from ILO instruments,[37] others are articulated in relevant UN General Assembly resolutions.[38] Migrants may also be protected by international law's customary rules and general principles concerning the treatment of aliens.

Notwithstanding these international conventions, the entry of migrants is determined largely by national regulations governing visas and residency permits. This has resulted in a complex multi-tiered system of migration regulations that have different economic implications. Over the past 25 years, several regional agreements (for example, within the Association of Southeast Asian Nations, the European Union, the Commonwealth of Independent States, Mercosur, the Economic Community of West African States) include visa-free mobility for nationals of member countries.[39]

International migration received increased attention in the 1990s, once again due to an increase in migration in Western Europe resulting from the expansion of the European Union and the collapse of the former Soviet Union and Yugoslavia. It also attracted attention as the "next" item in global integration, after the liberalization of capital accounts, the lowering of trade barriers, and the establishment of the World Trade Organization. A notable development in the new millennium was the establishment, in late 2002, of the Global Commission on International Migration with a mandate to highlight knowledge gaps and institutional gaps.[40]

In 2005, the Global Commission on International Migration concluded that (i) states lacked timely, accurate and detailed data and resources to monitor and evaluate the impact of their migration policies and programs; (ii) the national stance on migration policies from the viewpoint of security and defense often ran contrary to policies on trade, aid, and labor markets; and (iii) different multilateral institutions often worked in a disconnected, competitive manner, in part deriving from national policy incoherence (GCIM 2005).[41]

Following the GCIM report, the UN organized a High-Level Dialogue (HLD) on International Migration in 2006. A major outcome of the HLD was the creation of the

BOX 4. Migration in the Sustainable Development Goals

Migration appears explicitly in SDGs 8, 10, 16, and 17. In addition, paragraph 23 of the declaration explicitly includes migrants under the category of "all" or "vulnerable" populations, implying that migration is implicitly covered in nearly all the SDGs.

Goal 8: Promote inclusive and sustainable economic growth, employment, and decent work for all.
Target 8.8: Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.

Goal 10: Reduce inequality within and among countries.
Target 10.7: Facilitate orderly, safe, regular, and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies.
Target 10.c: By 2030, reduce to less than 3 percent the transaction costs of migrant remittances and eliminate remittance corridors with costs higher than 5 percent.

Goal 16: Promote just, peaceful and inclusive societies.
Target 16.9: By 2030, provide legal identity for all, including birth registration.

Goal 17: Revitalize the global partnership for sustainable development.
Target 17.18: By 2020, enhance capacity-building support to developing countries, including for least developed countries and small island developing states, to increase significantly the availability of high-quality, timely, and reliable data disaggregated by income, gender, age, race, ethnicity, migratory status, disability, geographic location, and other characteristics relevant in national contexts.

Source: Global Migration Group

Global Forum on Migration and Development (GFMD), a state-led, nonbinding process that, since its first meeting in 2007, has attracted the participation of more than 160 member states each year. In parallel to the GFMD, in 2006, at the behest of the UN Secretary General, seven UN agencies (including the UNHCR), the IOM, and the World Bank began an informal coordination mechanism—the Global Migration Group (GMG). Since then the membership of the GMG has expanded to include 18 agencies.[42] The Secretary General's Special Representative serves as an institutional link between the UN, the Global Migration Group, and the GFMD.

The UN organized a second HLD on International Migration and Development in October 2013, with an eight-point agenda for action on making migration work. The eight points were to protect the human rights of all migrants; reduce the costs of

BOX 5. Elements for the Global Compact for Safe, Orderly and Regular Migration

According to the Declaration for the September 19th Summit, the Global Compact on Migration could include, but would not be limited to, the following topics:

1. International migration as a multidimensional reality of major relevance for the development of countries of origin, transit, and destination, as recognized in the 2030 Agenda for Sustainable Development
2. International migration as a potential opportunity for migrants and their families
3. Need to address the drivers of migration, including through strengthened efforts in development, poverty eradication, conflict prevention, and resolution
4. The contribution made by migrants to sustainable development and the complex interrelationship between migration and development
5. The facilitation of safe, orderly, regular, and responsible migration and mobility of people, including through the implementation of planned and well-managed migration policies; this may include the creation and expansion of safe, regular pathways for migration
6. The scope for greater international cooperation with a view to improving migration governance
7. The impacts of migration on human capital in countries of origin
8. Remittances as an important source of private capital and their contribution to development; faster, cheaper, and safer remittances through legal channels, in both source and recipient countries, including through a reduction of transaction costs
9. Effective protection of the human rights and fundamental freedoms of migrants, including women and children, regardless of their migratory status; the specific needs of migrants in vulnerable situations
10. International cooperation for border control with full respect for the human rights of migrants
11. Combatting trafficking in persons, migrant smuggling, and contemporary forms of slavery
12. Identifying those who have been trafficked and consider providing assistance, including temporary or permanent residency, and work permits, as appropriate
13. Reduction of incidence and impact of irregular migration
14. Addressing the situations of migrants in countries in crisis
15. Promotion, as appropriate, of the inclusion of migrants in host societies; access to basic services for migrants; gender-responsive services
16. Consideration of policies to regularize the status of migrants

17. Protection of labor rights and a safe environment for migrant workers and those in precarious employment; protection of women migrant workers in all sectors; promotion of labor mobility, including circular migration
18. Responsibilities and obligations of migrants toward host countries
19. Return and readmission and improving cooperation in this regard between countries of origin and destination
20. Harnessing the contribution of diasporas; strengthening links with countries of origin
21. Combatting racism, xenophobia, discrimination, and intolerance towards all migrants
22. Disaggregated data on international migration
23. Recognition of foreign qualifications, education, and skills; cooperation on access to, and portability of, earned benefits
24. Cooperation at national, regional, and international levels on all aspects of migration.

The World Bank Group may have a role to play in all of these elements except points 10, 11, 12, 16, and 18.Source: United Nations (2016).

labor migration; eliminate migrant exploitation, including human trafficking; address the plight of stranded migrants; improve public perceptions of migrants; integrate migration into the development agenda; strengthen the migration evidence base; and enhance migration partnerships and cooperation. The HLD coincided with a major boat tragedy off the coast of Lampedusa that saw the death of 365 migrants from Africa, drawing attention to the growing desperation of migrants and the complex challenges facing states. Soon afterwards the exodus of Syrian refugees escalated, once again clouding discussions about migration.

This action plan and the Declaration of the 2013 High-Level Dialogue that member states adopted were precursors to the successful inclusion of several migration-related goals in the Sustainable Development Goals and the Addis Ababa Action Agenda in 2015 (box 4). (A new initiative—Migrants in Countries in Crisis (MICIC)—was launched in 2014 to address the needs of migrants in countries in crisis.[43])

The influx of Syrian refugees (and the large number of migrants from other countries) to Europe in the past two years has raised migration to the top of the global agenda. There is a growing realization that the normative framework for refugees is inadequate unless the humanitarian approach is coordinated with and complemented by a development approach; that burden sharing (for financing and for resettlement of refugees) requires unprecedented forms of cooperation and innovation; and that the governance of migration remains ad hoc, unclear, and contested. This is the backdrop for the September 19 Summit on Large Movements of Refugees and Migrants.

The declaration for the summit (circulated by the president of the UN General Assembly on August 5, 2016) proposes two global compacts: A Global Compact for Refugees and a Global Compact for Safe, Orderly, and Regular Migration (United Nations 2016). On refugees, innovative proposals include granting refugees access to labor markets while their cases are being processed, establishing partnerships with private sector and nongovernmental organizations, and encouraging private sponsorship of individual refugees. On migration, the 2030 SDGs and the Addis Ababa Action Agenda will guide the global compact.

Negotiations on both compacts are expected to continue through 2017, with final adoption expected in 2018. Of the 24 proposed elements of the Global Compact on migration (as identified in the Outcome Document), the Bank could potentially contribute significantly to 18 (box 5).

A Role for the World Bank Group

Viewing different forms of migration—forced, vulnerable, and economic—through the lens of reducing poverty and sharing prosperity while respecting individual human rights can provide a unifying framework for operationalizing the Bank Group's vast knowledge on migration, its ability to mobilize financial resources, and its convening power. The Bank can connect all parties—South-South and North-South—in myriad permutations. It can inform countries about labor-market trends in host countries and the types of skills in demand; it can provide customized solutions to support people affected by migration; it can inform and shape global dialogue on and perceptions of the issues. Key to the success of all such interventions in the area of migration will be close cooperation and alignment with the strategic priorities of origin and the destination countries.

Analysis of the World Bank Group's past activities and consultations with partners and stakeholders suggest that the institution could contribute to the global migration agenda in four areas:

1. Financing migration programs
2. Addressing fundamental drivers of migration
3. Maximizing the benefits and managing the risks of migration in sending and receiving countries, and supporting the migration-related SDGs
4. Providing knowledge for informed policy making

Financing Migration Programs

There is universal agreement on the World Bank Group's role in financing migration and humanitarian programs in cooperation with partner agencies, as reflected in the Declaration for the September 19th Summit (paragraph 5.3). Existing instruments could be used to finance programs at the national, subnational, or sectoral level, as identified by Sustainable Country Diagnostics and included in Country Partnership Frameworks. Programs intended to benefit migrants in host countries would require new financing tools, because it is not in the interest of host countries to take on debt for programs that benefit foreign nationals. The Bank's proposed MENA Financing Initiative—which combines grants from supporting countries with loans from the multilateral development banks to provide concessional financing to middle-income countries hosting large numbers of Syrian refugees—is an innovative response (see annex box A.1). A similar facility with a global coverage could be explored to finance migration programs.

Financing of such migration-related projects must not reduce the availability of financing for existing programs and partnership strategies. In this context, leveraging diaspora resources for innovative financing presents a promising prospect. One way of providing additional funds would be to reduce remittance and recruitment costs and mobilize philanthropic contributions from the diaspora (World Bank 2015d). Diaspora savings (estimated to be $500 billion) could be mobilized via issuance of diaspora bonds.[44] Such financing would have greater impact if it were used to finance programs the diaspora favors (infrastructure, schools, hospitals). World Bank Group involvement in such projects could help reduce the lack of trust that many diasporas have in the governments back home.[45]

The International Finance Corporation (IFC) could help scale up the impact of migration on development by facilitating the engagement of the private sector, in particular by mitigating commercial risks (including by supporting micro-, small, and medium-size enterprise lending facilities for immigrants in the host country); providing vocational and training skills and supporting entrepreneurship (through venture capital funds, start-ups, incubators, and accelerators in both host and home countries); and leveraging its convening power to explore public-private partnerships that provide services to and fund projects that benefit migrants. In an innovative pilot, IFC provided a loan backed by future remittances to Fedecredito in El Salvador. Since the mid-1990s, commercial banks in Brazil, Mexico, and Turkey have raised billions of dollars by issuing international bonds backed by future remittances and payment rights. A proper accounting of remittances could also enhance sovereign credit ratings and reduce borrowing costs.

Addressing Fundamental Drivers of Migration

The twin goals of reducing poverty and sharing prosperity directly address the issue of income gaps, a key driver of migration. Indeed, almost all of the World Bank Group's vast and comprehensive development programs directly or indirectly address this issue.

Programs on jobs, social security reform and health sector reform could address migration pressures related to demographic imbalance. An important intervention in this area would be education policy reforms that prepare youth from Africa and Asia for the global job market of the future. A difficult but very promising initiative would be job matching, which would require market analysis and projections combined with appropriate skill building and certification.

Another driver of migration is environmental change. The Bank provides support for mitigating disaster risk, including migration in national adaptation plans, and designing social protection programs to reduce the vulnerability of the poor.

Maximizing the Benefits and Managing the Risks of Migration in Sending and Receiving Countries, and Supporting the Migration-Related Sustainable Development Goals

The SDGs provide a well-defined agenda for maximizing the benefits of migration to the countries of origin. They highlight the importance of protecting labor rights and providing safe working environments for migrant workers, facilitating safe and regular migration, reducing the costs of remittances, and providing legal identity for all (including vulnerable migrants.)

The Bank has played a key role in highlighting the issue of reducing recruitment costs. It could support governments in improving the regulation and monitoring of recruitment agencies, broker cooperation between sending and receiving countries in improving enforcement of job contracts, and prepare standardized measures of recruitment costs in relevant migration corridors. Ethical recruitment standards advocated by the ILO and the IOM subscribe to a zero-fee "employer pays" model. The Bank could explore partnerships with these organizations and civil society. In collaboration with UNICEF and other partners, the Bank could help develop the strategy for strengthening child labor laws, particularly children of migrant workers who end up working with their families on farm or construction sites, without access to education or basic social services.

It could also support clients in the establishment of bilateral labor schemes, as it did with the Recognized Seasonal Employers Scheme in Australia and New Zealand, which recruits seasonal workers from several Pacific countries. The lessons learned from such pilot operations could pave the way for scaled-up, safe, and orderly migration programs.

The Bank could support clients in origin countries in training more health professionals and teachers, to address brain drain, perhaps in collaboration with universities and employers in high-income countries.[46] It could also provide assistance in helping families of migrants, especially children left behind.

The Bank has played a key role in highlighting the importance of remittance flows in developing countries and identifying factors contributing to the high cost of sending money. It will continue to support countries in monitoring remittance prices and eliminating entry barriers in the remittances market, including by streamlining anti-money-laundering regulations and addressing de-risking by correspondent banks.

In receiving countries, the Bank could support client countries in increasing their capacity to offer services to migrants. It could support programs that recognize foreign qualifications, in order to mitigate "brain waste," and certify skills acquired by migrants, in order to facilitate their mobility to other employers or their return.[47] It could also support countries in providing identify cards to their nationals abroad, which could facilitate their access to bank accounts and driver's licenses. It is also important for the Bank to support programs to help native workers affected by migration, by supporting skill development, job search, and social protection programs.

The Bank could support the integration of migrants in the host society through skills training to facilitate access to job markets; it could also support language and financial literacy training in the origin country before departure. The legal status of migrants would constrain engagement with private sector programs supporting migrants.

Providing Knowledge for Informed Policy Making

The World Bank Group's wealth of data and rigorous policy-oriented knowledge on migration allows it to provide cutting-edge, customized knowledge to clients that informs policy making. From generating data to building capacity in client countries, it can use its convening power to act as an honest broker in translating knowledge into policy at the local, sectoral, national, regional, and global levels. Its outreach efforts highlighting the analytical and empirical evidence—often on the positive impacts of migrants on both destination and origin countries—can help counter negative public perceptions of migration.

The 2030 SDGs and the outcome document for the September 19 Summit stress the importance of improving data collection on migration. Data limitations, especially in developing countries, impede our understanding of the benefits, costs and impacts and our ability to have a more enlightened evidence based debate. The Bank will collaborate with producers and users of data to assess the best way to support countries in improving their migration data, disaggregated by age, gender, and skill level.

The Bank has made significant contributions in the area of data on remittances, bilateral migration, and skilled migration. It can contribute further by bridging many of the data gaps cited in box 1. It could also gather data on diasporas, environmental migration, and return migration.

The Bank could bridge data gaps through its existing initiatives and, through technical assistance, help statistical offices in client countries to link with administrative data sets, include migration-related modules in household surveys, and add pertinent questions to national censuses. The paucity of evidence on the effects of migration in low- and middle-income destination countries could be a focus of the Bank's knowledge work. Finally, there is a great need for evaluation of the impact of migration policies and programs.

The World Bank Group is focusing on three areas:

- It is continuing its efforts to reduce the transaction costs of migrant remittances.
- It is scaling up action to help reduce recruitment costs, which are particularly onerous for low-skilled workers, through regulation and monitoring of recruitment agencies and improved access to information about voluntary migrants' rights and obligations.
- It is supporting the inclusion of migrants in host societies, by establishing a (regularly updated) database of laws and regulations that affect migrants' ability to become entrepreneurs and employees and analyzing the factors that can facilitate the integration of migrants (through workplace and education, for example, which often falls under the responsibility of local governments).

Reports currently under preparation are addressing climate change and migration, the labor market impacts of internal and international labor mobility, migration and social protection in the Association of Southeast Asian Nations (ASEAN), and migration and security in Central America.

Charting the Way Forward

The World Bank Group will need to adopt a strategic and selective approach at the global and country levels, distinguishing key entry points for supporting short-term management of the migration crisis and long-term management of migration issues. At the global level, it can contribute data and knowledge to inform global dialogue and advocacy on migration. It has a strong comparative advantage in its cross-sectoral reach (through the Global Practices and Cross-Cutting Solution Areas). At the country level, a focus on the twin goals needs to guide the approach to migration. The institution needs to be selective by identifying countries most affected by migration.

It is proposed that the WBG's Systematic Country Diagnostics (SCD) and Country Partnership Frameworks (CPFs) are viewed through a migration lens, especially in countries where migration is considered to be of critical importance, to identify country specific challenges and determine WBG support to address the migration issues which have the greatest impact on the poor. For this purpose, a plausible list of "migration countries," selected according to a set of migration criteria, and a proposed Migration Diagnostic Tool is summarized in annex C. The diagnostics would involve three key steps, with a focus on the poorest: taking stock of migration trends and governance and regulatory structure; analysis of challenges and opportunities, and devising solutions focused on harnessing the benefits of migration in sending and receiving countries and on supporting the implementation of migration-related SDGs. In this regard, in addition to country and regional investment projects, the WBG can play an important role in strengthening the data and analytic work to support the evidence base for countries.

The World Bank Group needs to address several organizational constraints to intensifying its work on migration. Clients and country directors need to identify large operations involving migration (beyond "small" analytical and advisory services) that address the twin goals. Migration operations are likely to involve regional or bilateral cooperation, involving more than one country director and perhaps more than one regional Vice Presidential Unit, as noted in the Forward Look report. The importance of migration programs that are easily seen from a supranational viewpoint may not be easily recognized from a country-level viewpoint, suggesting a role for the Regional Vice Presidencies in addressing migration in a manner similar to cross-border investments using the IDA regional window.

The migration agenda is well suited for OneBank projects. Migration is cross-cutting, spanning 11 out of 16 Global Practices: Agriculture; Climate Change; Education; Environment and Natural Resources; Finance and Markets; Health, Nutrition and Population; Macroeconomics and Fiscal Management; Poverty and Equity; Social Protection and Labor; Social, Urban, Rural and Resilience; Trade and Competitiveness. It also cuts across all three Cross-Cutting Solution Areas: Fragility, Conflict, and Violence (FCV); Gender; and Jobs. Currently, however, no Global Practice has a leadership mandate on migration, as does the FCV in the area of forced migration. The multifaceted nature of migration will require partnerships both within the World Bank Group (among the GPs, CCSAs and DEC) and externally with UN organizations, other multilateral development banks, community-based organizations, private sector and civil society.

Viewing different forms of migration—forced migration, economic migration, the migration of vulnerable people—through the lens of reducing poverty and sharing prosperity while respecting individual human rights can provide a unifying framework for operationalizing the Bank Group's vast knowledge on migration and mobilizing its financial resources and convening power.

Annexes

ANNEX A

Forced Displacement and Development

This annex summarizes key points addressed in the two World Bank Group documents: The Development Committee paper entitled "Forced Displacement and Development" published in April 2016, and the report entitled "Forced Displacement as a Development Issue" (forthcoming in September 2016).[48] The issues addressed here directly relate to the proposed Global Compact on refugees, based on the Comprehensive Refugee Response Framework, as outlined in the draft Declaration circulated on August 5, 2016.

The world witnessed 65.3 million forcibly displaced people in 2015, as a result of conflicts, violence, or human right violations (UNHCR, 2016). Internally displaced persons (IDPs) account for some 60 percent of the forced population, refugees for some 30 percent, and asylum seekers take up the remainder, according to the agency. Of refugees, half of all refugees originate from Syria, Afghanistan and Somalia. While these figures may offer some insights, nevertheless, an overview of the data collection methodologies suggest that the actual figure can depart from the reality, either in the form of over- or underestimations. This owes to variations in definitions and data collection methodologies across countries, as well as limited data availability on returnees, especially for the IDPs.

This rapidly rising forced displacement poses challenges to achieving the Sustainable Development Goals (SDGs) and the Bank's twin goals. First and foremost, contrary to the public myth, developing countries host the majority of the forced displaced population, approximately 86 percent, and strikingly, the least developed country group hosts nearly one-fifth of the global population of the forcibly displaced (UNHCR, 2016). But middle income countries are also hosting a large number of refugees, for example, in Lebanon, one-fifth of inhabitants are refugees from Syria, and Turkey hosts 2.7 million refugees.

Traditionally, humanitarian responses have focused on addressing the protection and immediate needs of the forcibly displaced people. However, there is now a growing consensus that these need to be complemented by medium and longer-term development interventions, including those focusing on loss of assets, trauma, lack of legal rights, and inadequate access to economic opportunities. Unlike economic migrants, people fleeing from violence and persecution may find themselves in foreign places where job opportunities are limited or they are unable to utilize their skills.

Host communities, especially in low- and middle-income countries, often face their own difficult development challenges. Responding to the arrival of large numbers of people can dramatically alter the environment in which poverty reduction efforts are being designed and carried out, creating new risks (and opportunities). The primary goal of a development approach is therefore to help host countries and communities continue to make progress in their own poverty reduction strategies in a transformed environment.

Finally, development actors can play an important role in assisting the vast majority of conflict-affected populations who stay behind, but who can only do so as long as they can withstand the gradual impoverishment often associated with continuing instability. In these cases, development actors can play an important role in helping strengthen resilience of those who stay, especially in relatively stable parts of otherwise unstable countries.

Reducing fragility is a critical component of a long-term solution. It is also a core commitment of the 2030 Agenda (SDG 16). Among other things, this requires a strong engagement on macroeconomic issues to help strengthen the overall policy environment and create fiscal space for stabilization efforts. The Bank has stepped up its engagement in fragile situations since publishing the 2011 World Development Report on Conflict, Security and Development—mobilizing more than $23 billion for countries affected by fragility, conflict, and violence between FY12 and FY15. During FY14–FY16 only, AFRVP took to the Board three forced migration-focused projects with the total commitment amount of $215 million. The WBG has mobilized significant donor resources, in particular, in the establishment and management of multi-donor trust funds (MDTFs) for FCV situations which added up at end-FY16 to $11.8 billion; almost all of them support migrants, refugees and IDPs. IBRD has transferred significant amounts of own resources to these MDTFs over FY94–FY16, adding up to $1.46 billion.

The Bank also aims to undertake fragility assessments, including an identification of risk factors such as weak institutions, unequal access to economic opportunities, and fragility induced by climate changes. Given the regional spillover risks, in many cases, country-level engagements need to be implemented within a regional framework. Furthermore, engagement needs to address gender disparities and be based on an understanding of causation channels.

The World Bank Group is currently working on a number of different tracks to improve its response to forced displacement. Firstly, it is working with partners to improve the data and evidence base on the topic to enable better policies and programming. It is

BOX A.1. The MENA Financing Initiative

Concessional Financing Facility

The World Bank Group, in partnership with the United Nations and the Islamic Development Bank, is seeking to mobilize financing to help countries (such as Jordan and Lebanon) hosting a large number of refugees. The Facility would combine grants from supporting countries with loans from the MDBs, to provide concessional financing to middle-income host countries.

At a pledging session in April 2016, the facility donors pledged more than $140 million in initial grant contributions, and $1 billion in loans to IBRD that will separately generate further grant contribution. In early August, the facility announced financing for two projects totaling more than $340 million.

Guarantee Facility

The Bank Group and its partners are also proposing a single Guarantee Facility to use guarantees from supporting countries to provide additional financing for countries that have significant recovery and reconstruction needs. This Facility would include guarantees on loans from multilateral development banks, to support the issuance of a special World Bank bond as well as guarantees to support the issuance of a special type of Islamic bond administered by the Islamic Development Bank.

Source: https://menafinancing.org/overview/concessional-financing-facility

also working closely with UNHCR and other global, regional and national partners to further expand the repertoire of effective interventions that combines the advantages of both humanitarian and development approaches for the benefits of the displaced and hosts alike. The WBG's current analytical activities include economic and social impact assessments of the Syria refugee influx, as well as poverty analysis of Syrian refugees through primary data collection in Jordan, Lebanon, and Northern Iraq. The Bank is also undertaking survey work in Italy and Greece to examine migrant and refugee flows to Europe. Analytical work in Africa focuses on displacement, with regional initiatives in the Great Lakes, Horn, and Sahel.[49] Analytical work under KNOMAD include an assessment of policies relating to refugees' right to work and a study of remittances sent to and from refugees.

Importantly, the World Bank Group is exploring how existing financing mechanisms can be improved in order to address the challenges stemming from a country-based model where host countries are often reluctant to borrow on non-concessional terms or to use their limited IDA allocation to address the needs of non-nationals. Proposals currently under discussion include provision of additional and concessional financing to both low and middle-income countries under a scaled up version of the MENA Financing Initiative (see box A.1). At the request of several Bank shareholders and the Development Committee, the WBG is preparing a Global Crisis Preparedness and Response Platform (GCRP) which includes expansion of the MENA Concessional Financing Facility (CFF) to a Global CFF, providing an integrated approach to deal with various types of crises including refugee crisis. As a part of the IDA18 Replenishment discussions, World Bank Group has proposed a significant increase in financial support for countries facing fragility and conflict, as well as a new sub-window (of $2 billion) targeting refugees and host communities.

ANNEX B

World Bank Group Work on Migration

TABLE B.1 Selected World Bank Group lending products that support international migration (excluding forced migration)

Project	Description	Amount	Project dates	Product
Tunisia: Employment Development Policy Loan (P11716)	Enhanced domestic and international labor mobility through legislation. Introduced important regulatory changes allowing participation of private agencies in international intermediation.	50	July 1, 2010–June 30, 2011	IBRD loan
Tunisia: Participatory Service Delivery for Reintegration State and Peace-Building (P127212)	Piloted participatory approaches to employment generation through a cash-for-service program for vulnerable Tunisian households. Fostered social cohesion and stabilization among disadvantaged populations following the January 2011 revolution. Mitigated socioeconomic risks faced by Tunisian returnees from Libya and Tunisian communities near border with Libya affected by depressed cross-border trade and commerce.	5	October 3, 2012–March 31, 2015	State and Peace-Building Fund grant
Bangladesh: Safe Migration for Bangladeshi Workers (P125302) (TA)	Identified and established community-based organizations to protect migrants' rights and promote safe migration services.	2.582	June 21, 2013–	Japan Social Development Fund grant
Bangladesh: Repatriation and Livelihood Restoration for Migrant Workers (P126263)	Helped repatriate migrants (through airlift) and one-time cash grant to help them meet basic needs.	40	April 26–June 20, 2011	IDA grant
Tajikistan Strengthening Results-Based M&E for Better Migration Management (P124102)	Developed and strengthened capacity of the government and a newly created migration agency in monitoring and evaluating migration-related policies.	0.42	December 17, 2010–May 31 2011	IDF grant

(Continued)

Project	Description	Amount	Project dates	Product
Russian Federation Northern Restructuring (P064238)	Supported voluntary out-migration assistance schemes for people whose economic prospects were limited and measures to allow municipalities to realize potential economic benefits resulting from a decreased population.	34.7	June 7, 2001–September 30, 2009	SIL
Indonesia: Empowering Women Overseas Migrant Workers (P126059) (TA)	Improved infrastructure for protection, access to information, finance, and capacity building, including financial management and institutional strengthening, for women migrant workers and their families in Java region.	1.42	2010–2013	Japan Social Development Fund grant
China: Rural Migrant Skills Development and Employment	Delivered training to potential migrants, improved quality of training offered, improved provision of labor market information and public employment services for rural migrants, improved employment conditions of migrant workers, and increased awareness of worker rights and support legal services for migrants.	50	June 24, 2008–February 28, 2015	SIL; IBRD loan
China: Chongqing Urban-Rural Integration	Developed provincial-level accreditation framework for training providers; improved testing and certification system for new curricula; equipped training centers; supported distance learning centers; piloted a new delivery mechanism for migrants (job fairs, group counseling); provided newly developed employment services to migrant graduates; and trained employment services staff and management.	84	June 3, 2010	IBRD loan
China: Sustainable Development in Poor Rural Areas (P099751/P101844)	Improved dormitories of migrant workers; provided vocational training; established migrant community service centers to provide legal aid and information on prevention of sexually transmitted diseases; improved conditions for migrant women and children, including by protecting women's rights and supporting schooling of children.	150	2008–2013	IBRD loan and Global Environment Facility grant
Indonesia transmigration projects	Supported transmigration settlement planning for 300,000 sponsored and spontaneous transmigrant families, including through regional, site selection, and settlement feasibility studies.	160	Various	IBRD loan
Development Response to Displacement Impacts Project In the Horn of Africa (P152822)	Improved access to basic social services, expanded economic opportunities, and enhanced environmental management for communities hosting refugees in targeted areas of Djibouti, Ethiopia, and Uganda.	175	September 1, 2016–December 31, 2021	IDA grants

TABLE B.2 Selected World Bank Group analytical products on international migration (excluding forced migration)

East Asia	Europe and Central Asia	Latin America	Middle East and North Africa	South Asia	Sub
ASEAN, Indonesia, Republic of Korea, the Philippines, Thailand, Pacific Islands, Greater Mekong subregion	Regional, Kazakhstan, Russian Federation	Brazil, Central America, Mexico	Regional	Regional, Bangladesh, India, Nepal	Burkina Faso, Liberia, Kenya, Nigeria, South Africa, Uganda
Labor Mobility Pacific Islands into Australia, New Zealand	Migration and Remittance Peer-Assisted Learning Network (MiRPAL)	Migration, trade and FDI: Mexico	Labor migration, labor mobility Portability of pensions Belgium-Morocco	Migrant labor remittances in South Asia	Migration and remittances household surveys
Regional Integration (ASEAN, MEKONG	Migration and Remittances Region, Kazakhstan, Czech Republic, Slovakia, Estonia, Lithuania, Kosovo	Impact of remittances: health, education, poverty, child labor in Central America, Haiti; El Salvador	MENA diaspora	Bangladesh Poverty Assessment, India, Living Conditions in Uttar Pradesh, Punjab's Poverty Performance	Remittances, Skills and Diaspora
Korea's Employment Permit System, (Korea's G2G program for low skilled migration)	Intentions to return: Romanian migrants	Remittances and Bancarization; Remittances and development	Deauville Report: Remittances and Diaspora	Investing in the Youth Bulge in South Asia	Remittances Markets
Migrants rights protection	Migration, labor markets, and integration of migrants: an overview for Europe	US-Honduras Remittances corridor Remittances and financial inclusion El Salvador	Climate change and migration	Pakistan, Sri Lanka Financial Inclusion and Infrastructure Project	Uganda's Remittance Corridors from United Kingdom, United States, and South Africa

(Continued)

East Asia	Europe and Central Asia	Latin America	Middle East and North Africa	South Asia	Sub
Innovation for Skills		Managing nurse migration: CARICOM	Migration and skills: the experience of migrant workers from Albania, Egypt, Moldova, and Tunisia	Remittances market: India, Nepal	Role of Post Office in Remittances and Financial Inclusion
Integration in host countries and for returning migrants		Poverty Assessment Dominican Republic	Impact of remittances	Cross Border Labor Mobility, Remittances & Economic Dev. in South Asia	
Diaspora: Malaysia	Harnessing diaspora for development	Skills, exports and the wages of 7 million people	People and job mobility		Harnessing diaspora for development

ANNEX C

Proposed Template for Migration Diagnostics

In countries, sectors or cities where migration is of critical importance, the proposed "migration diagnostics" would provide a migration lens in undertaking Systematic Country Diagnostics and designing Country Partnership Frameworks. The diagnostics would involve three key steps. Taking stock of migration trends and governance and regulatory structure; analysis of challenges and opportunities, and devising solutions focused on harnessing the benefits of migration in origin and destination countries and on supporting the implementation of migration-related SDGs. For origin countries, this would address the fundamental drivers of migration (poverty, inequality, lack of security) as well as the challenges (e.g., emigration of high skilled workers, protection of workers abroad, family left behind, Dutch disease) in the analysis. For destination countries, this will include an analysis of challenges and opportunities to both native workers and migrants (admission systems, costs of entry, integration) as well as possible solutions. The main elements of the template are summarized below separately for the origin and the destination countries. An illustrative list of "migration countries" is provided at the end.

Origin Countries

Step 1. Migration in the country context

- Migration profile on emigration and immigration (Factbook 2016)
- Future trends
- Diagnostic Tool on governance structure, regulations, SDGs (remittance and recruitment costs)

Step 2. Analysis of challenges and opportunities

- Fundamental drivers: poverty, inequality, lack of security, demography, climate change
- SDGs (remittance and recruitment costs)
- Reducing costs to family left behind

Step 3. Solutions

- Addressing fundamental drivers
- Improving education and skills
- Making the most of remittances and diaspora resources
- Improving governance to harness the benefits of migration
- Protection of workers abroad

Destination Countries

Step 1. Migration in the country context

- Migration profile on emigration and immigration (Factbook 2016)
- Future trends
- Diagnostic Tool on governance structure, regulations, SDGs (remittance and recruitment costs)

Step 2. Analysis of challenges and opportunities

- Impacts on native workers
- Migrants' working conditions, rights, access to education, health and housing
- Integration of migrants

Step 3(a). Solutions for Native Workers

- Social protection
- Job search
- Skill development

Step 3(b). Solutions for Migrants

- Managing admission systems and lowering costs of entry
- Integration of migrants
- Skill development
- Job search
- Access to social benefits and protection of migrant rights

An illustrative list of "Migration Countries"

This list includes countries where the Bank's Systematic Country Diagnostics and Country Partnership Frameworks should be viewed through a migration lens. Criteria include the size of outward or inward migration at the national, sectoral or sub-national level, and the importance of remittances in the economy.

Emigration

Small States, FCS countries, Central America, India, Mexico, Morocco, Russian Federation, China, Bangladesh, Pakistan, Philippines, Afghanistan, Ukraine; Oaxaca (Mexico), San Miguel (El Salvador); IT sector in India, Health sector in Ghana.

Immigration/Transit

India, Jordan, Kazakhstan, Lebanon, Morocco, Russia, South Africa, Turkey; Mining sector in South Africa.

Remittances

Bangladesh, Comoros, El Salvador, Ethiopia, Guatemala, Haiti, India, Kiribati, Kyrgyz Republic, Liberia, Mexico, Moldova, Morocco, Nepal, Nigeria, Pakistan, Philippines, Somalia, Sri Lanka, Tajikistan, The Gambia, Samoa, and Tonga.

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Endnotes

1. See Outcome Document for September 19th summit, draft for adoption dated July 29, 2016. Defining "large movement" can be complex. The influx of Syrian refugees to Western Europe in 2015 was approximately 1 million, which is lower than the average annual Mexican migration to the United States prior to the global financial crisis or migration from Central Asia to Russia, and South Asia to the GCC countries. The unexpected nature of the flow seems to have sparked the fear and resistance to the influx to Europe. The negotiated outcome document for the September 19th summit, for example, large movements can be defined taking into account the number of people arriving; the capacity of a receiving State to respond; and the impact of a movement which is sudden or prolonged (UNGA 2016).

2. These calculations exclude the countries that belonged to the former Soviet Union and former Yugoslavia as data prior to 1990 are not available for these countries.

3. North-North (and to a lesser extent, North-South) migration is also widely prevalent, underscoring that migration is indeed a natural part of life for all.

4. Passel, Cohn and Gonzalez-Barrera (2012) suggest that the decline in Mexican migrants crossing the U.S. border may be in part due to increased border enforcement.

5. Orrenius and Zavodny (2015) found that E-verify mandates reduced the earning of unauthorized Mexican immigrants while increasing employment among likely unauthorized female Mexican immigrants. Also male naturalized or US-born Mexican immigrants benefited in the form of higher earnings and employment.

6. The regularization of migrants results in their being allowed to enter the formal sector, with consequent gains for the local economy from tax revenues (JCWI, 2006).

7. In Vietnam, nine out of ten migrants responded that they went to other Asian countries to earn more income (Belanger et al. 2010).

8. This phenomenon, of widening income gaps in the future notwithstanding the presence of higher growth rates in the developing countries, is what Homer-Dixon (p. 189) calls "the dirty little secret of development economics." An exception to this phenomenon was the rapid development of Taiwan, China during the 1960s through 1980s.

9. Martin (2004) observed an inverted-U migration pattern between Mexico and the United States in the aftermath of the introduction of NAFTA. Clemens (2014) finds that emigration rises with economic development until countries reach an upper-middle income level.

10. Many middle-income countries—such as China, Mexico, Turkey, Malaysia and Morocco—might become old before becoming rich.

11. Kelley and others (2015) find that the 2007–2010 drought contributed to the conflict in Syria.

12. Estimates of the impact of eliminating restrictions on immigration suggest a significant increase in world GDP—a doubling according to Hamilton and Whalley 2004, to over 11 percent according to Docquier and, Machado and Sekkat 2015. See also Van der Mensbrugge and Roland-Holst (2009) and Ahmed and others (2016).

13. See box 1.3 in Ratha and others (2011) for the social costs and benefits of migration.

14. Health hazards include workplace injury (Kahn et al. 2003) and exposure to communicable diseases (Decosas et al. 1995; Lurie 2000; Lurie et al. 2000; Brummer 2002). For instance, Kane et al. (1993) find that 27 percent of the male Senegalese migrants were HIV positive compared to 1 percent for non-migrants males from the same area.

15. There are major difficulties with measuring remittances, particularly flows through informal channels (Ratha 2003). Clemens and McKenzie (2014) argue that the recent increase in remittances may be due to changes in measurement.

16. Kugler and Rapoport (2007), Docquier and Lodigiani (2010), Javorcik, Ozden, Spatareanu, and Neagu (2011), Murat, Pistoresi, and Rinaldi (2008), and Leblang (2010).

17. The provision of social services is the responsibility of States. This responsibility should not be shifted onto the shoulders of migrants (IOM 2014).

18. The U.S. Congressional Budget Office estimated that comprehensive immigration reform, including legalization of undocumented immigrants, if undertaken, would increase federal revenues to an extent commensurate with the increase in federal spending on social security, healthcare, and other benefits for the immigrants (CBO 2007). In the United Kingdom, the first-generation migrants were found to do well economically and to make a net fiscal contribution (Gott and Johnston 2002). However, the limited fiscal impact of immigrants may also be due to the fact that many are not eligible for most benefits and depend instead on family networks (Papademetriou and Terrazas 2009).

19. Ortega and Peri (2009) found that immigration increases employment one for one in the destination countries in the North, implying no crowding out of native workers.

20. The benefit of cheaper goods and services must be weighed against the costs borne by migrants, through poor work and living conditions and an often exploitative migration process.

21. French (2014) describes how Chinese entrepreneurs are migrating to Africa to start businesses.

22. The terms integration, assimilation and transnationalism are frequently used in this context. Integration refers to the process of migrants learning and adopting to the languages, identities and cultural practices of the destination country. Assimilation adds a certain degree of loss of the migrants' cultural identity associated with the home country. Transnationalism refers to the cross-border activities that migrants undertake both in host and home countries.

23. Migration and contacts with different cultures can precipitate cultural change (Lopez-Claros 2014).

24. In the East Asia region another there is another widely held hypothesis that excessive reliance on migrant workers is delaying the adoption of more productive labor-saving technology in these economies and thereby lowering long term growth and dynamism of these economies. Ahmad and others (2014) used labor market impact studies (in Thailand) and firm level study (in Malaysia) to show there is little evidence to support this hypothesis.

25. Ottaviano and Peri (2008) for the U.S., Manacorda et al. (2012) for the UK, and Brucker and Jahn (2011), D'Amuri and Peri (2011) and Felbermayr et al. (2010) for Germany, as cited in Dadush (2014).

26. Where migrant workers are subject to lower wages and substandard work conditions, and are unable to change jobs due to their immigration status, this has the effect of driving down wages for national workers and conditions of work. Protection of the national labor force is contingent on the protection of migrant workers.

27. "In respect of climate change, analysts have realized that the safe rate of carbon emissions is derived from the safe stock of carbon dioxide in the atmosphere. In respect of migration, the equivalent concept is the safe size of the unabsorbed diaspora" (Collier 2014). See Clemens and Sandefur (2013) for a critique of this viewpoint.

28. For example, the Tamil Nadu Empowerment and Poverty Reduction Project has trained and placed nearly 400,000 youth within the state, across the country and in other countries too. There could be useful programming lessons emerging from this.

29. Until recently the Bank did not have a specific code for monitoring migration activities, which makes it difficult to systematically catalog and review these activities. OPCS has recently introduced two new codes—Migration, Remittances and Diaspora Engagement, and Forced Migration and Displacement—for the ABCDQ quarterly monitoring.

30. KNOMAD stands for Global Knowledge Partnership on Migration and Development. It is supported by a multi-donor trust fund with funding from Switzerland, Germany and Sweden.

31. This amount ($748 million) refers to projects excluding forced migration. Also this figure excludes IFC and MIGA interventions.

32. The Bank is providing technical assistance to clients on improving regulatory frameworks (using the General Principle Assessments of Remittances) The Bank's Remittance Prices Worldwide database helps monitor changes in remittance costs. The Bank is also working with the Financial Action Task Force (FATF) on anti-money laundering and countering the financing of terror (AML/CFT) regulations that can affect the channels and costs of remittances.

33. De-risking refers to the phenomenon of financial institutions terminating or restricting business relationships with clients or categories of clients to avoid, rather than manage, risk.

34. The UNHCR's predecessor was the International Refugee Organization which operated as an intergovernmental organization from 1946 to 1948 and as a UN specialized agency until the establishment of the UNHCR.

35. IOM was established in 1951 as the Provisional Intergovernmental Committee for the Movement of Migrants from Europe (PICMME). Subsequently it has undergone a succession of name changes, from PICMME to the Intergovernmental Committee for European Migration (ICEM) in 1952, to the Intergovernmental Committee for Migration (ICM) in 1980 to the International Organization for Migration (IOM) in 1989, reflecting the organization's transition from a logistics agency to a migration agency.

36. IOM's policy on protection is discussed in a September 2015 paper—see https://governingbodies.iom.int/system/files/en/council/106/C-106-INF-9-IOM-Policy-on-Protection.pdf.

37. International Labor Conference, ILO Declaration on Fundamental Principles and Rights at Work, 86th Session of 18 June 1998; International Labor Conference, Report VI: Towards a Fair Deal for Migrant Workers in the Global Economy, 92nd Session 2004, paragraphs 229–230.

38. GA Resolution 2312, 14 December 1967 and GA Resolution 40/144, 13 December 1985. Note that the resolutions, by themselves, may not, by themselves, give rise to international legal obligations.

39. Mode 4 under the General Agreement on Trade in Services covers persons providing services in another WTO member country. WTO members' legal commitments to Mode 4 openness have so far been limited. See Mattoo (2005) for additional details.

40. The Global Commission was proposed by UNSG Kofi Annan and set up by Sweden and Switzerland. One of the two co-chairs of the Commission was Mamphela Ramphele, a managing director of the World Bank Group at the time.

41. As states are effectively the owners of international organizations, incoherence at the national level has tended to cascade upwards and to affect the work of these multilateral institutions.

42. See http://www.globalmigrationgroup.org/. The formation of the GMG followed the recommendation of the GCIM report to create an Inter-Agency Global Migration Facility by expanding the informal Geneva Migration Group existing at the time.

43. The Migrants in Countries in Crisis (MICIC) initiative is a State-led undertaking which seeks to improve the ability of States and other relevant stakeholders to increase the protection and decrease the vulnerability of migrants affected by crisis situations. Co-chaired by the Governments of the Philippines and the United States, the MICIC initiative aims to distil Principles, Guidelines, and Effective Practices through a broad consultative process that engages with States and regional actors, civil society, including migrants and diasporas, the private sector, and international organizations. The ultimate outcome of the initiative will be a set of non-binding, voluntary Principles, Guidelines, and Effective Practices that identify the roles and responsibilities of different stakeholders vis-à-vis migrants in countries in crisis and a compilation of effective practices to prepare for, respond to, and address such situations. The scope of the MICIC initiative is limited to migrants caught in countries experiencing specific types of crises such as conflicts/civil unrest and natural disasters. The initiative encompasses all migrants/non-citizens, with or without legal status, who are present in a country temporarily or permanently at the time a crisis ensues.

44. A diaspora bond—a security with a face value of, say $1,000, an interest rate of 3–4 percent interest rate, and a maturity of five years—issued by a country of origin could be attractive to the wealthier members of the diaspora. Countries with large diasporas in richer destination countries have greater potential for successful issuance of diaspora bonds. The chances of success increase when the issuing country has a strong economic program and a portfolio of attractive projects the bond could finance (Okonjo-Iweala and Ratha 2011). The diaspora's trust in the government is a key factor for the successful launching of a diaspora bond. Diaspora bonds should be available to all investors, not just migrant savers, and be distributed widely, not kept on the books of a few investment banks (Mohieldin and Ratha 2014). India and Israel raised more than $40 billion through diaspora bonds.

45. The Bank has received requests for technical assistance on diaspora bonds from Comoros, El Salvador, Georgia, Jamaica, Kenya, Moldova, Nigeria, Philippines, Sri Lanka, Suriname, Trinidad and Tobago.

46. Ketkar and Ratha (2011) propose a pilot program for using diaspora bonds to fund a medical school in a developing country with a large and skilled diaspora (such as Ghana).

47. This is a priority area under the Colombo Process, a regional consultative process for Asian labor sending countries. It aims to share best practices on overseas employment; propose practical solutions for the well-being of overseas workers; optimize development benefits from organized overseas employment and enhance dialogue with countries of destination.

48. Also see World Bank (2015b) for the WBG's response to global forced displacement.

49. The blurred lines between forced displacement, and forced and economic migrants was identified in the joint World Bank-UNHCR study on Forced Displacement and Mixed Migration in the Horn of Africa.

MIGRATION AND DEVELOPMENT

A Role for the World Bank Group

The paper focuses on the broader phenomenon of international economic migration, thus directly addressing one of the two global compacts—that on safe, orderly and regular migration—proposed as an outcome of the UNGA Summit on Large Movements of Refugees and Migrants, September 19, 2016. It also acknowledges the common challenges and vulnerabilities faced by vulnerable migrants, including irregular migrants, smuggled and trafficked migrants, unaccompanied child migrants, stranded migrants, and migrants displaced by disasters and environmental change. This paper has three objectives. First, it sets out stylized facts on international migration and describes three fundamental drivers: income gaps, demographic change, and environmental change. Second, it highlights the benefits and costs associated with global labor mobility in both sending and receiving countries. Third, it describes the global architecture for governance of migration and suggests a few areas where the Bank could usefully contribute by designing customized solutions that address heterogeneous and context-specific complexities of migration.

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