Overcoming barriers:
Human mobility and development
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Foreword

Migration not infrequently gets a bad press. Negative stereotypes portraying migrants as ‘stealing our jobs’ or ‘scrounging off the taxpayer’ abound in sections of the media and public opinion, especially in times of recession. For others, the word ‘migrant’ may evoke images of people at their most vulnerable. This year’s Human Development Report, *Overcoming Barriers: Human Mobility and Development*, challenges such stereotypes. It seeks to broaden and rebalance perceptions of migration to reflect a more complex and highly variable reality.

This report breaks new ground in applying a human development approach to the study of migration. It discusses who migrants are, where they come from and go to, and why they move. It looks at the multiple impacts of migration for all who are affected by it—not just those who move, but also those who stay.

In so doing, the report’s findings cast new light on some common misconceptions. For example, migration from developing to developed countries accounts for only a minor fraction of human movement. Migration from one developing economy to another is much more common. Most migrants do not go abroad at all, but instead move within their own country.

Next, the majority of migrants, far from being victims, tend to be successful, both before they leave their original home and on arrival in their new one. Outcomes in all aspects of human development, not only income but also education and health, are for the most part positive—some immensely so, with people from the poorest places gaining the most.

Reviewing an extensive literature, the report finds that fears about migrants taking the jobs or lowering the wages of local people, placing an unwelcome burden on local services, or costing the taxpayer money, are generally exaggerated. When migrants’ skills complement those of local people, both groups benefit. Societies as a whole may also benefit in many ways—ranging from rising levels of technical innovation to increasingly diverse cuisine to which migrants contribute.

The report suggests that the policy response to migration can be wanting. Many governments institute increasingly repressive entry regimes, turn a blind eye to health and safety violations by employers, or fail to take a lead in educating the public on the benefits of immigration.

By examining policies with a view to expanding people’s freedoms rather than controlling or restricting human movement, this report proposes a bold set of reforms. It argues that, when tailored to country-specific contexts, these changes can amplify human mobility’s already substantial contributions to human development.

The principal reforms proposed centre around six areas, each of which has important and complementary contributions to make to human development: opening up existing entry channels so that more workers can emigrate; ensuring basic rights for migrants; lowering the transaction costs of migration; finding solutions that benefit both destination communities and the migrants they receive; making it easier for people to move within their own countries; and mainstreaming migration into national development strategies.

The report argues that while many of these reforms are more feasible than at first thought, they nonetheless require political courage. There may also be limits to governments’ ability to make swift policy changes while the recession persists.
This is the first Human Development Report for which as Administrator I am writing the foreword. Like all such reports, this is an independent study intended to stimulate debate and discussion on an important issue. It is not a statement of either United Nations or UNDP policy.

At the same time, by highlighting human mobility as a core component of the human development agenda, it is UNDP’s hope that the following insights will add value to ongoing discourse on migration and inform the work of development practitioners and policy makers around the world.

Helen Clark
Administrator
United Nations Development Programme
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Background studies were commissioned on a range of thematic issues and published online in our Human Development Research Papers series, launched in April 2009, and are listed in the bibliography. A series of 27 seminars that were held between August 2008 and April 2009 likewise provided important stimulus to our thinking and the development of ideas, and we would again thank those presenters for sharing their research and insights. We would also like to acknowledge the contribution of the national experts who participated in our migration policy assessment.

The data and statistics used in this report draw significantly upon the databases of other organizations to which we were allowed generous access: Andean Development Corporation; Development Research Centre on Migration, University of Sussex; ECLAC; International Migration Institute, Oxford; Inter-Parliamentary Union; Internal Displacement Monitoring Centre; the Department of Statistics and the International Migration Programme of the ILO; IOM; Luxembourg Income Study; OECD; UNICEF; UNDESA, Statistics Division and Population Division; UNESCO Institute for Statistics; UNHCR; Treaty Section, United Nations Office of Legal Affairs; UNRWA; the World Bank; and WHO.

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From the outset, the process involved a range of participatory consultations designed to draw on the expertise of researchers, civil society advocates, development practitioners and policy makers from around the globe. This included 11 informal stakeholder consultations held between August 2008 and April 2009 in Nairobi, New Delhi, Amman, Bratislava, Manila, Sydney, Dakar, Rio de Janeiro, Geneva, Turin and Johannesburg, involving almost 300 experts and practitioners in total. The support of UNDP country and regional offices and local partners was critical in enabling these consultations. Several events were hosted by key partners, including the IOM, the ILO and the Migration Policy Institute. Additional academic consultations took place in Washington D.C. and Princeton, and HDRO staff participated in various other regional and global fora, including the Global Forum on Migration and Development (GFMD) in Manila, preparatory meetings for the Athens GFMD, and many conferences and seminars organized by other UN agencies (e.g. ILO, UNDESA and UNITAR), universities, think-tanks and non-governmental organizations. Participants in a series of Human Development Network discussions provided wide-ranging insights and observations on the linkages between migration and human development. More details on the process are available at http://hdr.undp.org/en/nhdr.
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Jeni Klugman
Director
Human Development Report 2009
Acronyms

CEDAW  United Nations Convention on the Elimination of All Forms of Discrimination against Women
CMW  United Nations International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families
CRC  United Nations Convention on the Rights of the Child
ECD  Early childhood development
ECLAC  Economic Commission for Latin America and the Caribbean
ECOWAS  Economic Community of West African States
EIU  Economist Intelligence Unit
EU  European Union
GATS  General Agreement on Trade in Services
GDP  Gross domestic product
GCC  Gulf Cooperation Council
HDI  Human Development Index
HDR  Human Development Report
HDRO  Human Development Report Office
ILO  International Labour Organization
IOM  International Organization for Migration
MERCOSUR  Mercado Común del Sur (Southern Common Market)
MIPEX  Migrant Integration Policy Index
NGO  Non-governmental organization
OECD  Organisation for Economic Co-operation and Development
PRS  Poverty Reduction Strategy
PRSP  Poverty Reduction Strategy Paper
TMBs  Treaty Monitoring Bodies
UNDESA  United Nations Department of Economic and Social Affairs
UNDP  United Nations Development Programme
UNESCO  United Nations Educational, Scientific and Cultural Organization
UNHCR  Office of the United Nations High Commissioner for Refugees
UNICEF  United Nations Children’s Fund
UNODC  United Nations Office on Drugs and Crime
UNRWA  United Nations Relief and Works Agency for Palestine Refugees in the Near East
USSR  Union of Soviet Socialist Republics
WHO  World Health Organization
WTO  World Trade Organization
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Overview

Consider Juan. Born into a poor family in rural Mexico, his family struggled to pay for his health care and education. At the age of 12, he dropped out of school to help support his family. Six years later, Juan followed his uncle to Canada in pursuit of higher wages and better opportunities.

Life expectancy in Canada is five years higher than in Mexico and incomes are three times greater. Juan was selected to work temporarily in Canada, earned the right to stay and eventually became an entrepreneur whose business now employs native-born Canadians. This is just one case out of millions of people every year who find new opportunities and freedoms by migrating, benefiting themselves as well as their areas of origin and destination.

Now consider Bhagyawati. She is a member of a lower caste and lives in rural Andhra Pradesh, India. She travels to Bangalore city with her children to work on construction sites for six months each year, earning Rs 60 (US$1.20) per day. While away from home, her children do not attend school because it is too far from the construction site and they do not know the local language. Bhagyawati is not entitled to subsidized food or health care, nor does she vote, because she is living outside her registered district. Like millions of other internal migrants, she has few options for improving her life other than to move to a different city in search of better opportunities.

Our world is very unequal. The huge differences in human development across and within countries have been a recurring theme of the Human Development Report (HDR) since it was first published in 1990. In this year’s report, we explore for the first time the topic of migration. For many people in developing countries moving away from their home town or village can be the best—sometimes the only—option open to improve their life chances. Human mobility can be hugely effective in raising a person’s income, health and education prospects. But its value is more than that: being able to decide where to live is a key element of human freedom.

When people move they embark on a journey of hope and uncertainty whether within or across international borders. Most people move in search of better opportunities, hoping to combine their own talents with resources in the destination country so as to benefit themselves and their immediate family, who often accompany or follow them. If they succeed, their initiative and efforts can also benefit those left behind and the society in which they make their new home. But not all do succeed. Migrants who leave friends and family may face loneliness, may feel unwelcome among people who fear or resent newcomers, may lose their jobs or fall ill and thus be unable to access the support services they need in order to prosper.

The 2009 HDR explores how better policies towards human mobility can enhance human development. It lays out the case for governments to reduce restrictions on movement within and across their borders, so as to expand human choices and freedoms. It argues for practical measures that can improve prospects on arrival, which in turn will have large benefits both for destination communities and for places of origin.

How and why people move

Discussions about migration typically start from the perspective of flows from developing countries into the rich countries of Europe, North America and Australasia. Yet most movement in the world does not take place between developing and developed countries; it does not even take place between countries. The overwhelming majority of people who move do so inside their own country. Using a conservative definition, we estimate that approximately 740 million people are internal migrants—almost four times as many as those who have moved internationally. Among people who have moved across national borders,
Most migrants, internal and international, reap gains in the form of higher incomes, better access to education and health, and improved prospects for their children. Just over a third moved from a developing to a developed country—fewer than 70 million people. Most of the world’s 200 million international migrants moved from one developing country to another or between developed countries.

Most migrants, internal and international, reap gains in the form of higher incomes, better access to education and health, and improved prospects for their children. Surveys of migrants report that most are happy in their destination, despite the range of adjustments and obstacles typically involved in moving. Once established, migrants are often more likely than local residents to join unions or religious and other groups. Yet there are trade-offs and the gains from mobility are unequally distributed.

People displaced by insecurity and conflict face special challenges. There are an estimated 14 million refugees living outside their country of citizenship, representing about 7 percent of the world’s migrants. Most remain near the country they fled, typically living in camps until conditions at home allow their return, but around half a million per year travel to developed countries and seek asylum there. A much larger number, some 26 million, have been internally displaced. They have crossed no frontiers, but may face special difficulties away from home in a country riven by conflict or racked by natural disasters. Another vulnerable group consists of people—mainly young women—who have been trafficked. Often duped with promises of a better life, their movement is not one of free will but of duress, sometimes accompanied by violence and sexual abuse.

In general, however, people move of their own volition, to better-off places. More than three quarters of international migrants go to a country with a higher level of human development than their country of origin. Yet they are significantly constrained, both by policies that impose barriers to entry and by the resources they have available to enable their move. People in poor countries are the least mobile: for example, fewer than 1 percent of Africans have moved to Europe. Indeed, history and contemporary evidence suggest that development and migration go hand in hand: the median emigration rate in a country with low human development is below 4 percent, compared to more than 8 percent from countries with high levels of human development.

Barriers to movement
The share of international migrants in the world’s population has remained remarkably stable at around 3 percent over the past 50 years, despite factors that could have been expected to increase flows. Demographic trends—an aging population in developed countries and young, still-rising populations in developing countries—and growing employment opportunities, combined with cheaper communications and transport, have increased the ‘demand’ for migration. However, those wishing to migrate have increasingly come up against government-imposed barriers to movement. Over the past century, the number of nation states has quadrupled to almost 200, creating more borders to cross, while policy changes have further limited the scale of migration even as barriers to trade fell.

Barriers to mobility are especially high for people with low skills, despite the demand for their labour in many rich countries. Policies generally favour the admission of the better educated, for instance by allowing students to stay after graduation and inviting professionals to settle with their families. But governments tend to be far more ambivalent with respect to low-skilled workers, whose status and treatment often leave much to be desired. In many countries, agriculture, construction, manufacturing and service sectors have jobs that are filled by such migrants. Yet governments often try to rotate less educated people in and out of the country, sometimes treating temporary and irregular workers like water from a tap that can be turned on and off at will. An estimated 50 million people today are living and working abroad with irregular status. Some countries, such as Thailand and the United States, tolerate large numbers of unauthorized workers. This may allow those individuals to access better paying jobs than at home, but although they often do the same work and pay the same taxes as local residents, they may lack access to basic services and face the risk of being deported. Some governments, such as those of Italy and Spain, have recognized that unskilled migrants contribute to their societies and have regularized the status of those in work, while other countries, such as Canada and New Zealand, have well designed seasonal migrant programmes for sectors such as agriculture.
While there is broad consensus about the value of skilled migration to destination countries, low-skilled migrant workers generate much controversy. It is widely believed that, while these migrants fill vacant jobs, they also displace local workers and reduce wages. Other concerns posed by migrant inflows include heightened risk of crime, added burdens on local services and the fear of losing social and cultural cohesion. But these concerns are often exaggerated. While research has found that migration can, in certain circumstances, have negative effects on locally born workers with comparable skills, the body of evidence suggests that these effects are generally small and may, in some contexts, be entirely absent.

**The case for mobility**

This report argues that migrants boost economic output, at little or no cost to locals. Indeed, there may be broader positive effects, for instance when the availability of migrants for childcare allows resident mothers to work outside the home. As migrants acquire the language and other skills needed to move up the income ladder, many integrate quite naturally, making fears about inassimilable foreigners—similar to those expressed early in the 20th century in America about the Irish, for example—seem equally unwarranted with respect to newcomers today. Yet it is also true that many migrants face systemic disadvantages, making it difficult or impossible for them to access local services on equal terms with local people. And these problems are especially severe for temporary and irregular workers.

In migrants’ countries of origin, the impacts of movement are felt in higher incomes and consumption, better education and improved health, as well as at a broader cultural and social level. Moving generally brings benefits, most directly in the form of remittances sent to immediate family members. However, the benefits are also spread more broadly as remittances are spent—thereby generating jobs for local workers—and as behaviour changes in response to ideas from abroad. Women, in particular, may be liberated from traditional roles.

The nature and extent of these impacts depend on who moves, how they fare abroad and whether they stay connected to their roots through flows of money, knowledge and ideas. Because migrants tend to come in large numbers from specific places—for example, Kerala in India or Fujian Province in China—community-level effects can typically be larger than national ones. However, over the longer term, the flow of ideas from human movement can have far-reaching effects on social norms and class structures across a whole country. The outflow of skills is sometimes seen as negative, particularly for the delivery of services such as education or health. Yet, even when this is the case, the best response is policies that address underlying structural problems, such as low pay, inadequate financing and weak institutions. Blaming the loss of skilled workers on the workers themselves largely misses the point, and restraints on their mobility are likely to be counter-productive—not to mention the fact that they deny the basic human right to leave one’s own country.

However, international migration, even if well managed, does not amount to a national human development strategy. With few exceptions (mainly small island states where more than 40 percent of inhabitants move abroad), emigration is unlikely to shape the development prospects of an entire nation. Migration is at best an avenue that complements broader local and national efforts to reduce poverty and improve human development. These efforts remain as critical as ever.

At the time of writing, the world is undergoing the most severe economic crisis in over half a century. Shrinking economies and layoffs are affecting millions of workers, including migrants. We believe that the current downturn should be seized as an opportunity to institute a new deal for migrants—one that will benefit workers at home and abroad while guarding against a protectionist backlash. With recovery, many of the same underlying trends that have been driving movement during the past half-century will resurface, attracting more people to move. It is vital that governments put in place the necessary measures to prepare for this.

**Our proposal**

Large gains to human development can be achieved by lowering the barriers to movement and improving the treatment of movers. A bold vision is needed to realize these gains. This
The two most important dimensions of the mobility agenda that offer scope for better policies are admissions and treatment.

Our proposal addresses the two most important dimensions of the mobility agenda that offer scope for better policies: admissions and treatment. The reforms laid out in our proposed core package have medium- to long-term pay-offs. They speak not only to destination governments but also to governments of origin, to other key actors—in particular the private sector, unions and non-governmental organizations—and to individual migrants themselves. While policy makers face common challenges, they will of course need to design and implement different migration policies in their respective countries, according to national and local circumstances. Certain good practices nevertheless stand out and can be more widely adopted.

We highlight six major directions for reform that can be adopted individually but that, if used together in an integrated approach, can magnify their positive effects on human development. Opening up existing entry channels so that more workers can emigrate, ensuring basic rights for migrants, lowering the transaction costs of migration, finding solutions that benefit both destination communities and the migrants they receive, making it easier for people to move within their own countries, and mainstreaming migration into national development strategies—all have important and complementary contributions to make to human development.

The core package highlights two avenues for opening up regular existing entry channels:

- We recommend expanding schemes for truly seasonal work in sectors such as agriculture and tourism. Such schemes have already proved successful in various countries. Good practice suggests that this intervention should involve unions and employers, together with the destination and source country governments, particularly in designing and implementing basic wage guarantees, health and safety standards and provisions for repeat visits as in the case of New Zealand, for example.
- We also propose increasing the number of visas for low-skilled people, making this conditional on local demand. Experience suggests that good practices here include: ensuring immigrants have the right to change employers (known as employer portability), offering immigrants the right to apply to extend their stay and outlining pathways to eventual permanent residence, making provisions that facilitate return trips during the visa period, and allowing the transfer of accumulated social security benefits, as adopted in Sweden’s recent reform.

Destination countries should decide on the desired numbers of entrants through political processes that permit public discussion and the balancing of different interests. Transparent mechanisms to determine the number of entrants should be based on employer demand, with quotas according to economic conditions.

At destination, immigrants are often treated in ways that infringe on their basic human rights. Even if governments do not ratify the international conventions that protect migrant workers, they should ensure that migrants have full rights in the workplace—to equal pay for equal work, decent working conditions and collective organization, for example. They may need to act quickly to stamp out discrimination. Governments at origin and destination can collaborate to ease the recognition of credentials earned abroad.

The current recession has made migrants particularly vulnerable. Some destination country governments have stepped up the enforcement of migration laws in ways that can infringe on migrants’ rights. Giving laid-off migrants the opportunity to search for another employer (or at least time to wrap up their affairs before departing), publicizing employment outlooks—including downturns in source countries—are all measures that can mitigate the disproportionate costs of the recession borne by both current and prospective migrants.

For international movement, the transaction costs of acquiring the necessary papers and meeting the administrative requirements to cross national borders are often high, tend to be regressive (proportionally higher for unskilled people and those on short-term contracts) and can also have the unintended effect of encouraging irregular movement and smuggling. One in ten countries have passport costs that exceed 10 percent of per
capita income; not surprisingly, these costs are negatively correlated with emigration rates. Both origin and destination governments can simplify procedures and reduce document costs, while the two sides can also work together to improve and regulate intermediation services.

It is vital to ensure that individual migrants settle in well on arrival, but it is also vital that the communities they join should not feel unfairly burdened by the additional demands they place on key services. Where this poses challenges to local authorities, additional fiscal transfers may be needed. Ensuring that migrant children have equal access to education and, where needed, support to catch up and integrate, can improve their prospects and avoid a future underclass. Language training is key—for children at schools, but also for adults, both through the workplace and through special efforts to reach women who do not work outside the home. Some situations will need more active efforts than others to combat discrimination, address social tensions and, where relevant, prevent outbreaks of violence against immigrants. Civil society and governments have a wide range of positive experience in tackling discrimination through, for example, awareness-raising campaigns.

Despite the demise of most centrally planned systems around the world, a surprising number of governments—around a third—maintain de facto barriers to internal movement. Restrictions typically take the form of reduced basic service provisions and entitlements for those not registered in the local area, thereby discriminating against internal migrants, as is still the case in China. Ensuring equity of basic service provision is a key recommendation of the report as regards internal migrants. Equal treatment is important for temporary and seasonal workers and their families, for the regions where they go to work, and also to ensure decent service provision back home so that they are not compelled to move in order to access schools and health care.

While not a substitute for broader development efforts, migration can be a vital strategy for households and families seeking to diversify and improve their livelihoods, especially in developing countries. Governments need to recognize this potential and to integrate migration with other aspects of national development policy. A critical point that emerges from experience is the importance of national economic conditions and strong public-sector institutions in enabling the broader benefits of mobility to be reaped.

**The way forward**

Advancing this agenda will require strong, enlightened leadership coupled with a more determined effort to engage with the public and raise their awareness about the facts around migration.

For origin countries, more systematic consideration of the profile of migration and its benefits, costs and risks would provide a better basis for integrating movement into national development strategies. Emigration is not an alternative to accelerated development efforts at home, but mobility can facilitate access to ideas, knowledge and resources that can complement and in some cases enhance progress.

For destination countries, the ‘how and when’ of reforms will depend on a realistic look at economic and social conditions, taking into account public opinion and political constraints at local and national levels.

International cooperation, especially through bilateral or regional agreements, can lead to better migration management, improved protection of migrants’ rights and enhanced contributions of migrants to both origin and destination countries. Some regions are creating free-movement zones to promote freer trade while enhancing the benefits of migration—such as West Africa and the Southern Cone of Latin America. The expanded labour markets created in these regions can deliver substantial benefits to migrants, their families and their communities.

There are calls to create a new global regime to improve the management of migration: over 150 countries now participate in the Global Forum on Migration and Development. Governments, faced with common challenges, develop common responses—a trend we saw emerge while preparing this report.

*Overcoming Barriers* fixes human development firmly on the agenda of policy makers who seek the best outcomes from increasingly complex patterns of human movement worldwide.
Freedom and movement: how mobility can foster human development
The world distribution of opportunities is extremely unequal. This inequality is a key driver of human movement and thus implies that movement has a huge potential for improving human development. Yet movement is not a pure expression of choice—people often move under constraints that can be severe, while the gains they reap from moving are very unequally distributed. Our vision of development as promoting people’s freedom to lead the lives they choose recognizes mobility as an essential component of that freedom. However, movement involves trade-offs for both movers and stayers, and the understanding and analysis of those trade-offs is key to formulating appropriate policies.
Freedom and movement: how mobility can foster human development

Every year, more than 5 million people cross international borders to go and live in a developed country. The number of people who move to a developing nation or within their country is much greater, although precise estimates are hard to come by. Even larger numbers of people in both destination and source places are affected by the movement of others through flows of money, knowledge and ideas.

For people who move, the journey almost always entails sacrifices and uncertainty. The possible costs range from the emotional cost of separation from families and friends to high monetary fees. The risks can include the physical dangers of working in dangerous occupations. In some cases, such as those of illegal border crossings, movers face a risk of death. Nevertheless, millions of people are willing to incur these costs or risks in order to improve their living standards and those of their families.

A person’s opportunities to lead a long and healthy life, to have access to education, health care and material goods, to enjoy political freedoms and to be protected from violence are all strongly influenced by where they live. Someone born in Thailand can expect to live seven more years, to have almost three times as many years of education, and to spend and save eight times as much as someone born in neighbouring Myanmar. These differences in opportunity create immense pressures to move.

1.1 Mobility matters

Witness for example the way in which human development outcomes are distributed near national boundaries. Map 1.1 compares human development on either side of the United States–Mexico border. For this illustration, we use the Human Development Index (HDI)—a summary measure of development used throughout this report to rank and compare countries. A pattern that jumps out is the strong correlation between the side of the border that a place is on and its HDI. The lowest HDI in a United States border county (Starr County, Texas) is above even the highest on the Mexican side (Mexicali Municipality, Baja California). This pattern suggests that moving across national borders can greatly expand the opportunities available for improved well-being. Alternatively, consider the direction of human movements when restrictions on mobility are lifted. Between 1984 and 1995, the People’s Republic of China progressively liberalized its strict regime of internal restrictions, allowing people to move from one region to another. Massive flows followed, largely towards regions with higher levels of human development. In this case the patterns again suggest that opportunities for improved well-being were a key driving factor (map 1.2).

These spatial impressions are supported by more rigorous research that has estimated the effect of changing one’s residence on well-being. These comparisons are inherently difficult because people who move tend to have different characteristics and circumstances from those who do not move (box 1.1). Recent academic studies that carefully disentangle these complex relations have nonetheless confirmed very large gains from moving across international borders. For example, individuals with only moderate levels of formal education who move from a typical developing country to the United States can reap an annual income gain of approximately US$10,000—roughly double the average level of per capita income in a developing country. Background research commissioned for this report found that
a family who migrates from Nicaragua to Costa Rica increases the probability that their child will be enrolled in primary school by 22 percent.7

These disparities do not explain all movement. An important part of movement occurs in response to armed conflict. Some people emigrate to avoid political repression by authoritarian states. Moving can provide opportunities for people to escape the traditional roles that they were expected to fulfill in their society of origin. Young people often move in search of education and broader horizons, intending to return home eventually. As we discuss in more detail in the next section, there are multiple drivers of, and constraints on, movement that account for vastly different motives and experiences among movers. Nevertheless, opportunity and aspiration are frequently recurring themes.

Movement does not always lead to better human development outcomes. A point that we emphasize throughout this report is that vast inequalities characterize not only the freedom to move but also the distribution of gains from movement. When the poorest migrate, they often do so under conditions of vulnerability that reflect their limited resources and choices. The prior information they have may be limited or misleading. Abuse of migrant female domestic workers occurs in many cities and countries around the world, from Washington and London to Singapore and the Gulf Cooperation Council (GCC) states. Recent research in the Arab states found that the abusive and exploitative working conditions sometimes associated with domestic work and the lack of redress mechanisms can trap migrant women in a vicious circle of poverty and HIV vulnerability.8

The same study found that many countries test migrants for HIV and deport those found to carry the virus; few source countries have reintegration programs for migrants who are forced to return as a result of their HIV status.9

Movement across national borders is only part of the story. Movement within national borders is actually larger in magnitude and has enormous potential to enhance human development. This is partly because relocating to another country is costly. Moving abroad not only involves substantial monetary costs for fees and travel (which tend to be regressive—see chapter 3), but may also mean living in a very different culture and leaving behind your network of friends and relations, which can impose a heavy if unquantifiable psychological burden. The lifting of what were often severe barriers to internal movement in a number of countries (including but not limited to China) has benefited many of the world’s poorest people—an impact on human development that would be missed if we were to adopt an exclusive focus on international migration.

The potential of enhanced national and international mobility to increase human well-being leads us to expect that it should be a major focus of attention among development policy makers.
and researchers. This is not the case. The academic literature dealing with the effects of migration is dwarfed by research on the consequences of international trade and macroeconomic policies, to name just two examples.\textsuperscript{10} While the international community boasts an established institutional architecture for governing trade and financial relations among countries, the governance of mobility has been well characterized as a non-regime (with the important exception of refugees).\textsuperscript{11} This report is part of ongoing efforts to redress this imbalance. Building on the recent work of organizations such as the International Organization for Migration (IOM), the International Labour Organization (ILO), the World Bank and the Office of the United Nations High Commissioner for Refugees (UNHCR), and on discussions in such arenas as the Global Forum on Migration and Development, we argue that migration deserves greater attention from governments, international organizations and civil society.\textsuperscript{12} This is not only because of the large potential gains to the world as a whole from enhanced movement, but also because of the substantial risks faced by many who move—risks that could be at least partly offset by better policies.

\textbf{1.2 Choice and context: understanding why people move}

There is huge variation in the circumstances surrounding human movement. Thousands of Chinese have emigrated to Malaysia in recent years to escape persecution by Myanmar’s security forces,
Box 1.1  Estimating the impact of movement

Key methodological considerations affect the measurement of both returns to individuals and effects on places reported in the extensive literature on migration. Obtaining a precise measure of impacts requires a comparison between the well-being of someone who migrates and their well-being had they stayed in their original place. The latter is an unknown counterfactual and may not be adequately proxied by the status of non-migrants. Those who move internationally tend to be better educated and to have higher levels of initial income than those who do not, and so can be expected to be better off than those who stay behind. There is evidence that this phenomenon—known technically as migrant selectivity—is also present in internal migration (see chapter 2). Comparisons of groups with similar observable characteristics (gender, education, experience, etc.) can be more accurate but still omit potentially important characteristics, such as attitudes towards risk.

There are a host of other methodological problems. Difficulties in identifying causality plague estimates of the impact of remittances on household consumption. Understanding how migration affects labour markets in the destination place is also problematic. Most studies have tried to look at the impact on wages at the regional level or on particular skill groups. These may still be subject to selection bias associated with individual choices of location. A key issue, discussed in chapter 4, is whether the migrants’ skills substitute for or complement those of local people; determining this requires accurate measures of these skills.

One increasingly popular approach seeks to exploit quasi- or manufactured randomization to estimate impacts. For example, New Zealand’s Pacific Access Category allocated a set of visas randomly, allowing the impact of migration to be assessed by comparing lottery winners with unsuccessful applicants.

There is also an important temporal dimension. Migration has high upfront costs and the gains may take time to accrue. For example, returns in the labour market tend to improve significantly over time as country-specific skills are learned and recognized. A migrant’s decision to return is an additional complication, affecting the period over which impacts should be measured.

Finally, as we discuss in more detail in the next chapter, migration analysis faces major data constraints. Even in the case of rich countries, comparisons are often difficult to make for very basic reasons, such as differences in the definition of migrants.


but live under constant fear of detection by civilian paramilitary groups. More than 3,000 people are believed to have drowned between 1997 and 2005 in the Straits of Gibraltar while trying to enter Europe illegally on makeshift boats. These experiences contrast with those of hundreds of poor Tongans who have won a lottery to settle in New Zealand, or of the hundreds of thousands of Poles who moved to better paid jobs in the United Kingdom under the free mobility regime of the European Union introduced in 2004.

Our report deals with various types of movement, including internal and international, temporary and permanent, and conflict-induced. The usefulness of casting a broad net over all of these cases might be questioned. Are we not talking about disparate phenomena, with widely different causes and inherently dissimilar outcomes? Wouldn’t our purpose be better served if we limited our focus to one type of migration and studied in detail its causes, consequences and implications?

We don’t think so. While broad types of human movement do vary significantly in their drivers and outcomes, this is also true of more specific cases within each type. International labour migration, to take one example, covers cases ranging from Tajik workers in the Russian Federation construction industry, impelled to migrate by harsh economic conditions in a country where most people live on less than US$2 a day, to highly coveted East Asian computer engineers recruited by the likes of Motorola and Microsoft.

Conventional approaches to migration tend to suffer from compartmentalization. Distinctions are commonly drawn between migrants according to whether their movement is classed as forced or voluntary, internal or international, temporary or permanent, or economic or non-economic. Categories originally designated to establish legal distinctions for the purpose of governing entry and treatment can end up playing a dominant role in conceptual and policy thinking. Over the past decade, scholars and policy makers have begun to question these distinctions, and there is growing recognition that their proliferation obscures rather than illuminates the processes underlying the decision to move, with potentially harmful effects on policy-making.

In nearly all instances of human movement we can see the interaction of two basic forces, which vary in the degree of their influence. On
the one hand we have individuals, families and sometimes communities, who decide to move of their own free will in order to radically alter their circumstances. Indeed, even when people are impelled to move by very adverse conditions, the choices they make almost always play a vital role. Research among Angolan refugees settling in northwest Zambia, for example, has shown that many were motivated by the same aspirations that impel those who are commonly classified as economic migrants. Similarly, Afghans fleeing conflict go to Pakistan or Iran via the same routes and trading networks established decades ago for the purposes of seasonal labour migration.

On the other hand, choices are rarely, if ever, unconstrained. This is evident for those who move to escape political persecution or economic deprivation, but it is also vital for understanding decisions where there is less compulsion. Major factors relating to the structure of the economy and of society, which are context-specific but also change over time, frame decisions to move as well as to stay. This dynamic interaction between individual decisions and the socio-economic context in which they are taken—sometimes labelled in sociological parlance the ‘agency–structure interaction’—is vital for understanding what shapes human behaviour. The evolution over time of key structural factors is dealt with in chapter 2.

Consider the case of the tens of thousands of Indonesian immigrants who enter Malaysia every year. These flows are driven largely by the wide income differentials between these countries. But the scale of movement has also grown steadily since the 1980s, whereas the income gap between the two countries has alternately widened and narrowed over the same period. Broader socio-economic processes have clearly played a part. Malaysian industrialization in the 1970s and 1980s generated a massive movement of Malays from the countryside to the cities, creating acute labour scarcity in the agricultural sector at a time when the commercialization of farming and rapid population growth were producing a surplus of agricultural labour in Indonesia. The fact that most Indonesians are of similar ethnic, linguistic and religious backgrounds to Malays doubtless facilitated the flows.

Recognition of the role of structural factors in determining human movement has had a deep impact on migration studies. While early attempts to conceptualize migration flows focused on differences in living standards, in recent years there has been growing understanding that these differences only partly explain movement patterns. In particular, if movement responds only to income differentials, it is hard to explain why many successful migrants choose to return to their country of origin after several years abroad. Furthermore, if migration were purely determined by wage differences, then we would expect to see large movements from poor to rich countries and very little movement among rich countries—but neither of these patterns holds in practice (chapter 2).

These observed patterns led to several strands of research. Some scholars recognized that a focus on the individual distracts from what is typically a family decision and indeed strategy (as when some family members move while others stay at home). The need to go beyond the assumption of perfectly competitive markets also became increasingly evident. In particular, credit markets in developing countries are highly imperfect, while household livelihoods often depend on such volatile sectors as agriculture. Sending a family member elsewhere allows the family to diversify against the risk of bad outcomes at home. Other researchers emphasized how structural characteristics and long-run trends in both origin and destination places—often labelled ‘push’ and ‘pull’ factors—shape the context in which movement occurs. Movement, for example, can result from growing concentration in the ownership of assets such as land, making it difficult for people to subsist through their traditional modes of production. It was also recognized that the opportunities available to migrants are constrained by barriers to entry, as we discuss in chapters 2 and 3, and by the way in which labour markets function, as shown by the considerable evidence that both international and internal migrants are channelled into lower-status and worse-paid occupations.

Most importantly, theories that emphasize purely economic factors fail to capture the broader social framework in which decisions to migrate are taken.
lower, than what they would earn as agricultural day labourers at home. Escaping traditional hierarchies can be an important factor motivating migration (chapter 3).

Moreover, the relationship between movement and economics is far from unidirectional. Large-scale movements of people can have profound economic consequences for origin and destination places, as we will discuss in detail in chapter 4. Even the way in which we think about basic economic concepts is affected by the movement of people, as can be illustrated by the issues raised for the measurement of per capita incomes and economic growth (box 1.2).

1.3 Development, freedom and human mobility

Our attempt to understand the implications of human movement for human development begins with an idea that is central to the approach of this report. This is the concept of human development as the expansion of people’s freedoms to live their lives as they choose. This concept—inspired by the path-breaking work of Nobel laureate Amartya Sen and the leadership of Mahbub ul Haq and also known as the ‘capabilities approach’ because of its emphasis on freedom to achieve vital ‘beings and doings’—has been at the core of our thinking since the first Human Development Report in 1990, and is as relevant as ever to the design of effective policies to combat poverty and deprivation.

The capabilities approach has proved powerful in reshaping thinking about topics as diverse as gender, human security and climate change.

Using the expansion of human freedoms and capabilities as a lens has significant implications for how we think about human movement. This is because, even before we start asking whether the freedom to move has significant effects on incomes, education or health, for example, we recognize that movement is one of the basic actions

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**Box 1.2 How movement matters to the measurement of progress**

Attempts to measure the level of development of a country rely on various indicators designed to capture the average level of well-being. While a traditional approach uses per capita income as a proxy for economic development, this report has promoted a more comprehensive measure: the Human Development Index (HDI). However, both of these approaches are based on the idea of evaluating the well-being of those who reside in a given territory.

As researchers at the Center for Global Development and Harvard University have recently pointed out, these approaches to measuring development prioritize geographical location over people in the evaluation of a society’s progress. Thus, if a Fijian moves to New Zealand and her living standards improve as a result, traditional measures of development will not count that improvement as an increase in the development of Fiji. Rather, that person’s well-being will now be counted in the calculation of New Zealand’s indicator.

In background research carried out for this report, we dealt with this problem by proposing an alternative measure of human development. We refer to this as the human development of peoples (as opposed to the human development of countries), as it captures the level of human development of all people born in a particular country. For instance, instead of measuring the average level of human development of people who live in the Philippines, we measure the average level of human development of all individuals who were born in the Philippines, regardless of where they now live. This new measure has a significant impact on our understanding of human well-being. In 13 of the 100 nations for which we can calculate this measure, the HDI of their people is at least 10 percent higher than the HDI of their country; for an additional nine populations, the difference is between 5 and 10 percent. For 11 of the 90 populations for which we could calculate trends over time, the change in HDI during the 1990–2000 period differed by more than 5 percentage points from the average change for their country. For example, the HDI of Ugandans went up by nearly three times as much as the HDI of Uganda.

Throughout the rest of this report, we will continue to adopt the conventional approach for reasons of analytical tractability and comparability with the existing literature. We also view these two measures as complements rather than substitutes: one captures the living standards of people living in a particular place, the other of people born in a particular place. For example, when we analyse human development as a cause of human movement, as we do throughout most of this report, then the country measure will be more appropriate because it will serve as an indicator of how living standards differ across places. For the purposes of evaluating the success of different policies and institutions in generating well-being for the members of a society, however, there is a strong case for adopting the new measure.

that individuals can choose to take in order to realize their life plans. In other words, the ability to move is a dimension of freedom that is part of development—with intrinsic as well as potential instrumental value.

The notion that the ability to change one’s place of residence is a fundamental component of human freedom has been traced back to classical philosophy in several intellectual traditions. Confucius wrote that “good government obtains when those who are near are made happy, and those who are far off are attracted to come,” while Socrates argued that “anyone who does not like us and the city, and who wants to emigrate to a colony or to any other city, may go where he likes, retaining his property.” In 1215, England’s Magna Carta guaranteed the freedom “to go out of our Kingdom, and to return safely and securely, by land or water.” More recently, American philosopher Martha Nussbaum argued that mobility is one of a set of basic human functional capabilities that can be used to assess the effective freedom that individuals have to carry out their life plans.

Yet world history is replete with the experiences of societies that severely limited human development by restricting movement. Both feudalism and slavery were predicated on the physical restriction of movement. Several repressive regimes in the 20th century relied on the control of internal movement, including the Pass Laws of South African apartheid and the propiska system of internal passports in Soviet Russia. The subsequent demise of such restrictions contributed to dramatic expansions in the freedoms enjoyed by these countries’ peoples.

Our report seeks to capture and examine the full set of conditions that affect whether individuals, families or communities decide to stay or to move. These conditions include people’s resources or entitlements as well as the way in which different constraints—including those associated with policies, markets, security, culture and values—determine whether movement is an option for them. People’s ability to choose the place they call home is a dimension of human freedom that we refer to as human mobility. Box 1.3 defines this and other basic terms used in this report.

The distinction between freedoms and actions is central to the capabilities approach. By referring to the capability to decide where to live as well as the act of movement itself, we recognize the importance of the conditions under which people are, or are not, able to choose their place of residence. Much conventional analysis of migration centres on studying the effect of movement on well-being. Our concern, however, is not only with movement in itself but also with the freedom that people have to decide whether to move. Mobility is a freedom—movement is the exercise of that freedom.

We understand human mobility as a positive and not only a negative freedom. In other words, the absence of formal restrictions on the movement of people across or within borders does not in itself make people free to move if...
they lack the economic resources, security and networks necessary to enjoy a decent life in their new home, or if informal constraints such as discrimination significantly impede the prospects of moving successfully.

Let us illustrate the implications of this approach with a couple of examples. In the case of human trafficking, movement comes together with brutal and degrading types of exploitation. By definition, trafficking is an instance of movement in which freedoms become restricted by means of force, deception and/or coercion. Commonly, a trafficked individual is not free to choose to abort the trip, to seek alternative employment once she gets to her destination, or to return home. A trafficked person is physically moving, but doing so as a result of a restriction on her ability to decide where to live. From a capabilities perspective, she is less, not more, mobile.

Alternatively, consider the case of someone who has to move because of the threat of political persecution or because of degraded environmental conditions. In these cases external circumstances have made it more difficult, perhaps impossible, for her to remain at home. These circumstances restrict the scope of her choices, reducing her freedom to choose where to live. The induced movement may very well coincide with a further deterioration in her living conditions, but this does not mean that the movement is the cause of that deterioration. In fact, if she were not able to move, the outcome would probably be much worse.

If it is tempting to view the distinction between mobility and movement as somewhat academic, we should take this opportunity to emphasize that freedom to choose where to live emerged as an important theme in research to find out what poor people think about migration (box 1.4). In the end, their views matter more than those of the experts, since it is they who must take the difficult decision as to whether or not to risk a move.

### 1.4 What we bring to the table
Putting people and their freedom at the centre of development has implications for the study of human movement. In the first place, it requires

#### Box 1.4  How do the poor view migration?

In recent years there has been growing interest in the use of qualitative methods to understand how people living in poverty view their situation, as indicated by the landmark World Bank study *Voices of the Poor*, published in 2000. In preparing the current report we commissioned research to investigate relevant findings of Participatory Poverty Assessments—large-scale studies that combine qualitative and quantitative research methods to study poverty from the point of view of the poor. What emerged is that moving is commonly described by the poor as both a necessity—part of a coping strategy for families experiencing extreme hardship—and an opportunity—a means of expanding a household’s livelihoods and ability to accumulate assets.

In Niger, two thirds of respondents indicated that in order to cope with lack of food, clothing or income they had left their homes and looked for livelihoods elsewhere. Some households reported members leaving in search of paid work, particularly to reduce pressures on dwindling food supplies in times of scarcity. In the villages of Ban Na Pleng and Ban Kaew Pad, Thailand, participants described migration as one of the ways in which a family’s socio-economic status could be enhanced. For these communities, remittances from abroad enabled those left behind to invest in commercial fishing and thus expand the family’s standing and influence.

Seasonal internal migration was the most common type of migration discussed in focus groups with the poor. When international migration was discussed, it was described as something for the better off. For instance, participants in the Jamaica study said that the better off, unlike the poor, have influential contacts that help them acquire the necessary visas to travel and work abroad. Similarly, in Montserrat participants described how the more educated and financially better off were able to leave the country after the 1995 volcano eruption, while the less well off stayed on despite the devastation.

Participatory Poverty Assessments give us a good picture of how poor people see movement but may be uninformative about how others have managed to move out of poverty, as these assessments are by design limited to people who are still poor. A more recent study of 15 countries carried out by the World Bank examines pathways out of poverty. In these studies, the ability to move evolved as a common theme in conversations about freedom. In Morocco, young women expressed frustration with traditional restrictions that limit women’s ability to travel without a male escort or search for employment outside the home. Men described the ability to migrate as both a freedom and a responsibility, because with the freedom to move comes the responsibility to remit.

us to understand what makes people less or more mobile. This means considering why people choose to move and what constraints encourage them or deter them from making that choice. In chapter 2, we look at both choices and constraints by studying the macro patterns of human movement over space and time. We find that these patterns are broadly consistent with the idea that people move to enhance their opportunities, but that their movement is strongly constrained by policies—both in their place of origin and at their destinations—and by the resources at their disposal. Since different people face different constraints, the end result is a process characterized by significant inequalities in opportunities to move and returns from movement.

We explore how these inequalities interact with policies in chapter 3. While, as we have emphasized in this introductory chapter, there is considerable intrinsic value to mobility, its instrumental value for furthering other dimensions of human development can also be of enormous significance. But while people can and do expand other freedoms by moving, the extent to which they are able to do so depends greatly on the conditions under which they move. In chapter 3 we look at the outcomes of migration in different dimensions of human development, including incomes and livelihoods, health, education and empowerment. We also review the cases in which people experience deteriorations in their well-being during movement—when this is induced by trafficking or conflict, for example—and argue that these cases can often be traced back to constraints on the freedom of individuals to choose where they live.

A key point that emerges in chapter 3 is that human movement can be associated with trade-offs—people may gain in some and lose in other dimensions of freedom. Millions of Asian and Middle Eastern workers in the GCC states accept severe limitations on their rights as a condition for permission to work. They earn higher pay than at home, but cannot be with their families, obtain permanent residence or change employers. Many cannot even leave, as their passports are confiscated on entry. For many people around the world the decision to move involves leaving their children behind. In India, seasonal workers are in practice excluded from voting in elections when these are scheduled during the peak period of internal movements. People living and working with irregular status are often denied a whole host of basic entitlements and services and lead their lives in constant fear of arrest and deportation. Understanding the effects of movement requires the systematic analysis of these multiple dimensions of human development in order to gain a better sense of the nature and extent of these trade-offs, as well as the associated policy implications.

More complex trade-offs occur when movers have an effect on the well-being of non-movers. Indeed, the perception that migration generates losses for those in destination countries has been the source of numerous debates among policy makers and academics. Chapter 4 focuses on these debates. The evidence we present strongly suggests that fears about the negative effects of movement on stayers (both at source and destination) are frequently overstated. However, sometimes these concerns are real and this has significant implications for the design of policy.

If movement is constrained by policies and resources, yet enhanced mobility can significantly increase the well-being of movers while often also having positive effects on stayers, what should policy towards human movement look like? In chapter 5, we argue that it should look very different from what we see today. In particular, it should be redesigned to open up more opportunities for movement among low-skilled workers and to improve the treatment of movers at their destinations.

We do not advocate wholesale liberalization of international mobility. This is because we recognize that people at destination places have a right to shape their societies, and that borders are one way in which people delimit the sphere of their obligations to those whom they see as members of their community. But we also believe that people relate to each other in myriad ways and that their moral obligations can operate at different levels. This is primarily because individuals don’t belong to just one society or group. Rather than being uniquely or solely defined by their religion, race, ethnicity or gender, individuals commonly see themselves through the multiple prisms of a set of identities. As Amartya Sen has powerfully put it, “A Hutu labourer from Kigali… is not only a Hutu, but also a Kigalian, a Rwandan, an African, a labourer and a human being.”

While there is considerable intrinsic value to mobility, its instrumental value for furthering other dimensions of human development can also be of enormous significance.
The responsibilities of distributive justice are overlapping and naturally intersect national boundaries; as such, there is no contradiction between the idea that societies may design institutions with the primary purpose of generating just outcomes among their members, and the idea that the members of that same society will share an obligation to create a just world with and for their fellow humans outside that society. There are many ways in which these obligations are articulated: the creation of charities and foundations, the provision of development aid, assistance in building national institutions, and the reform of international institutions so as to make them more responsive to the needs of poor countries are just some of them. However, our analysis, which informs the recommendations in chapter 5, suggests that reducing restrictions on the entry of people—in particular of low-skilled workers and their families—into better-off developed and developing countries is one relatively effective way of discharging these obligations.

Our report’s policy recommendations are not only based on our view of how the world should be. We recognize that the formulation of policies towards human movement must contend with what can at times look like formidable political opposition to greater openness. However, having considered issues of political feasibility, we argue that a properly designed programme of liberalization—designed so as to respond to labour market needs in destination places while also addressing issues of equity and non-discrimination—could generate significant support among voters and interest groups.

Our analysis builds on the contributions to thinking about human development that have been made since the concept was introduced in the 1990 HDR. That report devoted a full chapter to urbanization and human development, reviewing the failed experiences of policies designed to reduce internal migration and concluding: “[A]s long as differences exist between rural and urban areas, people will move to try to take advantage of better schools and social services, higher income opportunities, cultural amenities, new modes of living, technological innovations and links to the world.” Like other HDRs, this one begins with the observation that the distribution of opportunities in our world is highly unequal. We go on to argue that this fact has significant implications for understanding why and how people move and how we should reshape policies towards human movement. Our critique of existing policies towards migration is directed at the way in which they reinforce those inequalities. As noted in the 1997 HDR, it is precisely because “the principles of free global markets are applied selectively” that “the global market for unskilled labour is not as free as the market for industrial country exports or capital”. Our emphasis on how migration enhances cultural diversity and enriches people’s lives by moving skills, labour and ideas builds on the analysis of the 2004 HDR, which dealt with the role of cultural liberty in today’s diverse world.

At the same time, the agenda of human development is evolving, so it is natural for the treatment of particular topics to change over time. This report strongly contests the view—held by some policy makers and at times echoed in past reports—that the movement of people should be seen as a problem requiring corrective action. In contrast, we see mobility as vital to human development and movement as a natural expression of people’s desire to choose how and where to lead their lives.

While the potential of increased mobility for increasing the well-being of millions of people around the world is the key theme of this report, it is important to stress at the outset that enhanced mobility is only one component of a strategy for improving human development. We do not argue that it should be the central one, nor are we arguing that it should be placed at the same level in the hierarchy of capabilities as, say, adequate nourishment or shelter. Neither do we believe mobility to be a replacement for national development strategies directed toward investing in people and creating conditions for people to flourish at home. Indeed, the potential of mobility to improve the well-being of disadvantaged groups is limited, because these groups are often least likely to move. Yet while human mobility is not a panacea, its largely positive effects both for movers and stayers suggest that it should be an important component of any strategy to generate sustained improvements in human development around the world.
People in motion: who moves where, when and why
This chapter examines human movement across the world and over time. The patterns are consistent with the idea that people move to seek better opportunities, but also that their movement is strongly constrained by barriers—most importantly, by policies at home and at destination and by lack of resources. Overall, the share of people going to developed countries has increased markedly during the past 50 years, a trend associated with growing gaps in opportunities. Although these flows of people are likely to slow temporarily during the current economic crisis, underlying structural trends will persist once growth resumes and are likely to generate increased pressures for movement in the coming decades.
People in motion: who moves where, when and why

The aim of this chapter is to characterize human movement generally—to give an overview of who moves, how, why, where and when. The picture is complex and our broad brushstrokes will inevitably fail to capture specifics. Nevertheless, the similarities and commonalities that emerge are striking, and help us understand the forces that shape and constrain migration.

We start by examining the key features of movement—its magnitude, composition and directions—in section 2.1. Section 2.2 considers how movement today resembles or differs from movement in the past. Our examination suggests that movement is largely shaped by policy constraints, an issue that we discuss in detail in the third section (2.3). In the last section (2.4), we turn to the future and try to understand how movement will evolve in the medium to longer term, once the economic crisis that started in 2008 is over.

2.1 Human movement today

Discussions about migration commonly start with a description of flows between developing and developed countries, or what sometimes are loosely—and inaccurately—called ‘South–North’ flows. However, most movement in the world does not take place between developing and developed countries. Indeed, it does not even take place between countries. The overwhelming majority of people who move do so within the borders of their own country.

One of the reasons why this basic reality of human movement is not better known lies in severe data limitations. Background research conducted for this report sought to overcome this knowledge gap by using national censuses to calculate the number of internal migrants on a consistent basis for 24 countries covering 57 percent of the world’s population (figure 2.1). Even with a conservative definition of internal migration, which counts movement across only the largest zonal demarcations in a country, the number of people who move internally in our sample is six times greater than those who emigrate. Using the regional patterns found in these data, we estimate that there are about 740 million internal migrants in the world—almost four times as many as those who have moved internationally.

By comparison, the contemporary figure for international migrants (214 million, or 3.1 percent of the world’s population) looks small. Of course this global estimate is dogged by a number of methodological and comparability issues, but there are good reasons to believe that the order of magnitude is right. Box 2.1 deals with one of the most frequently voiced concerns about the international data on migration, namely the extent to which they capture irregular migration is discussed below.

Even if we restrict attention to international movements, the bulk of these do not occur between countries with very different levels of development. Only 37 percent of migration in the world is from developing to developed countries. Most migration occurs within countries in the same category of development: about 60 percent of migrants move either between developing or between developed countries (the remaining 3 percent move from developed to developing countries).

This comparison relies on what is inevitably a somewhat arbitrary distinction between countries that have achieved higher levels of development and those that have not. We have classified countries that have attained an HDI greater than or equal to 0.9 (on a scale of 0 to 1) as developed and those that have not as developing (see box 1.3). We use this demarcation throughout this report, without intending any judgement of the merits of any particular economic or political...
system or seeking to obscure the complex interactions involved in increasing and sustaining human well-being. The countries and territories thereby classified as developed feature many that would normally be included in such a list (all Western European countries, Australia, Canada, Japan, New Zealand and the United States), but also several that are less frequently labelled as developed (Hong Kong (China), Singapore and the Republic of Korea, in East Asia; Kuwait, Qatar and the United Arab Emirates, in the Gulf region). However, most Eastern European economies, with the exception of the Czech Republic and Slovenia, are not in the top HDI category (see Statistical Table H).

One obvious reason why there is not more movement from developing to developed countries is that moving is costly, and moving long distances is costlier than undertaking short journeys. The higher expense of international movement comes not only from transport costs but also from the policy-based restrictions on crossing international borders, which can be overcome only by those who have enough resources, possess skills that are sought after in the new host country, or are willing to run very high risks. Nearly half of all international migrants move within their region of origin and about 40 percent move to a neighbouring country. The proximity between source and destination countries, however, is not solely geographical: nearly 6 out of 10 migrants move to a country where the major religion is the same as in their country of birth, and 4 out of 10 to a country where the dominant language is the same.⁵

The pattern of these inter- and intra-regional movements is presented in map 2.1, where the absolute magnitudes are illustrated by the thickness of the arrows, the size of each region has been represented in proportion to its population, and the colouring of each country represents its HDI category. Intra-regional movement dominates. To take one striking example, intra-Asian migration accounts for nearly 20 percent of all international migration and exceeds the sum total of movements that Europe receives from all other regions.

The fact that flows from developing to developed countries account for only a minority of international movement does not mean that differences in living standards are unimportant. Quite the contrary: three quarters of
international movers move to a country with a higher HDI than their country of origin; among those from developing countries, this share exceeds 80 percent. However, their destinations are often not developed countries but rather other developing countries with higher living standards and/or more jobs.

The difference between human development at origin and destination can be substantial. Figure 2.2 illustrates this difference—a magnitude that we loosely call the human development ‘gains’ from migration—plotted against the origin country’s HDI. If migrants were on average emigrating to countries with the same level of human development as their origin countries, this magnitude would be zero. In contrast, the difference is positive and generally large for all but the most developed countries. The fact that the average gain diminishes as human development increases shows that it is people from the poorest countries who, on average, gain the most from moving across borders.

That movers from low-HDI countries have the most to gain from moving internationally is confirmed by more systematic studies. Background research commissioned for this report compared the HDI of migrants at home and destination and found that the differences—in both relative and absolute terms—are inversely related to the HDI of the country of origin.7


deficiency and institutional barriers. The differences between destination and origin country HDI, 2000–2002

Note: Averages estimated using Kernel density regressions.
Migrants from low-HDI countries had the most to gain—and indeed on average saw a 15-fold increase in income (to US$15,000 per annum), a doubling in education enrolment rate (from 47 to 95 percent) and a 16-fold reduction in child mortality (from 112 to 7 deaths per 1,000 live births). Using comparable surveys in a number of developing countries, the study also found that self-selection—the tendency for those who move to be better off and better educated—accounted for only a fraction of these gains. Analysis of bilateral migration flows across countries, prepared as background research for this report, confirmed the positive effect on emigration of all components of human development at destination, while finding that income differences had the most explanatory power. These patterns are discussed in detail in the next chapter.

Paradoxically, despite the fact that people moving out of poor countries have the most to gain from moving, they are the least mobile. For example, despite the high levels of attention given to emigration from Africa to Europe, only 3 percent of Africans live in a country different from where they were born and fewer than 1 percent of Africans live in Europe. Several scholars have observed that if we correlate emigration rates with levels of development, the relationship resembles a ‘hump’, whereby emigration rates are lower in poor and rich countries than among countries with moderate levels of development. This is illustrated in figure 2.3, which shows that the median emigration rate in countries with low levels of human development is only about one third the rate out of countries with high levels of human development. When we restrict the comparison to out-migration to developed countries, the relationship is even stronger: the median emigration rate among countries with low levels of human development is less than 1 percent, compared to almost 5 percent out of countries with high levels of human development. Analysis of bilateral migration flows prepared as background research for this report confirmed that this pattern holds, even when controlling for characteristics of origin and destination countries such as life expectancy, years of schooling and demographic structure.
Evidence that poverty is a constraint to emigration has also been found in household-level analysis: a study of Mexican households, for example, found that the probability of migration increased with higher income levels for household incomes lower than US$15,000 per annum (figure 2.3, panel B). A commissioned study found that during the Monga or growing season in Bangladesh, when people’s cash resources are lowest, a randomized monetary incentive significantly increased the likelihood of migrating. The magnitude of the effect was large: giving emigrants an amount equivalent to a week’s wages at destination increased the propensity to migrate from 14 to 40 percent. These results shed strong doubts on the idea, often promoted in policy circles, that development in countries of origin will reduce migratory flows.

While many migrant families do improve their standard of living by moving, this is not always the case. As discussed in chapter 3, movement often coincides with adverse outcomes when it occurs under conditions of restricted choice. Conflict-induced migration and trafficking are not a large proportion of overall human movement, but they affect many of the world’s poorest people and are thus a special source of concern (box 2.2).

Another key fact about out-migration patterns is their inverse relation to the size of a country’s population. For the 48 states with populations below 1.5 million—which include 1 low-, 21 medium-, 12 high- and 11 very high-HDI countries—the average emigration rate is 18.4 percent, considerably higher than the world average of 3 percent. Indeed, the top 13 emigration countries in the world are all small states, with Antigua and Barbuda, Grenada, and Saint Kitts and Nevis having emigration rates above 40 percent. The simple correlation between size and emigration rates is −0.61. In many cases, it is remoteness that leads people born in small states to move in order to take advantage of opportunities elsewhere—the same factor that drives much of the rural to urban migration seen within countries. Cross-country regression analysis confirms that the effect of population size on emigration is higher for countries that are far from world markets—the more remote a small country is, the more people decide to leave. The implications of these patterns are discussed in box 4.4.

The aggregate facts just surveyed tell us where migrants come from and go to, but they do not tell us who moves. While severe data limitations impede presentation of a full global profile of migrants, the existing data nonetheless reveal some interesting patterns.

Approximately half (48 percent) of all international migrants are women. This share has been quite stable during the past five decades: it stood at 47 percent in 1960. This pattern contrasts with that of the 19th century, when the majority of migrants were men. Yet despite recent references to the ‘feminization’ of migration, it appears that numerical gender balance was largely reached some time ago. However, the aggregate stability hides trends at the regional level. While the share of women going to the European Union has increased slightly from 48
to 52 percent, that same share has dropped from 47 to 45 percent in Asia.

Of course, the relatively equal gender shares of the migrant population may hide significant differences in the circumstances of movement and the opportunities available. At the same time, a growing literature has challenged conventional views about the subordinate role of women in migration decisions. For example, a qualitative study of decisions taken by Peruvian couples moving to Argentina found that many of the women moved first by themselves, because they were able to secure jobs more rapidly than their partners, who would later follow with the children.

The data also show very large temporary flows of people. In the countries of the Organisation for Economic Co-operation and Development (OECD), temporary migrants typically represent more than a third of arrivals in a given year. However, since most leave after a short period while others transit towards more permanent arrangements, the number of people on temporary visas at any given moment is much smaller than the aggregate flows suggest. Indeed, 83 percent of the foreign-born population in OECD countries has lived there for at least five years. Almost all temporary migrants come for work-related reasons. Some enter into ‘circular’ arrangements, whereby they repeatedly enter and leave the destination country to carry out seasonal or temporary work, effectively maintaining two places of residence.

It is important not to overemphasize the distinction between categories of migrants, as many migrants shift between categories. Indeed, the migration regime in many countries can perhaps best be understood through the analogy of the multiple doors of a house. Migrants can enter the house through the front door (permanent settlers), the side door (temporary visitors and workers) or the back door (irregular migrants). However, once inside a country, these channels often merge, as when temporary visitors become immigrants or slip into unauthorized status, those with irregular status gain authorization to remain, and people with permanent status decide to return.

This analogy is particularly useful for understanding irregular migration. Overstaying is an important channel through which migrants become irregular, particularly in developed countries. In fact, the distinction between regular and irregular is much less clear-cut than is often assumed. For example, it is common for people to enter a country legally, then work despite lacking a permit to do so. In some island states, such as Australia and Japan, overstaying is practically the only channel to irregular entry; even in many European countries, overstay appears to account for about two thirds of unauthorized migration. In OECD countries, people with irregular residence or work status tend to be workers with low levels of formal education. The best estimates of the number of irregular migrants in the United States amount to about 4 percent of the population in Sudan, 2.8 million in Iraq and 1.4 million in the Democratic Republic of the Congo.

It is much harder to ascertain the magnitude of human trafficking. In fact, there are no accurate estimates of the stocks and flows of people who have been trafficked. Among the reasons for this are the fact that trafficking data are commonly mixed with data on other forms of illegal migration or migrant exploitation, the inherent challenges in distinguishing between what is voluntary and forced, and the very nature of human trafficking as a clandestine and criminal activity. Many of the frequently cited figures are disputed by the countries concerned, and there is a significant gap between estimated numbers and identified cases.
population or 30 percent of total migrants. A recent research project funded by the European Commission estimated that in 2005 irregular migrants accounted for 6–15 percent of the total stock of migrants, or about 1 percent of the population of the European Union. Some of these migrants are counted in official estimates of migration, but many are not (box 2.1).

The over-representation of skilled, working-age people in migrant populations is one aspect of migrant selectivity. Not only do migrants tend to have higher income-earning capacity than non-migrants but they often also appear to be healthier and more productive than natives of the destination country with equivalent educational qualifications. Migrant selectivity usually reflects the effect of economic, geographical or policy-imposed barriers that make it harder for low-skilled people to move. This is most evident in terms of formal education. Tertiary graduates, for example, make up 35 percent of working-age immigrants to the OECD but only about 6 percent of the working-age population in non-OECD countries. Immigrants to the OECD from developing countries tend to be of working age: for example, over 80 percent of those from sub-Saharan Africa fall into this group.

What do we know about migrant selectivity in developing countries? When the migration process is more selective, individuals of working age (who have higher earning capacity than those out of the labour force) form a large proportion of movers. Using census data, we compared the age profiles of migrants to people in their countries of origin in 21 developing and 30 developed countries. We found a significant difference between the age profile of immigrants in developed countries and that of their countries of origin: 71 percent of migrants in developed countries are of working age, as opposed to 63 percent of the population in their origin countries; in contrast, the difference is negligible in developing countries (63 versus 62 percent).

New evidence on internal migration paints a more complex picture of migrant selectivity. In Kenya, for example, commissioned research found a positive relationship between measures of human capital and migration, which tends to diminish with successive cohorts of migrants over time, a result that is consistent with the development of social and other networks that facilitate movement. In other words, poorer people may decide to take the risk of migrating as they hear news of others’ success and become more confident that they will receive the support they need in order to succeed themselves. Other commissioned research generated education profiles for internal migrants across 34 developing countries. This showed that migrants were more likely than non-migrants to complete secondary school, reflecting both selectivity and better outcomes among migrant children (chapter 3).

What else do we know about the relationship between internal and international migration? Internal migration, particularly from rural to urban areas, can be a first step towards international migration, as found by some studies in Mexico, Thailand and Turkey, but this is far from being a universal pattern. Rather, emigration may foster subsequent internal migration in the home country. In Albania, migration flows to Greece in the early 1990s generated remittances, which helped to finance internal migration to urban centres; in India, international movers from the state of Kerala have freed up positions in their areas of origin and their remittances spurred a construction boom that has attracted low-skilled migrants from surrounding areas.

Comparisons between internal and international migration can yield useful insights into the causes and implications of human movement. For example, background research for this report analysed the relationship between the size of the place of origin (as measured by its population) and skilled labour flows and found that the patterns were broadly similar across countries as well as within them. In particular, emigration rates for skilled workers are higher in small localities than in large ones, just as they are higher in small countries than in large ones. These patterns reflect the importance of human interaction in driving movement. Movement both within and between nations is predominantly driven by the search for better opportunities.
Despite our ability to establish these broad contours of movement, what we know is dwarfed by what we don’t know. Unfortunately, migration data remain weak. It is much easier for policy makers to count the international movements of shoes and cell-phones than of nurses and construction workers. Most of our information is based on censuses, but these do not provide time series of migration flows that would enable trends to be recognized nor key data for assessing the impact of migration, such as the income and other characteristics of migrants at the time of admission. Population registers can produce such time series, but very few countries have registers with that capacity. Policy makers typically require information about migrant admissions by type (e.g. contract workers, trainees, family members, skilled professionals, etc.), so administrative data reflecting the number of visas and permits granted to different types of migrants are important. Yet none of these data sources can answer questions about the social or economic impact of international migration.

Advances have been made in recent years. The OECD, the UN, the World Bank and other agencies have compiled and published census and administrative databases that shed new light on some aspects of global flows of people. But public data still cannot answer basic questions, such as: how many Moroccans left France last year? What are the occupations of Latin Americans who took up United States residency in 2004? How has the number of Zimbabweans going to South Africa changed in recent years? How much return or circular migration occurs globally, and what are the characteristics of those migrants? For the most part, migration data remain patchy, non-comparable and difficult to access. Data on trade and investment are vastly more detailed. Many aspects of human movement simply remain a blind spot for policy makers.

While some data limitations are difficult to overcome—including the problem of accurately estimating the number of irregular migrants—others should be surmountable. A logical first step is to ensure that national statistics offices follow international guidelines, such that every census contains core migration questions. Existing surveys could be slightly expanded, or existing administrative data compiled and disseminated, to increase public information on migration processes. Adding questions on country of birth or country of previous residence to the national census would be a low-cost way forward for many countries. Another would be the public release of existing labour force data, including country of birth, as Brazil, South Africa, the United States and some other countries already do. Yet another would be the inclusion of standard migration questions in household surveys in countries where migration has grown in importance. These improvements are worthy of government attention and increased development assistance.

2.2 Looking back

We now consider how human movement has shaped world history. Doing so sheds light on the extent to which earlier movements differed from or were similar to those of today. It will also reveal the role of migration in the structural transformation of societies, the forces that drive migration and the constraints that frustrate it. We then present a more detailed discussion of the evolution of internal and international movements during the 20th century, with a focus on the post-World War II era. The analysis of trends during the past 50 years is key to understanding the factors causing recent changes in migration patterns and how we can expect these to continue evolving in the future.

2.2.1 The long-term view

Despite the widespread perception that international migration is associated with the rise of globalization and trade in the late 20th century, large-scale long-distance movements were prevalent in the past. At the peak of Iberian rule in the Americas, more than half a million Spaniards and Portuguese and about 700,000 British subjects went to the colonies in the Americas. Through the brutal use of force, 11–12 million Africans were sent as slaves across the Atlantic between the 15th and late 19th centuries. Between 1842 and 1900, some 2.3 million Chinese and 1.3 million Indians travelled as contract labourers to South-East Asia, Africa and North America. At the close of the 19th century the fraction of foreign-born residents in many countries was higher than today.

Going back further in time, we find human movement has been a pervasive phenomenon throughout history, present in nearly every
community for which historical or archaeological evidence is available. Recent DNA tests support previous fossil evidence that all human beings evolved from a common ancestor from equatorial Africa, who crossed the Red Sea into Southern Arabia approximately 50,000 years ago. While encounters among different societies often led to conflict, the peaceful coexistence of immigrants in foreign lands is also recorded. An ancient Babylonian tablet from the 18th century BCE, for example, talks about a community of migrants from Uruk who fled their homes when their city was raided and, in their new home, met little resistance to their cultural practices, with their priests being allowed to inhabit the same quarters as those venerating local gods. The idea that migrants should be treated according to basic norms of respect is found in many ancient religious texts. The Old Testament, for example, states that “the alien living with you must be treated as one of your native-born,” whereas the Koran requires the faithful to move when their beliefs are in danger and to give aman (refuge) to non-Muslims, even if they are in conflict with Muslims.

Population movements have played a vital role in the structural transformation of economies throughout history, thereby contributing greatly to development. Genetic and archaeological evidence from the Neolithic period (9500–3500 BCE) suggests that farming practices spread with the dispersal of communities after they had mastered the techniques of cultivation. The British Industrial Revolution both generated and was fuelled by rapid urban growth, driven mainly by movement from the countryside. The share of rural population has declined markedly in all economies that have become developed, falling in the United States from 79 percent in 1820 to below 4 percent by 1980, and even more rapidly in the Republic of Korea, from 63 percent in 1963 to 7 percent in 2008.

An interesting episode from the standpoint of our analysis was that of the large flows from Europe to the New World during the second half of the 19th century. By 1900, more than a million people were moving out of Europe each year, spurred by the search for better conditions in the face of hunger and poverty at home. The size of these flows is staggering by contemporary standards. At its peak in the 19th century, total emigrants over a decade accounted for 14 percent of the Irish population, 1 in 10 Norwegians, and 7 percent of the populations of both Sweden and the United Kingdom. In contrast, the number of lifetime emigrants from developing countries today is less than 3 percent of the total population of these countries. This historical episode was partly driven by falling travel costs: between the early 1840s and the late 1850s, passenger fares from Britain to New York fell by 77 percent in real terms. There were other determining factors in particular cases, such as the potato famine in Ireland. These population movements had sizeable effects on both source and destination countries. Workers moved from low-wage labour-abundant regions to high-wage labour-scarce regions. This contributed to significant economic convergence: between the 1850s and World War I, real wages in Sweden rose from 24 to 58 percent of those of the United States, while, over the same period, Irish wages rose from 61 to 92 percent of those in Great Britain. According to economic historians, more than two thirds of the wage convergence across countries that occurred in the late 19th century can be traced to the equalizing effect of migration.

Remittances and return migration were also very important in the past. Remittances were sent by courier and through transfers and notes via immigrant banks, mercantile houses, postal services and, after 1900, by telegraph wire. It is estimated that the average British remitter in the United States in 1910 sent up to a fifth of his income back home, and that about a quarter of European migration to the United States around that time was financed through remittances from those already there. Return migration was often the norm, with estimated rates of return from the United States ranging as high as 69 percent for Bulgaria, Serbia and Montenegro and 58 percent for Italy. In Argentina, Italian immigrants were often referred to as golondrinas (swallows) because of their tendency to return, and a contemporary observer wrote that “the Italian in Argentina is no colonist; he has no house, he will not make a sustenance… his only hope is a modest saving.”

These population movements were enabled by a policy stance that was not only receptive to migration but in many cases actively encouraged it. This is as true of origin countries, which often...
subsidized passage in order to reduce pressures at home, as it was of destination governments, which invited people to come in order to consolidate settlements and take advantage of natural resources. For example, by the 1880s about half of migrants to Argentina received a travel subsidy, while a law passed in Brazil in 1850 allotted land to migrants free of charge. More generally, the late 19th century was marked by the absence of the plethora of mechanisms to control international flows of people that subsequently emerged. Until the passage of restrictive legislation in 1924, for example, there was not even a visa requirement to settle permanently in the United States, and in 1905, only 1 percent of the one million people who made the transatlantic journey to Ellis Island were denied entry into the country.

One key distinction between the pre-World War I period and today lies in the attitudes of destination governments. While anti-immigrant sentiment could run high and often drove the erection of barriers to specific kinds of movement, the prevailing view among governments was that movement was to be expected and was ultimately beneficial to both origin and destination societies. This is all the more remarkable in societies where intolerance of minorities was prevalent and socially accepted to a far larger extent than today. It is also a useful reminder that the barriers to migration that characterize many developed and developing countries today are much less an immutable reality than might at first be supposed.

2.2.2 The 20th century

The pro-migration consensus was not to last. Towards the end of the 19th century, many countries introduced entry restrictions. The causes were varied, from the depletion of unsettled land to labour market pressures and popular sentiment. In countries such as Argentina and Brazil the policy shift occurred through the phasing out of subsidies; in Australia and the United States it came through the imposition of entry barriers. Despite the introduction of these restrictions, estimates from the early 20th century indicate that the share of international migrants in the world’s population was similar if not larger than it is today. This is especially striking given the relatively high transport costs at that time.

There was nothing in the area of migration policy even remotely resembling the rapid multilateral liberalization of trade in goods and movements of capital that characterized the post-World War II period. Some countries entered bilateral or regional agreements to respond to specific labour shortages, such as the United States’ 1942 Mexican Farm Labour (Bracero) Program, which sponsored 4.6 million contracts for work in the United States over a 22-year period, the 1947 United Kingdom–Australia Assisted Passage Agreement, or the flurry of European labour movement agreements and guest-worker programmes. But early enthusiasm for guest-worker programmes had fizzled out by the 1970s. The United States phased out its Bracero Program in 1964, and most Western European countries that had heavily relied on guest-worker programmes ceased recruitment during the 1970s oil shock.

This lack of liberalization is consistent with the observed stability in the global share of migrants. As shown in table 2.1, this share (which excludes Czechoslovakia and the former Soviet Union for comparability reasons—see below) has inched up from 2.7 to 2.8 percent between 1960 and 2010. The data nonetheless reveal a

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<tr>
<th>Table 2.1</th>
<th>Five decades of aggregate stability, with regional shifts</th>
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<tr>
<td>Regional distribution of international migrants, 1960–2010</td>
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<tr>
<td></td>
<td>1960</td>
</tr>
<tr>
<td></td>
<td>Total migrants (millions)</td>
</tr>
<tr>
<td>World (excluding the former Soviet Union and former Czechoslovakia)</td>
<td>74.1</td>
</tr>
<tr>
<td><strong>BY REGION</strong></td>
<td></td>
</tr>
<tr>
<td>Africa</td>
<td>9.2</td>
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<tr>
<td>Northern America</td>
<td>13.6</td>
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<tr>
<td>Latin America and the Caribbean</td>
<td>6.2</td>
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<tr>
<td>Asia</td>
<td>28.5</td>
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<tr>
<td>GCC states</td>
<td>0.2</td>
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<tr>
<td>Europe</td>
<td>14.5</td>
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<tr>
<td>Oceania</td>
<td>2.1</td>
</tr>
<tr>
<td><strong>BY HUMAN DEVELOPMENT CATEGORY</strong></td>
<td></td>
</tr>
<tr>
<td>Very high HDI</td>
<td>31.1</td>
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<tr>
<td>OECD</td>
<td>27.4</td>
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<tr>
<td>High HDI</td>
<td>10.6</td>
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<tr>
<td>Medium HDI</td>
<td>28.2</td>
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<td>Low HDI</td>
<td>4.3</td>
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Source: HDR team estimates based on UN (2009d). Note: Estimates exclude the former Soviet Union and former Czechoslovakia.
remarkable shift in destination places. The share in developed countries more than doubled, from 5 percent to more than 12 percent.\textsuperscript{58} An even larger increase—from 5 to 39 percent of the population—occurred in the GCC countries, which have experienced rapid oil-driven growth. In the rest of the world, however, the fraction of foreign-born people has been stable or declining. The declines are most marked in Latin America and the Caribbean, where international migration has more than halved, but are also evident in Africa and the rest of Asia.

An important caveat is that these trends exclude two sets of countries for which it is difficult to construct comparable time series on international migrants, namely the states of the former Soviet Union, and the two components of former Czechoslovakia. The independence of these new nations generated an artificial increase in the number of migrants, which should not be interpreted as a real increase in the prevalence of international movement (box 2.3).\textsuperscript{59}

Where are recent migrants to developed countries coming from? We do not have a full picture of bilateral flows over time, but figure 2.4 displays the evolution of the share of people from developing countries in eight developed economies that have comparable information. In all but one case (the United Kingdom), there were double-digit increases in the share of migrants from developing countries.\textsuperscript{60} In many European countries, this shift is driven by the increase in migrants from Eastern European countries classed as developing according to their HDI. For example, during the 1960s only 18 percent of developing country immigrants into Germany came from Eastern Europe; 40 years later that ratio was 53 percent.

In developing countries, the picture is more mixed, although data are limited. We can compare the source of migrants today and several decades ago for a few countries, revealing some interesting contrasts (figure 2.5). In Argentina and Brazil, the decline in the share of foreign-born people was driven by a fall in those coming from the poorer countries of Europe, as those countries experienced dramatic post-war growth while much of Latin America

\textbf{Box 2.3 Migration trends in the former Soviet Union}

When the Soviet Union broke up in 1991, 28 million people became international migrants overnight—even if they hadn’t moved an inch. This is because statistics define an international migrant as a person who is living outside their country of birth. These people had moved within the Soviet Union before 1991 and were now classified as foreign-born. Without their knowing it, they were now ‘statistical migrants’.

At one level, the reclassification makes sense. A Russian in Minsk was living in the country of her birth in 1990; by the end of 1991, she was technically a foreigner. But interpreting the resulting increase in the number of migrants as an increase in international movement, as some authors have done, is mistaken. Hence we have excluded them, together with migrants in the former Czechoslovakia, from the calculation of trends in table 2.1.

Has human movement increased in the former Soviet Union since 1991? On the one hand, the relaxation of propiska controls increased human mobility. On the other, the erection of national boundaries may have reduced the scope for movement. The picture is further complicated by the fact that many movements after 1991 were returns to the region of origin: for example, people of Russian origin returning from central Asia.

Any attempt to understand trends in the former Soviet Union should use comparable territorial entities. One way to do this is to consider inter-republic migration before and after the break-up. In this approach, anyone who moved between two republics that would later become independent nations would be considered an international migrant. Thus, a Latvian in St. Petersburg would be classified as an international migrant both before and after 1991.

In background research for this report, Soviet census data were used to construct such a series. Thus defined, the share of foreign-born people in the republics of the USSR rose slightly from 10 percent in 1959 to 10.8 percent in 1989. After 1990, there were divergent trends across the different states. In the Russian Federation, which became something of a magnet in the region, the migrant stock increased from 7.8 to 9.3 percent of the population. For Ukraine and the three Baltic states, migrant shares declined, as large numbers of foreign-born people left. In all the other states of the former Soviet Union, the absolute number of migrants declined until 2000 and in most cases the migrant share of the population also declined. Thus, while 30.3 million foreign-born people lived in the territory of the Soviet Union at the time of its dissolution, the aggregate number fell to 27.4 million in 2000 and to 26.5 million in 2005, as many in the post-Soviet space chose to return home.
A levelling off or even a decline in internal migration flows is to be expected in developed and high-HDI countries, where past flows were associated with rapid urbanization that has now abated. But in many developing countries, urbanization has not slowed and is expected to continue. In fact, estimates from UNDESA suggest that the urban share of the world’s population will nearly double by 2050 and will increase from 40 percent to over 60 percent in Africa. Urbanization is spurred in part by natural population growth in urban areas, alongside migration from rural areas and from abroad. Although it is difficult to determine the precise contributions of these different sources, it is clear that migration is an important factor in many countries.

Urbanization can be associated with major challenges to city dwellers and the government authorities responsible for urban planning and service provision. The most visible of these challenges is the 2 billion people—40 percent of urban residents—who are expected to be living in slums by 2030. As is well known, living conditions are often very poor in the slums, with inadequate access to safe water and sanitation and insecure land tenure. As we discuss in chapters 4 and 5, it is important that urban local authorities be accountable to residents and adequately financed to tackle these challenges, since local planning and programmes can play a critical role in improving matters.

In sum, the period since 1960 has been marked by a growing concentration of migrants in developed countries against a background of aggregate stability in overall migration. How do we explain these patterns? Our research shows that three key factors—trends in income, population and transport costs—tended to increase movement, which simultaneously faced an increasingly significant constraint: growing legal and administrative barriers.

Divergence in incomes across regions, combined with a general increase in incomes around most of the world, is a major part of the explanation of movement patterns. The evolution of income inequalities shows remarkable divergence between most developing and developed regions, even if the East Asia-Pacific and South Asia regions have seen a mild convergence (figure 2.7, panel A). China presents an exception to the broad pattern of lack of convergence, with stagnation in the immigration rate in Costa Rica was driven by large flows of Nicaraguan migrants, while the reduction in Mali reflects significant declines in immigration from Burkina Faso, Guinea, and Mauritania.

Many countries have experienced increases in internal migration, as shown in figure 2.6. However, this trend is far from uniform. For the 18 countries for which we have comparable information over time, there is an increasing trend in 11 countries, no clear trend in four, and a decline in two developed countries. The average rate of increase for this set of countries is around 7 percent over a decade. However, our research has also found that the share of recent migrants (defined as those who have moved between regions in the past five years) has not increased in most countries in our sample, indicating a possible stabilization of internal migration patterns.
national per capita income rising from 3 to 14 percent of the developed country average between 1960 and 2007. Overall, the data indicate that income incentives to move from poor to rich countries have strongly increased.

Attempts to account for this divergence have generated a vast literature, in which differences in labour and capital accumulation, technological change, policies and institutions have all been investigated. Whatever the ultimate driving forces, one of the key contributing factors has been differing population growth rates. As is well known, between 1960 and 2010 the spatial demographic composition of the world population shifted: of the additional 2.8 billion working-aged people in the world, 9 out of 10 were in developing countries. Because labour became much more abundant in developing countries, wage differentials widened. This meant that moving to developed countries became more attractive and patterns of movement shifted as a result, despite—as we shall see—the raising of high barriers to admission. At the same time, average income levels in the world as a whole were increasing, as shown in panel B of figure 2.7 (even if some developing regions also saw periods of decline). Since poverty is an important constraint on movement, higher average incomes made long-distance movement more feasible. In other words, as incomes rose, poorer countries moved up the 'migration hump', broadening the pool of potential migrants to developed countries.

Recent declines in transport and communication costs have also increased movement. The real price of air travel fell by three fifths between 1970 and 2000, while the cost of communications fell massively. The real cost of a 3-minute telephone call from Australia to the United Kingdom fell from about US$350 in 1926 to US$0.65 in 2000—and, with the advent of internet telephony, has now effectively fallen to zero. Such trends have made it easier than ever before for people to reach and establish themselves in more distant destinations.

Given these drivers, we would expect to see significant growth in international migration in recent decades. However, this potential has been constrained by increased policy barriers to movement, especially against the entry of low-skilled applicants. We turn now to a more in-depth examination of the role that these barriers play in shaping and constraining movement today.

2.3 Policies and movement

Since the emergence of modern states in the 17th century, the international legal system has been built on the bedrock of two principles: sovereignty and territorial integrity. Within this system, which includes a series of norms and constraints imposed by international law, governments police their country’s borders and enforce their right to restrict entry. This section discusses the different ways in which government policy determines how many people to admit, where these people come from, and what status is accorded to them.

![Figure 2.5 Sources and trends of migration into developing countries](image-url)
While there is a wealth of qualitative country-level analysis of policies—especially for developed countries—severe data limitations impede comparisons of policy across countries. Measurement is intrinsically difficult because the rules take many forms and are enforced in different ways and to varying degrees, with results that are generally not amenable to quantification. In contrast to most aspects of economic policy, for example, national statistical bureaux do not measure the effects of migration policy in ways that are consistent across countries. Most of the measures used in this report have been developed by international research and non-governmental organizations (NGOs), not by national public-sector agencies.

The measure that covers the largest number of countries and the longest time span comes from a periodic survey of policy makers conducted by UNDESA, in which governments report their views and responses to migration. The survey covers 195 countries and reflects the views of policy makers regarding the level of immigration and whether their policy is to lower, maintain or raise future levels. While it is a self-assessment, and official intentions rather than practice are indicated, some interesting patterns emerge (table 2.2). In 2007, some 78 percent of respondent governments viewed current immigration levels as satisfactory, while 17 percent felt them to be too high and 5 percent too low. A similar picture emerges when governments are asked to describe their policies. On both questions, developed country governments appear to be more restrictive than those of developing countries.

These patterns indicate a significant gap between the policies that the public appears to favour in most countries—namely greater restrictions on immigration—and actual policies, which in fact allow for significant amounts of immigration. While explanations for this gap are complex, several factors likely come into play.

The first is that opposition to immigration is not as monolithic as first appears, and voters often have mixed views. As we show below, in many countries, concerns about adverse employment or fiscal effects are mixed with the recognition that tolerance of others and ethnic diversity are positive values. Second, organized groups such as labour unions, employer organizations and NGOs can have a significant effect on the formulation...
of public policies; in many cases these groups do not advocate for tight restrictions to immigration. Third, many governments implicitly tolerate irregular migration, suggesting that policymakers are aware of the high economic and social costs of a crackdown. For example, in the United States employers are not required to verify the authenticity of immigration documents, but must deduct federal payroll taxes from migrants’ pay: through this mechanism, illegal immigrant workers provide around US$7 billion annually to the US Treasury.

For the purposes of this report, we sought to address existing gaps in knowledge by working with national migration experts and the IOM to conduct an assessment of migration policies in 28 countries. The key value added of this exercise lies in the coverage of developing countries (half the sample), which have typically been excluded from such assessments in the past, and the rich information we collected on aspects such as admissions regimes, treatment and entitlements, and enforcement.

Comparing the migration policy regimes of developed and developing countries reveals striking differences as well as similarities. Some of the restrictions commonly noted (and criticized) in developed countries are also present in many developing countries (figure 2.8). The regimes in both groups of countries are biased in favour of high-skilled workers: 92 percent of developing and all of developed countries in our sample were open to temporary skilled migrants; for permanent skilled migration, the corresponding figures were 62 and 93 percent. In our country sample, 38 percent of developing and half of developed countries were closed to permanent migration of unskilled workers.

Temporary regimes have long been used and most countries provide such permits. These programmes stipulate rules for the time-bound admission, stay and employment of foreign workers. The H1B visas of the United States, for instance, grant temporary admission to high-skilled workers for up to six years, while H2B visas are available for low-skilled seasonal workers for up to three. Similarly, Singapore’s immigration policy has Employment Passes—for skilled professionals—and a Work Permit or R-Pass for unskilled or semi-skilled workers.

Among the countries in our policy assessment, developing countries were much more likely to have temporary regimes for low-skilled workers. Rules concerning changes in visa status and family reunion differ widely across countries. Some temporary schemes offer a path to
long-term or even permanent residence and allow foreign workers to bring in their dependents. An example is the US’s H2B visas, although their annual number is capped at a low level and the dependents are not entitled to work. Other governments explicitly prohibit status change and family reunion, or severely restrict them.

The temporary worker or kafala (literally meaning ‘guaranteeing and taking care of’ in Arabic) programmes of the GCC countries are a special case. Under these programmes, foreign migrant workers receive an entry visa and residence permit only if a citizen of the host country sponsors them. The khafeel, or sponsor-employer, is responsible financially and legally for the worker, signing a document from the Labour Ministry to that effect. If the worker is found to have breached the contract, they have to leave the country immediately at their own expense.

Kafala programmes are restrictive on several counts, including family reunification. Human rights abuses—including non-payment of wages and sexual exploitation of domestic workers—are well documented, especially among the increasing share of migrants originating in the Indian subcontinent.

In recent years, some countries in the region have taken moderate steps in the direction of reforming their immigration regimes. Saudi Arabia recently passed a series of regulations facilitating the transfer of workers employed by companies providing services (e.g. maintenance) to government departments. Other initiatives have also been implemented to monitor the living and working conditions of foreign migrants. In the United Arab Emirates, the Ministry of Labour has introduced a hotline to receive complaints from the general public. In 2007, the authorities inspected 122,000 establishments, resulting in penalties for almost 9,000 violations of workers’ rights and of legislation on working conditions. However, more ambitious proposals for reform, such as Bahrain’s proposal in early 2009 to abolish the kafala system, have floundered, reportedly in the face of intense political opposition by business interests.

In some developed countries—including Australia, Canada and New Zealand—the preference for high-skilled workers is implemented through a points system. The formulae take into account such characteristics as education, occupation, language proficiency and age. This confers some objectivity to what otherwise might seem an arbitrary selection process, although other countries attract large numbers of graduates without a point-based system.

Points systems are uncommon in developing countries. Formal restrictions on entry include requirements such as a previous job offer and, in some cases, quotas. One aspect on which developing countries appear to be relatively restrictive is family reunification. About half the developing countries in our sample did not allow the family members of temporary immigrants to come and work—as opposed to one third of developed countries.

Family reunification and marriage migration represent a significant share of inflows into virtually all OECD countries. Indeed, some countries are dominated by flows linked to family ties, as in
France and the United States, where these account for 60 and 70 percent of annual flows respectively. While it is common to distinguish between family reunification and labour migration, it is important to note that family migrants often either have or can acquire authorization to work.

Of course the stated policy may differ from what happens in practice. Significant variations exist in migration law enforcement across countries (figure 2.9). In the United States, research has found that border enforcement varies over the economic cycle, increasing during recessions and easing during expansions. In South Africa, deportations more than doubled between 2002 and 2006 without a change in legislation, as the police force became more actively involved in enforcement. Our policy assessment suggested that while developing countries were somewhat less likely to enforce border controls and less likely to detain violators of immigration laws, other aspects of enforcement including raids by law enforcement agencies and random checks, as well as fines, were at least as frequent as in developed countries. Lower institutional capacity may explain part of this variation. Even after detection, developing countries are reportedly more likely to do nothing or simply to impose fines on irregular migrants. In some countries, courts weigh family unity concerns and the strength of an immigrant’s ties to a country in deportation procedures. Further discussion of the role of enforcement in immigration policies is provided in chapter 5.

One question that emerges from these rules on entry and treatment, which can be investigated using cross-country data, is whether there is a ‘numbers versus rights’ trade-off. It is possible that countries will open their borders to a larger number of immigrants only if access to some basic rights is limited. This could arise if, for example, immigration is seen to become too costly, so that neither voters nor policy makers will support it. Data on the treatment of immigrants allow us to empirically examine this question. The Economist Intelligence Unit (EIU) has created an accessibility index for 61 countries (34 developed, 27 developing) that summarizes official policy in terms of ease of hiring, licensing requirements, ease of family reunification and official integration programmes for migrants. The Migrant Integration Policy Index (MIPEX) measures policies to integrate migrants in six policy areas (long-term residence, family reunion, citizenship, political participation, anti-discrimination measures and labour market access).

Our analysis suggests that there is no systematic relation between various measures of rights and migrant numbers (figure 2.10). Comparison with the EIU index (panel A), which has a broader sample of developed and developing countries, reflects essentially no correlation between the number of migrants and their access to basic rights, suggesting that the various regimes governing such access are compatible with both high and low numbers of migrants. Restricting the analysis to the smaller sample of countries covered by the MIPEX allows us to take advantage of OECD data, which distinguish the share of immigrants with low levels of formal education from developing countries. Again, we find essentially no correlation (panel B). For example,
countries like Poland and Ireland have very low shares of low-skilled workers from developing countries, yet score poorly in the MIPEX. We have also found that countries that have seen increases in their migrant shares over time did not curtail the rights and entitlements provided to immigrants. For example, between 1980 and 2005 the share of immigrants in Spain increased from 2 to 11 percent; during the same period the Spanish government extended the provision of emergency and non-emergency health care to irregular migrants.

Similar results were found in our policy assessment, which allowed us to distinguish between different components of migration policy. In fact, if there was any indication of a correlation, it was often the opposite of that proposed by the numbers versus rights hypothesis. What the data reveal is that, in general, across many measures, developing countries have lower median shares of foreign-born workers and lower protection of migrant rights. Developed countries, which have more migrants, also tend to have rules that provide for better treatment of migrants. For example, India has the lowest score on provision of entitlements and services to international migrants in our assessment, but has an immigrant share of less than 1 percent of the population; Portugal has the highest score while having an immigrant share of 7 percent.

Policies towards migration are not determined solely at the national level. Supra-national agreements, which can be bilateral or regional in nature, can have significant effects on migration flows. Regional agreements have been established under various political unions, such as the Economic Community of West African States (ECOWAS), the European Union and the Mercado Común del Sur (MERCOSUR), while a good example of a bilateral agreement is that of the Trans-Tasman Travel Arrangement between Australia and New Zealand. These agreements have had significant effects on migration flows between signatory countries. They are most likely to allow freedom of movement when participating member states have similar economic conditions and when there are strong political or other motivations for socio-economic integration. For the countries in our policy assessment, about half of the special mobility agreements of developed countries were with other developed
countries, while more than two thirds of those of developing countries were with other developing countries. There are examples where mobility is granted only to some workers, such as the higher skilled. For example, the migration system of the North American Free Trade Agreement (NAFTA) covers only nationals of Canada, Mexico and the United States who have a B.A. degree and a job offer in another member country. Box 2.4 briefly overviews the multilateral arrangement related to human movement.

However, there can be large differences between the letter of these agreements and actual practice, particularly in countries where the rule of law is weak. For example, despite the provisions for comprehensive rights of entry, residence and establishment provided for in the ECOWAS agreement signed in 1975 (which were to be implemented in three phases over a 15-year period), only the first phase of the protocol—elimination of the need for visas for stays up to 90 days—has been achieved. The reasons for slow implementation range from inconsistency between the protocol and national laws, regulations and practices to border disputes and full-scale wars which have often led to the expulsion of foreign citizens.87

We also find restrictions on human movement within nations as well as on exit. One source of data on these restrictions is the NGO Freedom House, which has collected information on formal and informal restrictions on foreign and internal travel as a component of its assessment of the state of freedom in the world.88 The results are striking, particularly given that the Universal Declaration of Human Rights guarantees the right to move freely within one's country and to exit and return to one's own country: over a third of countries in the world impose significant restrictions on these freedoms (table 2.3).

Formal restrictions on internal movement are present in many countries with a legacy of central planning, including Belarus, China, Mongolia,
the Russian Federation and Viet Nam.89 These restrictions are costly, time-consuming and cumbersome to maintain, as are informal barriers, albeit to a lesser extent. Although many people in these countries are able to travel without the proper documentation, they later find that they cannot access services and jobs without them. In several countries, corruption is a key impediment to internal movement. Checkpoints on local roads, where bribes are levied, are commonplace in parts of sub-Saharan Africa. For instance, in Côte d’Ivoire, people living in northern areas controlled by rebel groups were routinely harassed and forced to pay US$40–60 when attempting to travel south to government-controlled areas.90 Examples of corruption were also reported from Myanmar, the Russian Federation and Viet Nam, where bribes were required to process applications for changes in place of residence. In several South Asian countries, migrants living in urban slums face constant threats of clearance, eviction and rent-seeking from government officials.91 Internal movement is also impeded by regulations and administrative procedures that exclude migrants from access to the public services and legal rights accorded to local people (chapter 3).

Countries can limit exit by nationals from their territory by several means, ranging from formal prohibitions to practical barriers created by fees and administrative requirements. Exorbitant passport fees can make it all but impossible for a poor person to leave the country through regular channels: a recent study found that 14 countries had passport fees that exceeded 10 percent of annual per capita income.92 In many countries, a labyrinth of procedures and regulations, often exacerbated by corruption, causes excessive delays and compounds the costs of leaving. For example, Indonesian emigrants have to visit numerous government offices in order to acquire the necessary paperwork to leave. Not surprisingly, these exit restrictions are negatively correlated with emigration rates.93

A handful of countries have formal restrictions on exit. These are strictly enforced in Cuba and the Democratic People’s Republic of Korea, and are in place in China, Eritrea, Iran, Myanmar, and Uzbekistan.94 Eritrea, for example, requires exit visas for citizens and foreign nationals and has reportedly denied the exit visas of children whose parents (living abroad) had not paid the 2 percent tax on foreign income.95 Twenty countries restrict the exit of women—including Myanmar, Saudi Arabia and Swaziland—while eight impose age-specific restrictions related to the travel of citizens of military service age.96

### 2.4 Looking ahead: the crisis and beyond

The future of the global economy is a central concern for policy makers. Like everyone else, we hold no crystal ball, but we can examine the impacts and implications of the current crisis as the basis for identifying probable trends for the coming decades. Demographic trends, in particular, can be expected to continue to play a significant role in shaping the pressures for movement between regions, as we have seen over the past half-century. But new phenomena such as climate change are also likely to come into play, with effects that are much more difficult to predict.

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#### Table 2.3 Over a third of countries significantly restrict the right to move

<table>
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<tr>
<th>HDI categories</th>
<th>Most restrictive</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>Least restrictive</th>
<th>Total</th>
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<td>3</td>
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<tr>
<td>Percent (%)</td>
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<td>3</td>
<td>8</td>
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<td>100</td>
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<tr>
<td>Percent (%)</td>
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<td>9</td>
<td>9</td>
<td>21</td>
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<td>100</td>
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<tr>
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<td>24</td>
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<td>16</td>
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<td>29</td>
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<td>100</td>
</tr>
<tr>
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</tr>
<tr>
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<td>22</td>
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2.4.1 The economic crisis and the prospects for recovery

Many people are now suffering the consequences of the worst economic recession in post-war history. At the time of writing, world GDP was expected to fall by approximately 1 percent in 2009, marking the first contraction of global output in 60 years.97 This year’s contraction in developed countries is much larger, approaching 4 percent. However, initial optimism that emerging economies might be able to ‘decouple’ from the financial crisis has been dampened by mounting evidence that they too are, or will be, hard hit. Asian countries have suffered from collapsing export demand, while increases in the cost of external credit have adversely affected Central and Eastern Europe. African countries are battling with collapsing commodity prices, the drying up of capital liquidity, a sharp decline in remittances and uncertainty concerning future flows of development aid. Some of the largest emerging economies, such as Brazil and the Russian Federation, will dip into negative growth, while others, notably China and India, will see severe slowdowns.98

Typical recessions do not have a large impact on long-run economic trends.99 However, it is now clear that this is anything but a typical recession. As such it is likely to have long-lasting and maybe even permanent effects on incomes and employment opportunities, which are likely to be experienced unequally by developing and developed countries.100 For example, the recession set off by the Federal Reserve’s increase of interest rates in 1980 lasted just 3 years in the United States, but the ensuing debt crisis led to a period of stagnation that became known as the ‘lost decade’ in Africa and Latin America, as the terms of trade of countries in these regions deteriorated by 25 and 37 percent respectively. As commodity prices have fallen significantly from the peak levels of 2008, a similar scenario is probable this time round.

The financial crisis has quickly turned into a jobs crisis (figure 2.11). The OECD unemployment rate is expected to hit 8.4 percent in 2009.101 That rate has already been exceeded in the United States, which by May 2009 had lost nearly six million jobs since December 2007, with the total number of jobless rising to 14.5 million.102 In Spain, the unemployment rate climbed as high as 15 percent by April 2009 and topped 28 percent among migrants.103 The places hit hardest by the crisis thus far are those where most migrants live—the more developed economies. The negative correlation between numbers of immigrants and economic growth suggests that migrants are likely to be badly affected not only in OECD countries but also in the Gulf, East Asia and South Africa (figure 2.12).104

A jobs crisis is generally bad news for migrants. Just as economies tend to call on people from abroad when they face labour shortages, so they tend to lay off migrants first during times of recession. This is partly because, on average, migrants have a profile typical of workers who are most vulnerable to recessions—that is, they are younger, have less formal education and less work experience, tend to work as temporary labourers and are concentrated in cyclical sectors.105 Even controlling for education and gender, labour force analysis in Germany and the United Kingdom found that migrants are much more likely to lose their job during a downturn than non-migrants.106 Using quarterly GDP and unemployment data from 14 European countries between 1998 and 2008, we also found that, in countries that experienced recessions,
the unemployment rate of migrants tended to increase faster than that of other groups. Within the OECD, migrants were concentrated in highly cyclical sectors that have suffered the largest job losses—including manufacturing, construction, finance, real estate, hotels and restaurants—sectors that employ more than 40 percent of immigrants in almost every high-income OECD country. The decline in remittances from migrants is likely to have adverse effects on family members in countries of origin, as we discuss in greater detail in chapter 4.

Several factors come into play in determining how the crisis affects—and will affect—the movement of people. They include immediate prospects at home and abroad, the perceived risks of migrating, staying or returning, and the increased barriers that are likely to come into place. Several major destination countries have introduced incentives to return (bonuses, tickets, lump sum social security benefits) and increased restrictions on entry and stay. Some governments are discouraging foreign recruitment and reducing the number of visa slots, especially for low-skilled workers but also for skilled workers. In some cases these measures are seen as a short-term response to circumstances and have involved marginal adjustments rather than outright bans (e.g. Australia plans to reduce its annual intake of skilled migrants by 14 percent). But there is also a populist tone to many of the announcements and provisions. For example, the United States economic stimulus package restricts H1B hires among companies that receive funds from the Troubled Asset Relief Program; the Republic of Korea has stopped issuing new visas through its Employment Permit System; and Malaysia has revoked more than 55,000 visas for Bangladeshis in order to boost job prospects for locals.

There is some evidence of a decline of flows into developed countries during 2008, as the crisis was building. In the United Kingdom, applications for National Insurance cards from foreign-born people fell by 25 percent. Data from surveys carried out by the US Census...
Bureau show a 25 percent decline in the flow of Mexican migrants to the United States in the year ending in August 2008. These trends can be expected to continue in 2009 and 2010, as the full effect of the crisis plays out in rising domestic unemployment. There are reasons to be sceptical, however, that major return flows will emerge. As the experience of European guest-worker programmes in the 1970s demonstrates, the size of return flows are affected by the prospects of re-entry to the host country, the generosity of the host country’s welfare system, the needs of family members and conditions back home—all of which tend to encourage migrants to stay put and ride out the recession.

Whether this crisis will have major structural effects on migration patterns is not yet clear. Evidence from previous recessions shows that the outcomes have varied. A historical review of several countries—Argentina, Australia, Brazil, Canada, the United States and the United Kingdom—showed that, between 1850 and 1920, declines in domestic wages led to tighter restrictions on immigration. Several scholars have argued that the 1973 oil crisis, which heralded a prolonged period of economic stagnation, structural unemployment and lower demand for unskilled workers in Europe, affected migration patterns as a wealthier Middle East emerged as the new destination hub. During the 1980s, the collapse of Mexican import substitution set in motion an era of mass migration to the United States that was unintentionally accelerated by the 1986 United States immigration reform. In contrast, there is little evidence that the East Asian financial crisis of the late 1990s had a lasting impact on international migration flows.

At this stage it is impossible to predict the type and magnitude of the structural changes that will emerge from the current crisis with any confidence. Some commentators have argued that the origin of the crisis and its fierce concentration in certain sectors in developed countries may strengthen the position of developing countries, particularly in Asia, even leading to a radically different configuration of the global economy. However, there are also reasons for expecting a revival of pre-crisis economic and structural trends once growth resumes. It is certainly true that deeper long-term processes, such as the demographic trends, will persist regardless of the direction taken by the recession.

### 2.4.2 Demographic trends

Current forecasts are that the world’s population will grow by a third over the next four decades. Virtually all of this growth will be in developing countries. In one in five countries—including Germany, Japan, the Republic of Korea and the Russian Federation—populations are expected to shrink; whereas one in six countries—all of them developing and all but three of them in Africa—will more than double their populations within the next 40 years. Were it not for migration, the population of developed countries would peak in 2020 and fall by 7 percent in the following three decades. The trend evident over the past half century—the fall in the share of people living in Europe and the increase in Africa—is likely to continue.

Aging of populations is a widespread phenomenon. By 2050, the world as a whole and every continent except Africa are projected to have more elderly people (at least 60 years of age) than children (below 15). This is a natural consequence of the decline in death rates and the somewhat slower decline in birth rates that has occurred in most developing countries, a well-known phenomenon known as the ‘demographic transition’. By 2050, the average age in developing countries will be 38 years, compared to 45 years in developed countries. Even this seven-year difference will have marked effects. The global working-age population is expected to increase by 1.1 billion by 2050, whereas the working-age population in developed countries, even assuming a continuation of current migration flows, will decline slightly. Over the next 15 years, new entrants to the labour force in developing countries will exceed the total number of working-age people currently living in developed countries (figure 2.13). As in the past, these trends will put pressure on wages and increase the incentives for moving among potential employees in poor countries—and for seeking out workers from abroad among employers in rich countries.

This process affects the dependency ratio—that is, the ratio of elderly and young to the working-age population (table 2.4). For every 100 working-age people in developed countries, there are currently 49 who are not of working
Age, roughly half of whom are children or elderly. In contrast, in developing countries, the ratio is higher, at 53, but three-quarters of the dependents are children. Over the next 40 years, as the effect of lower birth rates is felt and the proportion of children falls as they reach working age, the dependency ratio will remain roughly stable in developing countries, reaching just 55 by 2050. However, the proportion of elderly will rise markedly in developed countries, so that there will then be 71 non-working-age people for every 100 of working age, a significantly higher fraction than today. These dependency ratios would increase even more rapidly without the moderate levels of immigration included in these scenarios: if developed countries were to become completely closed to new immigration, the ratio would rise to 78 by 2050.

As is well known, this scenario makes it much more difficult for developed countries to pay for the care of their children and old people. Publicly funded education and health systems are paid with taxes levied on the working population, so that as the share of potential taxpayers shrinks it becomes more difficult to maintain expenditure levels.

These demographic trends argue in favour of relaxing the barriers to the entry of migrants. However, we do not suggest that migration is the only possible solution to these challenges. Greater labour scarcity can lead to a shift in specialization towards high-technology and capital-intensive industries, and technological innovations are possible for services that were traditionally labour-intensive, such as care of the old. The sustainability of pensions and health care systems can also be addressed, at least in part, by increases in the retirement age and in social security contributions. Growing dependency ratios will occur sooner or later in all countries undergoing demographic transitions—and migrants themselves grow old. Nevertheless, the growing labour abundance of developing countries suggests that we are entering a period when increased migration to developed countries will benefit not only migrants and their families but will also be increasingly advantageous for the populations of destination countries.

Figure 2.13  Working-age population will increase in developing regions
Projections of working-age population by region, 2010–2050

North America
0.23 0.27 billion +16%

Europe
0.50 0.38 billion −23%

Asia
2.80 3.40 billion +22%

Latin America and the Caribbean
0.39 0.49 billion +26%

Africa
0.58 1.3 billion +125%

Oceania
0.02 0.03 billion +31%

Source: HDR team calculations based on UN(2009b).
2.4.3 Environmental factors

The environment can be a key driver of human movement. From nomadic pastoralists, who follow the favourable grazing conditions that arise after rain, to the people displaced by natural disasters such as the Indian Ocean tsunami and Hurricane Katrina, environmental conditions have been intimately linked to movements of people and communities throughout human history. Some are now expecting that the continuing warming of the earth will generate massive population shifts.

Climate change is projected to increase environmental stress in already marginal lands and to raise the frequency of natural hazards. Continued greenhouse gas emissions are likely to be associated with changes in rainfall patterns, desertification, more frequent storms and rises in sea level, all of which have implications for human movement. Changing rainfall patterns, for example, will affect the availability of water and hence the production of food, possibly increasing food prices and the risk of famine.

Existing estimates indicate that several developing areas will be strongly affected by climate change, although the range of estimates is still very wide and predictions are subject to considerable uncertainty. At one extreme, by 2020 it is expected that the yields from rainfed agriculture in Southern Africa could be halved by drought. Over the medium term, as glacial water banks run down, river flows are expected to diminish, severely affecting irrigated agriculture, especially around major massifs such as the Himalayas.

Rises in sea level most directly affect people in coastal areas. One scenario suggests that 145 million people are presently at risk from a rise of one meter, three quarters of whom live in East and South Asia. In some cases, rises will imply the relocation of entire communities. The government of the Maldives, for example, is considering buying land in other countries as a safe haven, given the probability that their archipelago will become submerged.

Given the uncertainty as to whether climate change will occur through a continuous process or discrete events, the extent and type of resulting adaptation and movement are difficult to predict. Moreover, environmental factors are not the sole determinants of movement but interact with livelihood opportunities and public policy responses. It is often the case that natural disasters do not lead to out-migration of the most vulnerable groups, because the poorest usually do not take into account the adaptation measures that individuals, communities and governments may undertake. It is thus difficult to know whether such inevitably crude estimates facilitate or obstruct reasoned public debate.

The effect of climate change on human settlement depends partly on how change comes about—as discrete events or a continuous process. Discrete events often come suddenly and dramatically, forcing people to move quickly to more secure places. Continuous processes, on the other hand, are associated with slow-onset changes like sea level rise, salinization or erosion of agricultural lands and growing water scarcity. In many cases, continuous change leads communities to develop their own adaptation strategies, of which migration—whether seasonal or permanent—may be only one component. Under these conditions movement typically takes the form of income diversification by the household, with some household members leaving and others staying behind.

Some estimates of the numbers of people who will be forced to move as a result of climate change have been presented, ranging from 200 million to 1 billion. Regrettably, there is little hard science backing these numbers. For the most part, they represent the number of people exposed to the risk of major climatic events and

<table>
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Source: UN (2009e).
Movement largely reflects people’s need to improve their livelihoods... this movement is constrained by policy and economic barriers.

not have the means to move and natural disasters further impair their ability to do so. Empirical studies in Mexico have found that the effects of changes in rainfall on migration patterns are determined by socio-economic conditions and the ability to finance the cost of moving. Background research on migration patterns in Nicaragua during Hurricane Mitch, carried out for this report, found that rural families in the bottom two wealth quintiles were less likely to migrate than other families in the aftermath of Hurricane Mitch.

More fundamentally, what happens in the future is affected by the way we consume and use our natural resources today. This was the key message of the 2007/2008 HDR (Fighting climate change: Human solidarity in a divided world): catastrophic risks for future generations can be avoided only if the international community acts now. The demand for increased energy in developing countries, where many people still lack access to electricity, can be met while reducing total carbon emissions. The use of more energy-efficient technologies that already exist in developed countries needs to be expanded in developing countries, while creating the next generation of still more efficient technologies and enabling developing countries to leapfrog through to these better solutions. At the same time, energy consumption in developed countries needs to be rationalized. The policy options for encouraging a transition to a low-carbon energy mix include market-based incentives, new standards for emissions, research to develop new technologies and improved international cooperation.

2.5 Conclusions
Three key findings have emerged from this chapter’s analysis of global trends in human movement. First, movement largely reflects people’s need to improve their livelihoods. Second, this movement is constrained by policy and economic barriers, which are much more difficult for poor people to surmount than for the relatively wealthy. Third, the pressure for increased flows will grow in the coming decades in the face of divergent economic and demographic trends.

Ultimately, how these structural factors will affect the flow of people in the future depends critically on the stance taken by policy makers, especially those in host countries. At present, policy makers in countries with large migrant populations face conflicting pressures: significant levels of resistance to increased immigration in public opinion on the one hand, and sound economic and social rationales for the relaxation of entry barriers on the other.

How can we expect policies to evolve in the next few decades? Will they evolve in ways that enable us to realize the potential gains from mobility, or will popular pressures gain the upper hand? Will the economic crisis raise protectionist barriers against immigration, or will it serve as an opportunity to rethink the role of movement in fostering social and economic progress? History and contemporary experience provide contrasting examples. Acute labour scarcity made the Americas very open to migration during the 19th century and allowed rapid rates of economic development despite widespread intolerance and xenophobia. This is analogous in some ways to the situation in the GCC states today. However, the tendency to blame outsiders for society’s ills is accentuated during economic downturns. Recent incidents across a range of countries—from the Russian Federation to South Africa to the United Kingdom—could presage a growing radicalization and closing off to people from abroad.

Yet none of these outcomes is predetermined. Leadership and action to change the nature of public debate can make a crucial difference. Shifting attitudes towards internal migrants in the United States during the Great Depression provide us with a compelling example. As a result of severe drought in the nation’s southern Midwest region, an estimated 2.5 million people migrated to new agricultural areas during the 1930s. There they met fierce resistance from some residents, who saw these migrants as threats to their jobs and livelihoods. It was in this context that John Steinbeck wrote The Grapes of Wrath, one of the most powerful indictments of the mistreatment and intolerance of internal migrants ever written. Steinbeck’s novel sparked a national debate, leading to a congressional investigation into the plight of migrant workers and ultimately to a landmark 1941 decision by the Supreme Court establishing that states had no right to interfere with the free movement of people within the United States.
How movers fare
Movers can reap large gains from the opportunities available in better-off places. These opportunities are shaped by their underlying resources—skills, money and networks—and are constrained by barriers. The policies and laws that affect decisions to move also affect the process of moving and the outcomes. In general, and especially for low-skilled people, the barriers restrict people’s choices and reduce the gains from moving.
How movers fare

People are motivated to move by the prospects of improved access to work, education, civil and political rights, security and health care. The majority of movers end up better off—sometimes much better off—than before they moved. The gains are potentially highest for people who move from poor to the wealthiest countries, but this type of movement is only a small share of total flows. Available evidence suggests that people who move to emerging and developing countries, as well as within countries, also tend to gain.

However, movement does not necessarily yield a direct positive impact on the well-being of everyone. Moving is risky, with uncertain outcomes and with the specific impacts determined by a host of contextual factors. For both internal and international mobility, different aspects of the process—including the proximate causes of moving and the resources and capabilities that people start out with—profoundly affect outcomes. Those who are forced to flee and leave behind their homes and belongings often go into the process with limited freedom and very few resources. Likewise, those who are moving in the face of local economic crisis, drought or other causes of desperate poverty, may not know what capabilities they will have; they only know that they cannot remain. Even migrants who end up well off after a move often start out with very restricted capabilities and high uncertainty.

The human development outcomes of moving are thus profoundly affected by the conditions under which people move. These conditions determine what resources and capabilities survive the move. Those who go to an embassy to collect a visa, buy a plane ticket and take up a position as a student in, say, the United Kingdom, arrive at their destination in much better shape than someone who is trafficked—arriving with no papers, no money and in bondage. The distance travelled (geographical, cultural and social) is also important. Travelling to a country where one does not speak the language immediately devalues one’s knowledge and skills.

This chapter examines how movement affects those who move, why gains are unevenly distributed and why some people win while others lose out. There may well be trade-offs, such as loss of civic rights, even where earnings are higher. The costs of moving also need to be taken into account. We review evidence about these impacts in turn, to highlight the main findings from a vast literature and experience.

The key related question of how moving affects those who don’t move, in source and destination places, is addressed in chapter 4. These distinct areas of focus are of course inextricably linked—successful migrants tend to share their success with those who stay at home, while the policy responses of destination places affect how non-movers, as well as movers, fare. Home and host-country impacts are interconnected. Socio-economic mobility in a host country and the ability to move up the ladder in the homeland are often two sides of the same coin.

3.1 Incomes and livelihoods

It is important to recall at the outset that estimating the impacts of migration is fraught with difficulties, as we saw in box 1.1. The main problem is that movers may differ from non-movers in their basic characteristics, so straight comparisons can be misleading and the identification of causal relationships is problematic.

That said, the most easily quantifiable impacts of moving can be seen in incomes and consumption. We begin with these, then turn to review the costs of moving, which must be subtracted from the gross benefits.
3.1.1 Impacts on gross income

The evidence consistently reflects very large average income gains for movers. Commissioned research found large differences in income between stayers and movers to OECD countries, with the biggest differences for those moving from low-HDI countries (figure 3.1). Migrant workers in the United States earn about four times as much as they would in their developing countries of origin, while Pacific Islanders in New Zealand increased their net real wages by a factor of three. Evidence from a range of countries suggests that income gains increase over time, as the acquisition of language skills leads to better integration in the labour market.

Gains arise not only when people move to OECD countries. Thai migrants in Hong Kong (China) and Taiwan (Province of China), for example, are paid at least four times as much as they would earn as low-skilled workers at home. In Tajikistan, when the average monthly wage was only US$9, seasonal earnings of US$500–700 in the Russian Federation could cover a family’s annual household expenses in the capital city, Dushanbe. However, these average gains are unevenly distributed, and the costs of moving also detract from the gross gains.

Gains can be large for the high-skilled as well as the low-skilled. The wages of Indian software engineers in the late 1990s, for example, were less than 30 percent of their United States counterparts, so those who were able to relocate to this country reaped large gains. Figure 3.2 illustrates the wage gaps, adjusted for purchasing power parity, between high-skilled professionals in selected pairs of countries. A doctor from Côte d’Ivoire can raise her real earnings by a factor of six by working in France. Beyond salaries, many are also often motivated by factors such as better prospects for their children, improved security and a more pleasant working environment.

Internal migrants also tend to access better income-earning opportunities and are able to diversify their sources of livelihood. Commissioned research found that internal migrants in Bolivia experienced significant real income gains, with more than fourfold increases accruing to workers with low education levels moving from the countryside to the cities (figure 3.3). We also found that in 13 out of 16
countries internal migrants had higher incomes than non-migrants. In Brazil and Panama, a series of studies controlling for education found income gains for indigenous groups who move. Studies across a range of countries suggest that internal migration has enabled many households to lift themselves out of poverty, as discussed further in the next chapter.

The segmentation of labour markets in developing countries affects how movers fare. Sometimes this can be traced to administrative restrictions, as in the hukou system in China (box 3.1) and the ho khau system in Viet Nam. However, segmentation is also widespread in other regions, including South Asia, Africa and Latin America, through barriers that, while not imposed by law, are nonetheless deeply entrenched through social and cultural norms. For example, rural–urban migrants in India are predominantly employed in industries such as construction, brick kilns, textiles and mining, which entail hard physical labour and harsh working and living environments; in Mongolia, rural–urban migrants typically work in informal activities which are temporary, strenuous and without legal protection. In Asia, recent low-skilled migrants from rural areas tend to occupy the lowest social and occupational rungs of urban society and are treated as outsiders.

As we saw in chapter 2, most movers from low-HDI countries are living and working in other low- or medium-HDI countries, in part because barriers to admission are often lower and the costs of moving are less. At the same time, the conditions may well be more difficult than in rich countries and there are risks of both exploitation and expulsion.

Labour market opportunities for migrant women from developing countries tend to be highly concentrated in care activities, paid domestic work and the informal sector. Such women may become trapped in enclaves. For example, in New York City, Hispanic-owned firms were found to provide low wages, few benefits and limited career opportunities to Dominican and Colombian women, reinforcing their social disadvantages. Similar results were found among Chinese migrant women workers. Most Peruvian and Paraguayan women in Argentina (69 and 58 percent respectively) work for low pay on an informal basis in the personal service sector. Difficulties are compounded where migrant women are excluded from normal worker protections, as is the case for domestic workers in the GCC states. Although practices are changing in some countries (e.g. Saudi Arabia and the United Arab Emirates), migrants are legally prohibited from joining local unions, and even when this is allowed, they may face resistance and hostility from other workers. NGOs may provide services and protection to migrants, but their coverage tends to be limited.

Labour market discrimination can be a major obstacle to migrants. This is reflected in low call-back rates to job applications where the applicant has a foreign-sounding surname. Yet the picture is often complex, and ethnicity, gender and legal status may all come into play. In the United Kingdom, some studies have found discrimination in hiring migrants in terms of lower employment rates and payments, whereas other studies found that people with Chinese, Indian and Irish backgrounds tended to have employment situations at least as good as white British workers. Our analysis of the 2006 European Social Survey reveals that the vast majority of migrants (more than 75 percent) in this region did not report feeling discriminated against. However, in the much larger country sample provided by the World Values Survey, there was widespread support among locally born people for the proposition, “Employers should give priority to natives when jobs are scarce”, albeit with considerable differences across countries (see section 4.2.5).
Modelling after the Soviet propiska system, albeit with roots dating back to ancient times, China’s Residence Registration System operates through a permit (hukou), needed to gain access to farmland in agricultural areas and to social benefits and public services in urban areas. Until the mid-1980s, the system was administered strictly and movement without a hukou was forbidden. Since then, China has liberalized movement but formally maintained the hukou system.

As in other areas of reform, China chose a gradual and partial approach. Beginning in the mid-1880s, it allowed people to work outside their place of residence without a hukou, but did not allow them access to social benefits, public services or formal-sector jobs. A two-tier migration system analogous to the points system in some developed countries was designed: changes in permanent residency are permitted for the well educated, but only temporary residence is granted for less-educated rural migrants. Many city governments have offered ‘blue-stamp’ hukou to well-off migrants who were able to make sizeable investments.

The evidence suggests that the human development gains for internal migrants and their families have been limited by the persistence of the hukou system, along the dimensions illustrated below:

**Income gains.** In 2004, on average, rural–urban migrants earned RMB780 (US$94) per month, triple the average rural farm income. However, due to the segmentation created by the hukou system, temporary migrants typically move to relatively low-paid jobs, and their poverty incidence is double that of urban residents with hukou.

**Working conditions.** Low-skilled migrants tend to work in informal jobs that have inadequate protection and benefits. According to one survey in three provinces, migrants’ work hours are 50 percent longer than locals, they are often hired without a written contract and fewer than 1 in 10 have old-age social security and health insurance, compared to average coverage of over 70 percent in China as a whole.

One problem facing many migrants on arrival is that their skills and credentials go unrecognized. Coupled with language and other social barriers, this means that they tend to earn much less than similarly qualified local residents. The extent of this problem seems to vary across sectors. Information technology firms tend to be more flexible on credentials, for example, whereas public-sector organizations are often more closed. The failure to fully deploy their skills can cause new immigrants to incur significant costs. The Migration Policy Institute recently estimated that up to 20 percent of college-educated migrants in the United States were unemployed or working in low-skilled jobs, and in Canada, despite the points system, this problem is estimated to drain US$1.7 billion a year from the economy. In response, the Canadian government has launched programmes to speed up the recognition of credentials earned abroad.

**Access to services.** Children who move with temporary status pay additional fees and are denied access to elite schools. An estimated 14–20 million migrant children lack access to schooling altogether. Their drop-out rates at primary and secondary schools exceed 9 percent, compared to close to zero for locals. Access to basic health services is limited. Even in Shanghai, one of the better cities in terms of providing social services to migrants, only two thirds of migrant children were vaccinated in 2004, compared to universal rates for local children. When migrants fall ill, they often move back to rural areas for treatment, due to the costs of urban health care.

**Participation.** Many migrants remain marginalized in destination places due to institutional barriers. They have few channels for expressing their interests and protecting their rights in the work place. Almost 8 out of 10 have no trade union, workers’ representative conference, labour supervisory committees or other labour organization, compared to one fifth of locally born people. Long distances also hinder participation: in a survey of migrants in Wuhan City, only 20 percent had voted in the last village election, mainly because they lived too far away from polling stations.

Discussions about hukou reform are reportedly ongoing, while some regional governments have further liberalized their systems. Legislative reforms in 1997 significantly improved the rights of all workers—including migrants, and measures to provide portable pensions for migrant workers were announced in 2008. Other signs of change come from Dongguan, Guangdong, for example, where migrants are now referred to as ‘new residents’ and the Migrants and Rental Accommodation Administration Office was rebranded the ‘Residents Service Bureau’.
limited in developing countries due to budgetary constraints. Since most developing countries do not have extensive systems in place, the question of equality of access does not arise. The focus here is therefore on developed countries.

Our policy assessment found that nearly all developed countries in the sample granted permanent migrants access to unemployment benefits and family allowances. However, people with temporary status are less likely to be able to access assistance. Some countries, including Australia and New Zealand, have imposed waiting periods before various benefits can be accessed. And in efforts to avoid welfare dependency, countries such as France and Germany require that applications for family reunification demonstrate that the applicant has stable and sufficient income to support all family members without relying on state benefits.

The Luxembourg Income Study and the European Survey of Income and Living Conditions allow estimates of the effects of social transfers on poverty among families with children. For all 18 countries in the sample, migrant families are more likely to be poor than locally born families. Based on market incomes before social transfers, poverty rates among children exceed 50 and 40 percent among migrant families in France and the United Kingdom respectively. The redistributive effect of social welfare in these countries is significant, since transfers more than halve these rates for both migrant and locally born children (figure 3.4). In contrast, in the United States the poverty-reducing effect of social transfers for both local and migrant families is negligible, because transfers overall are relatively small. At the same time it is notable that in Australia, Germany and the United States rates of market-income poverty are much lower than in France and the United Kingdom, suggesting that migrant families are doing better in the labour market in those countries.

### 3.1.2 Financial costs of moving

The gross income gains reported in the literature typically do not account for the monetary costs of moving. These costs arise from various sources, including official fees for documents and clearances, payments to intermediaries, travel expenses and, in some cases, payments of bribes. The costs appear regressive, in that fees for unskilled workers are often high relative to expected wages abroad, especially for those on temporary contracts.

Substantial costs may arise for those without basic documents. Around the world, an
estimated 48 million children, often from very poor families, lack a birth certificate. The main reason is the fee for obtaining such documents and related factors such as distance to the registration centre.26

Lengthy application processes and, in some countries, payments of bribes for routine services can make applying for vital records and basic travel documents very expensive.27 In the Democratic Republic of the Congo passport applicants can expect to pay up to US$500 (70 percent of average annual income) in bribes.28 Other countries with limited bureaucratic capacity and corruption in the issuance of travel documents reportedly include Azerbaijan, India and Uzbekistan.29

Intermediaries, also known as ‘middlemen’, perform a specific function in the global labour market. They help to overcome information gaps and meet administrative requirements (such as having a job offer prior to visa application) and sometimes lend money to cover the upfront costs of the move. There are a large number of agencies: in the Philippines alone there are nearly 1,500 licensed recruitment agencies, while India has close to 2,000.30 The cost of intermediary services appears to vary enormously, but often exceeds per capita income at home (figure 3.5).

The example of Indonesia illustrates how the costs can vary by destination, with moves to Malaysia and Singapore costing about six months’ expected salary and to Taiwan a full year (figure 3.6). Legal caps on fees charged by recruiters are generally ignored, as migrants routinely pay much more.31 The difference between wages at home and expected wages abroad is perhaps the most important determinant of the price of intermediary services. Where relatively few jobs are available, intermediaries who are in a position to allocate these slots are able to charge additional rents. There are cases of abuse and fraud, where prospective movers pay high recruitment fees only to find later on (at the destination) that the work contract does not exist, there have been unilateral changes to the contract, or there are serious violations related to personal safety and working conditions.32 Some migrants report that employers confiscate their passports, mistreat their employees and deny access to medical care.33

Extensive regulations and official fees can encourage irregularity. For Russian employers,
the administrative procedure to apply for a license to hire a foreign worker is reportedly so time-consuming and corrupt that it frequently leads to evasion and perpetuates irregular employment practices. In Singapore, employers of low-skilled migrants must pay a levy, which they in turn deduct from workers’ wages. Under agreements between Thailand, Cambodia and the Lao People’s Democratic Republic, recruitment fees are equivalent to 4–5 months’ salary, processing time averages about four months and 15 percent of wages are withheld pending the migrant’s return home. In contrast, smugglers in these corridors reportedly charge the equivalent of one month’s salary. Given these cost differences, it is not surprising that only 26 percent of migrant workers in Thailand were registered in 2006.

3.2 Health
This section reviews the impacts of movement on the health of those who move. Gaining better access to services, including health care, may be among the key motivations for moving. Among top high-school graduates from Tonga and Papua New Guinea, ‘health care’ and ‘children’s education’ were mentioned more often than ‘salary’ as reasons for migrating, and answers such as ‘safety and security’ were almost as frequent. However, the links between migration and health are complex. Migrants’ health depends on their personal history before moving, the process of moving itself, and the circumstances of resettlement. Destination governments often rigorously screen applicants for work visas, so successful applicants tend to be healthy. Nevertheless, irregular migrants may have specific health needs that remain unaddressed.

Moving to more developed countries can improve access to health facilities and professionals as well as to health-enhancing factors such as potable water, sanitation, refrigeration, better health information and, last but not least, higher incomes. Evidence suggests that migrant families have fewer and healthier children than they would have had if they had not moved. Recent research conducted in the United States using panel data, which tracks the same individuals over time, found that health outcomes improve markedly during the first year after immigration.

Our commissioned study found a 16-fold reduction in child mortality (from 112 to 7 deaths per 1,000 live births) for movers from low-HDI countries (figure 3.7). Of course these gains are partly explained by self-selection. Nonetheless, the sheer size of these differences suggests that
similar outcomes would have been very difficult to realize at home. For comparison, as reported in the 2006 HDR, families in the richest quintile in Burkina Faso had a child mortality rate of about 150 deaths per 1,000 live births.

Not surprisingly, given the poor health services, water quality and sanitation in rural areas, studies suggest that migrants to urban centres significantly improve their chances of survival relative to rural residents. The size of this effect has been correlated with duration of stay, which was itself associated with higher incomes and improved knowledge and practices. Sometimes migrants use health care services more than urban locals, suggesting that the availability of these may have motivated their move in the first place. However, the health outcomes associated with urbanization are variable: a broader study found that internal migrants’ outcomes were worse than those of urban natives, due to their socio-economic disadvantage, and our commissioned research found that internal migrants had higher life expectancy than non-migrants in only half of the countries studied.

Detailed studies in a number of OECD countries have found that migrants’ initial health advantage tends to dissipate over time. This is believed to reflect the adoption of poorer health behaviour and lifestyles as well as, for some, exposure to the adverse working, housing and environmental conditions that often characterize low-income groups in industrial countries. Separation from family and social networks and uncertainty regarding job security and living conditions can affect health. In several studies, migrants have reported higher incidence of stress, anxiety and depression than residents, outcomes that were correlated with worse economic conditions, language barriers, irregular status and recent arrival. Conversely, other studies have found positive effects of migration on mental health, associated with better economic opportunities.

Poor housing conditions and risky occupations can increase accidents and compromise health, which may be worse for irregular migrants. There are well-documented inequalities in health care and status between vulnerable migrant groups and host populations in developed countries. The health of child migrants can also be affected by their type of work, which may be abusive and/or hazardous. In India, for example, many internal migrants work in dangerous construction jobs, while working conditions in the leather industry expose the mainly migrant workers to respiratory problems and skin infections. Yet these jobs are well paid compared to what was available at home, and interviews in rural Bihar indicate that such jobs are highly sought after.

Not all types of migrants have the same access to health care. Permanent migrants often have greater access than temporary migrants, and the access of irregular migrants tends to be much more restricted (figure 3.8). Movement sometimes deprives internal migrants of access to health services if eligibility is linked to authorized residence, as in China. In contrast, permanent migrants, especially the high-skilled, tend to enjoy relatively good access, while in some countries health care is open to all migrants, regardless of their legal status, as is the case in Portugal and Spain. In the United Arab Emirates coverage varies by emirate, but both Abu Dhabi and Dubai have compulsory insurance schemes to which employers must contribute on behalf of their workers. In Canada all residents are entitled to national health insurance, and the provincial authorities determine who qualifies as a resident. In practice, barriers to health services arise due to financial constraints as well as status, cultural and language differences, especially for irregular migrants. In France, Germany and Sweden there is a ‘responsibility to report’ the treatment of an irregular migrant, which can lead to a lack of trust between providers and patients and deter migrants from seeking care. If single female migrants in the GCC states are found to be pregnant, they are deported.

In less-wealthy destination countries there is a tension between the ideal of granting health care access to irregular migrants and the reality of resource constraints. In South Africa many non-nationals report not being able to access antiretroviral drugs against AIDS because facilities deny treatment on the basis of ‘being foreign’ or not having a national identity booklet. Given that South Africa has one of the highest HIV prevalence rates in the world, combined with improved but still limited access to antiretrovirals, it is not surprising that...
irregular migrants represent a low priority. But more positive examples are found in other parts of the world. Thailand, for example, provides antiretroviral treatment to migrants from Cambodia and Myanmar, with support from the Global Fund on AIDS, Tuberculosis and Malaria. Thailand also provides migrants with access to health insurance, and efforts are underway to reach irregular migrants.

3.3 Education

Education has both intrinsic value and brings instrumental gains in income-earning potential and social participation. It can provide the language, technical and social skills that facilitate economic and social integration and intergenerational income gains. Movement is likely to enhance educational attainment, especially among children. Many families move with the specific objective of having their children attend better and/or more advanced schools. In many rural areas in developing countries education is available only at primary level and at a lower quality than in urban areas, providing an additional motive for rural–urban migration. Similarly, international migration for educational purposes—school migration—is rising.

In this section we review the evidence concerning school completion levels at places of origin and at destinations, whether migrant children can access state schools and how well they perform relative to children born locally.

School enrolments can change for a number of reasons when a family relocates. Higher incomes are part of the story, but other factors, such as the availability of teachers and schools, the quality of infrastructure and the cost of transport, may be important as well. A natural starting point when measuring education gains is a comparison of enrolment rates. These present a striking picture of the advantages of moving (figure 3.9), with the crude differences being largest for children from low-HDI countries. Two familiar notes of caution should be sounded, however: these results may be overestimated due to positive selection; and mere enrolment guarantees neither a high-quality education nor a favourable outcome from schooling.

The importance of early stimulation to the physical, cognitive and emotional development...
of children, and the associated importance of early childhood development (ECD) programmes, is well established. Research from Germany indicates that ECD can bring the children of migrants to par with native children with the same socio-economic background. 

However, due to traditional norms, language and cultural barriers and sometimes uncertain legal status, these children are generally less likely to enrol in formal ECD programmes, despite the fact that authorities in Europe and the United States often actively reach out to migrant children. Thailand is among those developing countries that seek to extend informal ECD to migrants, in border areas in the north. Similar arrangements can be found in some other countries; programmes in the Dominican Republic serve Haitian children, for example.

In some countries migrant children may not have access to state schools or their parents may be asked to pay higher fees. Our policy assessment found that developed countries are more likely to allow immediate access to schooling for all types of migrant—permanent, temporary, humanitarian and irregular (figure 3.10). Yet a third of developed countries in our sample, including Singapore and Sweden, did not allow access to children with irregular status, while the same was true for over half the developing countries in the sample, including Egypt and India. Some specific cases: in the United Arab Emirates children with irregular migrant status do not have access to education services; in Belgium education is free and a right for every person, but not compulsory for irregular children; in Poland education for children between 6 and 18 years is a right and is compulsory, but children with irregular status cannot be counted for funding purposes, which may lead the school to decline to enrol such children.

Poverty and discrimination (formal and informal) can inhibit access to basic services. Even if children with irregular status have the right to attend a state school, there may be barriers to their enrolment. In several countries (e.g. France, Italy, the United States), fears that their irregular situation will be reported have been found to deter enrolment. In South Africa close to a third of school-age non-national children are not enrolled, for a combination of reasons including inability to pay for fees, transport, uniforms and books, and exclusion by school administrators, while those in school regularly report being subjected to xenophobic comments by teachers or other students.

The steepest challenges appear to be faced by two groups: children who migrate alone,
who tend to have irregular status (box 3.2), and children who migrate within and between developing countries with their parents, on a temporary basis. The first group is unlikely to be able to access education at all, due to social and cultural isolation, strenuous and hazardous work, extreme poverty, poor health conditions and language barriers. As regards the second group, qualitative studies in Viet Nam and Pakistan have found that seasonal migration disrupts their education. For instance, the Rac Lai minority in Viet Nam migrate with their children to isolated mountainous areas during the harvest season and their children do not attend school during this period.

Even if migrant children gain access to better schools than would have been available to them at origin, they do not all perform well in examinations in comparison with their locally born peers. In the 21 OECD and 12 non-OECD countries covered by the Programme for International Student Assessment, which tested performance in science, pupils who were migrants tended to perform worse in this subject than locally born children. However, foreign-born pupils perform as well as their native peers in Australia, Ireland and New Zealand, as well as in Israel, Macao (China) the Russian Federation and Serbia. Likewise, pupils from the same country of origin performed differently across even neighbouring countries: for example, migrant pupils from Turkey perform better in mathematics in Switzerland than in Germany. The next generation—children of migrants who are born in the destination place—generally do better, but with exceptions, including Denmark, Germany and the Netherlands.

Part of the educational disadvantage of children in migrant families can be traced to low parental education and low income. Children whose parents have less than full secondary completion—which tends to be the case in migrant households in France, Germany, Switzerland and the United States—typically complete fewer years of school. However, while many migrant families live away from relatives and social networks, a study of migrant children in eight developed countries found that they are generally more likely than local children to grow up with both parents. This counters a belief sometimes found in the literature that migrant children are often disadvantaged by the absence of a parent.

In OECD countries migrant pupils generally attend schools with teachers and educational resources of similar quality to those attended by locally-born pupils, although there are some exceptions, including Denmark, Greece, the Netherlands and Portugal. In some cases, the quality of schools that migrant children attend is below national standards, but this is more often related to local income levels generally than to migrant status in particular. Studies on school segregation in the United States suggest that children from migrant families have worse test scores if they attend minority, inner-city schools. Studies from the Netherlands and Sweden find that clustering migrant children and separating them from other children is detrimental to school performance. Even if they are not at a disadvantage with regard to instructional materials and equipment, migrant pupils may need special services, such as local language instruction.

Our interest in schooling is partly due to its value in improving the prospects of future
3.4 Empowerment, civic rights and participation

Moving has the potential to affect not only material well-being but also such things as bargaining power, self-respect and dignity. Empowerment, defined as the freedom to act in pursuit of personal goals and well-being, can be enhanced through movement. However, the reception in the host country obviously matters, especially when migrants face local hostility, which can even lead to outbreaks of violence.

Human development is concerned with the full range of capabilities, including social freedoms that cannot be exercised without political and civic guarantees. These form part of the dimension of freedom that some philosophers have labelled “the social bases of self-respect”. They can be just as important as gains in income and may be associated with these gains, but are often held in check by deep-seated social, class and racial barriers. In many countries the attitude towards migration is negative, which can diminish migrants’ sense of dignity and self-respect. This is not a new phenomenon: in the 19th century, the Irish faced the same prejudices in the United Kingdom, as did the Chinese in Australia.

Movement can allow rural women to gain autonomy. Empowerment tends to occur when migration draws women from rural to urban areas, separating them from other family members and friends and leading them to take paid work outside the home. Qualitative studies in Ecuador, Mexico and Thailand have demonstrated such effects. For the women in these studies, returning to the old rural way of life was an unthinkable proposition. Higher labour force participation and greater autonomy have also been found among Turkish women who emigrated. It is not only women who seek to challenge traditional roles when they move: young migrant men can be similarly empowered to challenge patriarchal structures within the family.

But such positive outcomes are not inevitable. Some migrant communities become caught in a time warp, clinging to the cultural and social practices that prevailed in the home country at the time of migration, even if the country has since moved on. Or the migrant communities may develop radically conservative ideas and practices, as a way to isolate them from the host culture. This can lead to alienation and, occasionally, to extremism. There is a complex dynamic between cultural and community traditions, socio-economic circumstances and

Box 3.3 The next generation

People who move are often motivated by the prospect of better lives for their children. And indeed the children of migrants can represent a key population group requiring the attention of policy makers. In Brussels, for example, they represent over 40 percent of the school-age population, while in New York they are half and in Los Angeles County almost two thirds.

Obtaining a good education is critical to future prospects. Evidence suggests that the children of migrants typically perform better than their parents, but do not fully catch up with children without a migrant background, even after controlling for socio-economic characteristics. There are exceptions, however, including Australia and Canada, where school performance is close to or exceeds that of native peers. Countries with education systems that involve early streaming, such as Germany and the Netherlands, appear to have the biggest gaps in school performance.

How the children of migrants fare in the labour market also tends to differ across countries and groups. Recent findings suggest that they have higher employment rates compared to migrants in the same age group, but they are at a disadvantage compared to those without a migrant background. In some European countries youth unemployment rates are worse among the children of migrants. Limited access to informal networks and discrimination (whether origin- or class-based) can contribute to these disparities.

Some children of migrants encounter racism, often linked to limited job opportunities. Studies in the United States, for example, have suggested that there is a risk of ‘segmented assimilation’, meaning that the contacts, networks and aspirations of children of immigrants are limited to their own ethnic group, but also that this risk varies across groups. Teenage children of Mexican migrants have been found to be at higher risk of dropping out of school, going to prison or becoming pregnant. The same studies suggest that economic and social resources at the family and community levels can help to overcome these risks and avert the rise of an underclass of disaffected youth.

public policies. Recent micro-analysis for 10 Latin American countries found that internal migrants of indigenous origin still faced discrimination in urban areas, even while they gained greater access to services than they had in their rural area. Another study found that Bolivian women in Argentina were discriminated against, had only limited employment opportunities and continued to occupy subordinate social positions.

Participation and civic engagement are important aspects of empowerment. Our analysis using the World Values Survey suggests that people with a migrant background are more likely to participate in a range of civic associations. Compared to people who do not have a migrant parent, they are more likely to be a member of, and also tend to have more confidence in, a range of organizations, such as sport, recreational, art and professional organizations. Research also suggests that political participation increases with the ability to speak the host country’s language, with duration of stay, education in the destination country, connections to social networks and labour markets, and when institutional barriers to registering and voting are lower.

Institutional factors matter, especially civic and electoral rights. Our policy assessment found that voting in national elections was largely restricted to citizens, although several developed countries allow foreigners to vote in local elections (figure 3.11). The Migrant Integration Policy Index (MIPEX), which assesses the opportunities for migrants to participate in public life in terms of collective associations, voting in, and standing for local elections and support provided to migrant associations, found policies in Western Europe to be favourable to participation, but those in Central, Eastern and South-Eastern Europe were less so. In Sweden any legal resident who has lived in the country for three years can vote in regional and local elections and stand for local elections, while in Spain foreigners can vote in local elections as long as they are registered as residents with their local authority.

Many people move at least partly to enjoy greater physical and personal security, and to places where the rule of law and government accountability are better. This is obviously the case for many refugees fleeing from conflict, even if their legal situation remains tenuous while they are seeking asylum. Our analysis of determinants of flows between pairs of countries shows that the level of democracy in a country has a positive, significant effect on migrant inflows.

Yet even countries with strong legal traditions are tested when routine police work involves the enforcement of migration law. As we saw in chapter 2, countries vary in their enforcement practices. In some countries, irregular migrants may be seen as easy targets by corrupt officials. In South Africa police hoping to extort bribes often destroy or refuse to recognize documents in order to justify arrest. Mongolian migrants in the Czech Republic also report paying fines during police raids, regardless of whether they are authorized or not. In Malaysia migrants have sometimes been subject to informal enforcement mechanisms, which have led to complaints of abuse (box 3.4).

As we shall see in chapter 4, people in destination places often have concerns about the economic, security and cultural impacts of immigration. In some cases, xenophobia arises. This appears to be most likely where extremists foment fears and insecurities. Outbreaks of violence towards migrants can erupt—such as the Fallujah massacre in the United States in 2009—when the public is mobilized to protest against racial inequality.

Figure 3.11 Voting rights are generally reserved for citizens
Voting rights in local elections by migrant status in developed versus developing countries, 2009

<table>
<thead>
<tr>
<th></th>
<th>Permanent</th>
<th>Temporary</th>
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<tr>
<td>Developed countries</td>
<td></td>
<td></td>
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<tr>
<td>Only available for citizens or not available</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Available for migrants with conditions</td>
<td></td>
<td></td>
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<tr>
<td>Developing countries</td>
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Source: Klugman and Pereira (2009).
Overcoming barriers: Human mobility and development

Experience suggests that such outbreaks typically occur where political vacuums allow unscrupulous local actors to manipulate underlying social tensions. Experience suggests that such outbreaks typically occur where political vacuums allow unscrupulous local actors to manipulate underlying social tensions. 

Ironically, although intolerance often results in resistance to social contact, evidence suggests that increased social contact between migrants and non-migrants can improve levels of tolerance for migrant groups and counter existing biases. Clearly, moderate politicians, government authorities and NGOs all have a critical part to play in designing and delivering policies and services that facilitate integration and avert escalated tensions. Having legislation on the books is not enough: it must be accompanied by leadership, accountability and informed public debate (chapter 5).

### 3.5 Understanding outcomes from negative drivers

Some people move because their luck improves—they win the green card lottery, or a friend or relative offers a helping hand to take up a new opportunity in the city. But many others move in response to difficult circumstances—economic collapse and political unrest in Zimbabwe, war in Sudan, natural disasters such as the Asian tsunami. Moving under these circumstances can expose people to risk, increase their vulnerability and erode their capabilities. But of course in these cases it is not the migration per se but the underlying drivers that cause such deterioration in outcomes. This section reviews the outcomes associated with three broad drivers: conflict, development-induced displacement and trafficking.

#### 3.5.1 When insecurity drives movement

People who flee insecurity and violence typically see an absolute collapse in their human development outcomes. But migration nonetheless protects them from the greater harm they would doubtless come to if they were to stay put. Several forms of protection are available for refugees, especially for those covered by the 1951 Refugee Convention—which defines the criteria under which individuals may be granted asylum by its signatory countries and sets out their associated rights—and thus under the UNHCR mandate. This protection has allowed millions of people to move to new safe and secure environments.

Contemporary conflicts are increasingly associated with large population movements, including deliberate displacement of civilians as a weapon of war. While some are able to flee to more distant places in North America, Western Europe and Australasia, most displaced people relocate within or near their country of origin. Even if camps host only about a third of those displaced by conflicts, these settlements have come to symbolize the plight of people in poor, conflict-affected regions. A contemporary example is the people of Darfur, Sudan, who fled their villages in the wake of attacks that destroyed their cattle and crops, wells and homes, to join what was already the largest displaced population in the world in the wake of the long-running war in southern Sudan.

When the poor and destitute flee combat zones, they run severe risks. Conflict weakens or destroys all forms of capital and people are cut off from their existing sources of income, services and social networks, heightening their vulnerability. After flight, those displaced may have escaped the most direct physical threats, but still face a range of daunting challenges. Security concerns and local hostility rank high

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**Box 3.4 Enforcement mechanisms in Malaysia**

As one of the most robust economies in South-East Asia, Malaysia has attracted many migrant workers (officially measured at around 7 percent of the population in 2005). The Malaysian labour force at the end of 2008 was almost 12 million, about 44 percent of the 27 million residents, and included about 2.1 million legal migrants from Bangladesh, Indonesia and other Asian countries. The Malaysian government has tended to tolerate unauthorized migration, while regularizations have sometimes been coupled with a ban on new entries and stepped up enforcement.

Since 1972, Malaysia’s People’s Volunteer Corps (Ikatan Relawan Rakyat or RELA) has helped to enforce laws, including immigration laws. RELA volunteers, who number about 500,000, are allowed to enter workplaces and homes without warrants, to carry firearms and to make arrests after receiving permission from RELA leaders. Migrant activists say that RELA volunteers have become vigilantes, planting evidence to justify arrests of migrants and using excessive force in their policing. The government has recently announced its intention to curb abuses and is currently looking into ways of improving RELA by providing training to its members.

among their problems, especially in and around camps. In civil wars, the internally displaced may face harassment from government and animosity from local people.

Nevertheless, it is important to bear in mind that conflict and insecurity drive only a small share of all movement—about one tenth of international movement and around one twentieth of internal movement. There are regional differences: Africa has been more extensively affected, conflict being associated with about 13 percent of international movement on the continent. Map 3.1 shows the location of conflicts and major flows of people displaced within and across borders in Africa. While the map paints a sombre picture, we underline that the vast majority of migration in Africa is not conflict-induced and that most Africans move for the same reasons as everyone else.

Beyond continuing insecurity, trying to earn a decent income is the single greatest challenge that displaced people encounter, especially where they lack identity papers. Uganda was the only one of six countries where refugees were legally allowed to move around freely, to accept work and to access land. About 44 percent of Uganda’s working-age camp population was employed, whereas in all five other countries the figure was below 15 percent. Even if the displaced are permitted to work, opportunities are often scarce. The human development outcomes of those driven to move by insecurity vary considerably. While the UN Guiding Principles on Internal Displacement have raised awareness, internally displaced people—80 percent of whom are women and children—do not benefit from the same legal rights as refugees. Roughly half the world’s estimated 26 million internally displaced people receive some support from UNHCR, IOM and others, but sovereignty is often invoked as a justification for restricting international aid efforts. In 2007, Sudan, Myanmar and Zimbabwe each had more than 500,000 crisis-affected people who were beyond the reach of any humanitarian assistance. Even in less extreme cases, malnutrition, poor access to clean water and health care, and lack of documentation and property rights are typical among the internally displaced. However, some governments have made concerted efforts
to improve the rights and living conditions of their internally displaced populations.99

The situation of international refugees also varies, but can be bleak, especially in cases of protracted conflict, such as Palestine. Such cases account for roughly half of all refugees. Our commissioned analysis confirmed overall weak human development outcomes, alongside some heterogeneity across groups and countries. The incidence of sexual and gender-based violence is high. Paradoxically, however, women in Burundi and Sri Lanka were reportedly empowered as they adopted new social roles as protectors and providers for their families.100

Education and health indicators in refugee camps are sometimes superior to those of surrounding local populations. Our study found that the share of births attended by skilled medical personnel in camps surveyed in Nepal, Tanzania and Uganda was significantly higher than among these countries’ population as a whole. Similarly, education indicators—such as gross primary enrolment ratios and pupil-to-teacher ratios—were better among camp-based refugees than for the general population (figure 3.12). These patterns reflect both the effects of humanitarian assistance in camps and the generally poor human development conditions and indicators prevailing in countries that host the bulk of refugees.

As noted above, most refugees and internally displaced people do not end up in camps at all, or at least not for long. For example, less than a third of Palestinian refugees live in UNRWA-administered camps.101 On average, those who relocate to urban centres seem to be younger and better educated, and may enjoy better human development outcomes than those living in camps. Others, usually the better off, may be able to flee to more distant and wealthier countries, sometimes under special government programmes.

Only a minority of asylum seekers succeed in obtaining either refugee status or residency, and those whose request is denied can face precarious situations.102 Their experience depends on the policies of the destination country. Developed countries in our policy assessment allowed humanitarian migrants access to emergency services, but more restricted access to preventive services, whereas in the developing countries in our sample, access to public health services was even more restricted (figure 3.8).

Finding durable long-term solutions to the problem in the form of sustainable return or successful local integration has proved a major challenge. In 2007, an estimated 2.7 million internally displaced people and 700,000 refugees, representing about 10 and 5 percent of stocks respectively, returned to their areas of origin.103 Perhaps the Palestinian case, more than any other, illustrates the hardships faced by refugees when conflict is protracted, insecurity is rampant and local economic opportunities are almost non-existent.104

In other cases, gradual integration into local communities, sometimes through naturalization, has taken place in a number of developing and developed countries, although refugees tend to be relatively disadvantaged, especially as regards labour market integration.105

3.5.2 Development-induced displacement
Outcomes may also be negative when people are displaced by development projects. The classic
This issue was addressed in the Guiding Principles on Internal Displacement mentioned above. The principles provide that, during the planning stage, the authorities should explore all viable options for avoiding displacement. Where it cannot be avoided, it is up to the authorities to make a strong case for it, stating why it is in the best interests of the public. The support and participation of all stakeholders should be sought and, where applicable, agreements should stipulate the conditions for compensation and include a mechanism for resolving disputes. In all instances, displacement should not threaten life, dignity, liberty or security, and should include long-term provisions for adequate shelter, safety, nutrition and health for those displaced. Particular attention should be given to the protection of indigenous peoples, minorities, smallholders and pastoralists.

These principles can help inform development planners as to the social, economic, cultural and environmental problems that large- and even small-scale development projects can create. Incorporating such analysis in planning processes, as has been done for some major sources of development finance—including the World Bank, which has an Involuntary Resettlement Policy—has been an important step forward. Such policies allow for rights of appeal by aggrieved parties through inspection panels and other mechanisms. Approaches of this kind can enable favourable human development outcomes for the majority while helping to mitigate the risks borne by the displaced minority, though the challenges remain large.

### 3.5.3 Human trafficking

The images associated with trafficking are often horrendous, and attention tends to focus on its association with sexual exploitation, organized crime, violent abuse and economic exploitation. Human trafficking not only adversely affects individuals but can also undermine respect for whole groups. However, the increasing focus on this phenomenon has not yet provided a reliable sense of either its scale or its relative importance in movements within and across borders (chapter 2).

Above all, trafficking is associated with restrictions on human freedom and violations of basic human rights. Once caught in a trafficking
Trafficking can be most effectively combated through better opportunities and awareness at home—the ability to say ‘no’ to traffickers is the best defence.

Network, people may be stripped of their travel documents and isolated, so as to make escape difficult if not impossible. Many end up in debt bondage in places where language, social and physical barriers frustrate their efforts to seek help. In addition, they may be reluctant to identify themselves, since they risk legal sanctions or criminal prosecution. People trafficked into sex work are also at high risk of infection from HIV and other sexually transmitted diseases.

One basic constraint in assessing the impacts of trafficking relates to data. The IOM’s Counter Trafficking Module database contains data on fewer than 14,000 cases that are not a representative sample, and the same applies to the database of the United Nations Office on Drugs and Crime (UNODC). The picture that emerges from these data, alongside existing studies and reports, suggests that most people who are trafficked are young women from minority ethnic groups. This is confirmed by other sources—for example a study in South-eastern Europe, which found that young people and ethnic minorities in the rural areas of post-conflict countries were vulnerable to trafficking, as they tended to experience acute labour market exclusion and disempowerment. However, this picture may be biased, since it is possible that males are less willing to self-report for fear they will be refused victim status. In addition to social and economic exclusion, violence and exploitation at home or in the home community increase vulnerability to trafficking. So too does naïve belief in promises of well-paid jobs abroad.

Sexual exploitation is the most commonly identified form of human trafficking (about 80 percent of cases in the UNODC database), with economic exploitation comprising most of the balance. For women, men and children trafficked for these and other exploitative purposes, bonded labour, domestic servitude, forced marriage, organ removal, begging, illicit adoption and conscription have all been reported.

Alongside the lack of power and assets of the individuals involved, the negative human development outcomes of trafficking can be partly associated with the legal framework of destination countries. Restrictive immigration controls mean that marginalized groups tend to have irregular status and so lack access to the formal labour market and the protections offered by the state to its citizens and to authorized migrant workers. More generally, of course, trafficking can be most effectively combated through better opportunities and awareness at home—the ability to say ‘no’ to traffickers is the best defence.

Difficulties in distinguishing trafficking from other types of exploitation, as well as challenges involved in defining exploitative practices, further complicate the rights of trafficked people. Problems can arise over enforcement. It appears that trafficking is sometimes very broadly interpreted to apply to all migrant women who engage in sex work. This can be used to justify their harassment and deportation, making them even more vulnerable to exploitation. And once identified, they are virtually always deported or referred to assistance programmes conditional on cooperation with law enforcement.

Anti-trafficking initiatives have burgeoned in recent years. Interventions to reduce vulnerability in potential source communities, such as awareness campaigns and livelihood projects, have been undertaken. Assistance programmes have also provided counselling, legal aid and support for return and reintegration. Some of these programmes are proving successful, such as the use of entertainment and personal stories as community awareness tools in Ethiopia and Mali, or door-to-door mass communication campaigns as in the Democratic Republic of the Congo. Other initiatives, however, have led to counterproductive and sometimes even disastrous outcomes, including prejudicial limitations on women’s rights. In Nepal, for example, prevention messages discouraged girls and women from leaving their villages, while HIV awareness campaigns stigmatized returnees.

Anti-trafficking initiatives clearly raise very complex and difficult challenges, which need to be carefully handled.

The lines between traffickers on the one hand and recruiters and smugglers on the other can be blurred. For example, the business of recruitment expands to include numerous layers of informal sub-agents. These sub-agents, working under the umbrella of legitimate recruiters, can reduce accountability and increase costs. The risks of detention and deportation are high. Smuggling costs in some cases include bribing corrupt border officials and manufacturing false documents.
3.6 Overall impacts

We have studied the discrete impacts of migration on incomes, health, education and aspects of empowerment and agency—and looked at the negative outcomes that can occur when people move under duress. Differences in the HDI are a simple way to capture overall changes.

Our background research found very large average differences between the HDI of migrants and that of non-migrants, moving internally and across borders. We found that, on average, migrants to OECD countries had an HDI about 24 percent higher than that of people who stayed in their respective countries of origin. But the gains are large not only for those who move to developed countries: we also found substantial differences between internal migrants and non-migrants. Figure 3.13 shows that, in 14 of the 16 developing countries covered by this analysis, the HDI for internal migrants is higher than that of non-migrants.

In some cases the differences are substantial. For internal movers in Guinea, for example, the HDI for migrants is 23 percent higher than for non-migrants—only one percentage point lower than for migrants to OECD countries. If these migrants were thought of as a separate country, they would be ranked about 25 places higher than non-migrants in the global HDI.

There are two major exceptions to the overall pattern of improved well-being from internal movement: in Guatemala and Zambia internal migrants appear to do worse than non-migrants. Both these cases underline the risks that accompany migration. In Guatemala most movers were displaced by violence and civil war in the 1980s and early 1990s, while in Zambia migrants faced extreme urban poverty following the successive economic shocks that have hit this country over the past 20 years. In a few other cases—Bolivia and Peru, for example—the overall human development outcome appears marginal despite sizeable income gains, suggesting poor access to services as a factor inhibiting well-being. However, these exceptional cases serve to emphasize the norm, which is that most movers are winners.

These findings for international movers are borne out by evidence on migrants’ own sense of well-being (figure 3.14). We analysed data for 52 countries in 2005 and found that self-reported levels of happiness and health were very similar among migrants and non-migrants: 84 percent of migrants felt happy (compared to 83 percent of non-migrants), while 72 percent felt that their health was good or very good (compared to 70 percent of non-migrants); only 9 percent were ‘not satisfied’ with life (compared to 11 percent of non-migrants). The share of migrants reporting that they felt quite or very happy was highest in developed countries. Similar shares of foreign and locally born respondents—more than 70 percent—felt that they have ‘freedom and choice over their lives’.

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**Figure 3.13** Significant human development gains to internal movers

Ratio of migrants’ to non-migrants’ estimated HDI in selected developing countries, 1995–2005

<table>
<thead>
<tr>
<th>Country</th>
<th>HDI Ratio</th>
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<tbody>
<tr>
<td>Guinea</td>
<td>1.0</td>
</tr>
<tr>
<td>Madagascar</td>
<td>1.0</td>
</tr>
<tr>
<td>Uganda</td>
<td>1.0</td>
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<tr>
<td>Indonesia</td>
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<tr>
<td>Viet Nam</td>
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<td>Côte d’Ivoire</td>
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<td>Ghana</td>
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<td>Paraguay</td>
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<td>Cameroon</td>
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<td>Bolivia</td>
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<td>Nicaragua</td>
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<td>Zambia</td>
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<td>Guatemala</td>
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</table>

3.7 Conclusions

The complex effects associated with movement are difficult to summarize simply. The broad findings presented in this chapter underline the role of movement in expanding human freedoms that was outlined in chapter 1. We saw that people who move generally do enhance their opportunities in at least some dimensions, with gains that can be very large. However, we also saw that the gains are reduced by policies at home and destination places as well as by the constraints facing individuals and their families. Since different people face different opportunities and constraints, we observed significant inequalities in the returns to movement. The cases in which people experience deteriorations in their well-being during or following the process of movement—conflict, trafficking, natural disasters, and so on—were associated with constraints that prevent them from choosing their place in life freely.

A key point that emerged is that human movement can also be associated with trade-offs—people may gain in some and lose in other dimensions of freedom. However, the losses can be alleviated and even offset by better policies, as we will show in the final chapter.
Impacts at origin and destination
Movement has multiple impacts on other people besides those who move—impacts that critically shape its overall effects. This chapter explores impacts in the country of origin and in the host country while underlining their interconnectedness. Families with members who have moved elsewhere in the country or abroad tend to experience direct gains, but there can also be broader benefits, alongside concerns that people’s departure is a loss to origin communities. As regards impacts on places of destination, people often believe that these are negative—because they fear that newcomers take jobs, burden public services, create social tensions and even increase criminality. The evidence suggests that these popular concerns are exaggerated and often unfounded. Still, perceptions matter—and these warrant careful investigation to help frame the discussion of policy.
Impacts at origin and destination

Among people who do not move but can be affected by movement are the families of movers and communities at places of origin and destination. The multiple impacts of movement in these different places are critical in shaping the overall human development effects of movement; this chapter addresses each in turn.

At places of origin, impacts can be seen on income and consumption, education and health, and broader cultural and social processes. These impacts are mostly favourable, but the concern that communities lose out when people move needs to be explored. Our review of the evidence shows that impacts are complex, context-specific and subject to change over time. The nature and extent of impacts depend on who moves, how they fare abroad and their proclivity to stay connected, which may find expression in flows of money, knowledge and ideas, and in the stated intention to return at some date in the future. Because migrants tend to come in large numbers from specific places—e.g. Kerala in India and Fujian Province in China—impacts on local communities may be more pronounced than national impacts. Yet the flow of ideas can also have far-reaching effects on social norms and class structures, rippling out to the broader community over the longer term. Some of these impacts have traditionally been seen as negative, but a broader perspective suggests that a more nuanced view is appropriate. In this light we also examine the extent to which national development plans, such as poverty reduction strategies (PRGs), reflect and frame efforts of developing countries to promote gains from mobility.

Much academic and media attention has been directed to the impacts of migrants on places of destination. One widespread belief is that these impacts are negative—newcomers are seen as ‘taking our jobs’ if they are employed, living off the taxpayer by claiming welfare benefits if they are not employed, adding an unwanted extra burden to public services in areas such as health and education, creating social tensions with local people or other immigrant groups and even increasing criminal behaviour. We investigate the vast empirical literature on these issues, which reveals that these fears are exaggerated and often unfounded. Nevertheless, these perceptions matter because they affect the political climate in which policy decisions about the admission and treatment of migrants are made—fears may stoke the flames of a broader hostility to migrants and allow political extremists to gain power. Indeed, historical and contemporary evidence suggests that recessions are times when such hostility can come to the fore.

We end this chapter by tackling the thorny issue of public opinion, which imposes constraints on the policy options explored in the final chapter.

4.1 Impacts at places of origin

Typically, only a small share of the total population of an origin country will move. The exceptions—countries with significant shares abroad—are often small states, including Caribbean nations such as Antigua and Barbuda, Grenada, and Saint Kitts and Nevis. In these cases the share can exceed 40 percent. The higher the share, the more likely it is that impacts on people who stay will be more pervasive and more profound. While the discussion below focuses on developing countries, it is important to bear in mind that, as shown in chapter 2, emigration rates for low-HDI countries are the lowest across all country groupings.

In general, the largest impacts at places of origin are felt by the households with an absent migrant. However, the community, the region and even the nation as a whole may be affected. We now look at each of these in turn.

4.1.1 Household level effects

In many developing countries, movement is a household strategy aimed at improving not only the mover’s prospects but those of the extended
Despite these financial rewards, separation is typically a painful decision incurring high emotional costs for both the mover and those left behind.

family as well. In return for supporting the move, the family can expect financial remittances when the migrant is established—transfers that typically far outweigh the initial outlay or what the mover might have hoped to earn in the place of origin. These transfers can in turn be used to finance major investments, as well as immediate consumption needs.

Despite these financial rewards, separation is typically a painful decision incurring high emotional costs for both the mover and those left behind. In the words of Filipina poet Nadine Sarreal:

\begin{quote}
Your loved ones across that ocean \\
Will sit at breakfast and try not to gaze \\
Where you would sit at the table \\
Meals now divided by five \\
Instead of six, don’t feed an emptiness.
\end{quote}

The fact that so many parents, spouses and partners are willing to incur these costs gives an idea of just how large they must perceive the rewards to be.

Financial remittances are vital in improving the livelihoods of millions of people in developing countries. Many empirical studies have confirmed the positive contribution of international remittances to household welfare, nutrition, food, health and living conditions in places of origin. This contribution is now well recognized in the literature on migration and reflected in the increasingly accurate data on international remittances published by the World Bank and others, illustrated in map 4.1. Even those whose movement was driven by conflict can be net remitters, as illustrated at various points in history in Bosnia and Herzegovina, Guinea-Bissau, Nicaragua, Tajikistan and Uganda, where remittances helped entire war-affected communities to survive.

In some international migration corridors, money transfer costs have tended to fall over time, with obvious benefits for those sending and receiving remittances. Recent innovations have also seen significant falls in costs at the national level, as in the case of Kenya described in box 4.1. With the reduction in money transfer costs, families who once relied on relatives and close family friends or who used informal avenues such as the local bus driver to remit are now opting to send money through banks, money transfer companies and even via cell-phones.

An important function of remittances is to diversify sources of income and to cushion families against setbacks such as illness or larger shocks caused by economic downturns, political conflicts or climatic vagaries. Studies in countries as diverse as Botswana, El Salvador, Jamaica and the Philippines have found that migrants respond to weather shocks by increasing their remittances, although it is difficult to establish whether these effectively serve as insurance. Recent examples include the 2004 Hurricane Jeanne in Haiti, the 2004 tsunami in Indonesia and Sri Lanka and the 2005 earthquake in Pakistan. In a sample of poor countries, increased remittances were found to offset some 20 percent of the hurricane damage experienced, while in the Philippines about 60 percent of declines in income due to rainfall shocks were offset. In El Salvador crop failure caused by weather shocks increased the probability of households sending a migrant to the United States by 24 percent.

Migrants can provide this kind of protection if their incomes are large enough and do not vary in tandem with their families. This depends on the nature and breadth of the shock, as well as the location of the migrant. For example, remittances may not provide much insurance against the effects of the current global economic recession, as migrant workers almost everywhere suffer retrenchment just when their families most need support (box 4.2). Remittances to developing countries are expected to fall from US$308 billion in 2008 to US$293 billion in 2009.

Even when the total volume of remittances is large, their direct poverty-reducing impact depends on the socio-economic background of those who moved. Within the Latin America region, for example, a recent study found that in Mexico and Paraguay remittance-receiving households were primarily from the bottom of the income and education distribution, whereas the opposite pattern was found in Peru and Nicaragua. More generally, however, restrictions imposed by the limited opportunities of the low-skilled to move across borders mean that remittances do not tend to flow directly to the poorest families, nor to the poorest countries. Take China, for example: because migrants generally do not come from the poorest households, the aggregate poverty impact of internal migration is limited (an estimated 1 percent
reduction), although this still translates into almost 12 million fewer poor. At the same time, some migrants do come from poor households and significant remittances sometimes flow to non-family members, which allows for broader benefits—as has been found for Fiji and Jamaica, for example.

The poverty-reducing effects of internal migration, which have been demonstrated by studies in a diverse range of national situations, may be even more significant. In Andhra Pradesh and Madhya Pradesh in India poverty rates in households with a migrant fell by about half between 2001/02 and 2006/07, and similar results were found for Bangladesh. Large gains have also been reported from panel data, tracking individuals over time, in the Kagera region of Tanzania between 1991 and 2004. Research conducted for this report, using panel data and controlling for selection bias, examined the cases of Indonesia between 1994 and 2000 and Mexico between 2003 and 2005. In Indonesia, where almost half of all households had an internal migrant, poverty rates for non-migrants were essentially stable for the period (which included the East Asian financial crisis), falling slightly from 40 to 39 percent, but declined rapidly for migrants, from 34 to 19 percent. In Mexico, where about 9 percent of households had an internal migrant, poverty rates rose sharply from 25 to 31 percent for non-migrants for the period (which included the 2001/02 recession), but only slightly, from 29 to 30 percent, for migrants. In both countries, at the outset households with a migrant made up less than half of the top two wealth quintiles, but over time this share rose to nearly two thirds.
One dimension of movement that appears to affect remittance flows is gender. Evidence suggests that women tend to send a larger proportion of their incomes home, on a more regular basis, though their lower wages often mean that the absolute amounts are smaller.20

There is also a temporal dimension to these flows. Over time, the knock-on effects of remittances may substantially broaden the impacts on poverty and inequality.21 The poor may gain when remittances are spent in ways that generate local employment, such as building houses, or when businesses are established or expanded.22 Some studies have found that remittance recipients exhibit greater entrepreneurship and a higher marginal propensity to invest than households without a migrant.23 Positive investment effects can take decades to materialize in full, however, and are complex and far from automatic. The lag may reflect delays in the sending of remittances as migrants adapt to their new homes, or political and economic conditions in places of origin—such as a poor climate for investment—which can inhibit or deter transfers.24 Lastly, remittances can also create a store of capital to fund further migration, years after the first family member has left.

Some commentators discount the importance of remittances because they are partly spent on consumption. This critique is mistaken, for two broad reasons. First, consumption can be inherently valuable and often has long-term, investment-like effects, especially in poor communities. Improvements in nutrition and other basic consumption items greatly enhance human capital and hence future incomes.25 Similarly, spending on schooling is often a priority for families receiving remittances, because it increases the earning power of the next generation. Second, most types of spending, especially on labour-intensive goods and services such as housing and other construction, will benefit the local economy and may have multiplier effects.26 All of these effects are positive.

Families with migrants appear more likely to send their children to school, using cash from remittances to pay fees and other costs. This reduces child labour. And, once there, the children of migrants are more likely to finish school, as the better prospects associated with migration affect social norms and incentives.27 In Guatemala internal and international migration is associated with increased educational expenditures (45 and 48 percent respectively), especially on higher levels of schooling.28 In rural Pakistan temporary migration can be linked with increased enrolment rates and declines in school dropout rates that exceed 40 percent, with larger effects for girls than for boys.29 In our own commissioned research, similar results were found in Mexico, where children in households with an internal migrant had a 30–45 percent higher probability of being in an appropriate grade for their age.30

The prospect of moving can strengthen incentives to invest in education.35 This has been predicted in theory and shown in practice in

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Box 4.1 How cell-phones can reduce money transfer costs: the case of Kenya

For many people in remote rural areas of developing countries, the costs of receiving money remain high: recipients typically have to travel long distances to a regional or national capital to collect cash, or the cash has to be hand-delivered by an intermediary, who may take a sizeable margin.

The rapid diffusion of cell-phone technology over the past decade has led to the development of innovative money transfer systems in several countries. For example, in Kenya, a leading cell-phone company, Safaricom, teamed up with donors to pilot a system that subsequently led to the launch in 2007 of M-PESA (meaning ‘Mobile-Cash’). Anyone with a cell-phone can deposit money in an account and send it to another cell-phone user, using M-PESA agents distributed across the country.

A recent survey of users across Kenya found that, in just two years, M-PESA has expanded rapidly. It is now used by some 6 million people or 17 percent of the population—out of 26 percent who are cell-phone owners—and is supported by a network of more than 7,500 agents. Transfers can be made from the port city of Mombasa to Kisumu on the shores of Lake Victoria, or from Nairobi in the south to Marsabit in the north—both two-day bus trips—with the push of a few buttons and at a cost of less than a dollar. By mid-2008, the volume of money sent had reached some 8 percent of GDP, mostly in the form of a large number of relatively small transactions.

Source: Jack and Suri (2009).
some countries. Emigration of Fijians to high-skilled jobs in Australia, for example, has encouraged the pursuit of higher education in Fiji. This effect is so large that, while roughly a third of the Indo-Fijian population has emigrated in the past three decades and skilled workers are over-represented among emigrants, the absolute number of skilled Indo-Fijian workers in Fiji has greatly increased. A number of governments, including the Philippines, have deliberately sought to promote work abroad in part by facilitating the generation of skills at home.

The impacts of migration prospects on schooling incentives are shaped by the context and the prospects themselves. In Mexico, for instance, where low-skilled, often irregular migration predominates, boys were more likely to drop out of school to take up this option. In our commissioned study of Chinese census data at the provincial level, investments in schooling in rural source communities responded to the skills needed for job opportunities outside the province. Thus, where internal migrants had secondary education, this generally encouraged the completion of higher levels by children remaining in the community, whereas in provinces where migrants tended to have completed only middle school, this was associated with lower high school completion rates.

The health outcomes of people who do not move may be affected by migration, through effects on nutrition, living conditions, higher incomes and the transmission of knowledge and practices. There is evidence that the higher incomes and better health knowledge associated with migration have a positive influence on infant and child mortality rates. However, in Mexico at least, it was found that longer term health outcomes may be adversely affected, because levels of preventive health care (e.g. breast feeding and vaccinations) were lower when at least one parent had migrated. This may be associated with the higher work burden and/or reduced levels of knowledge associated with single parenting or families with fewer adults. Moreover, when infectious diseases can be contracted in destination places, return travel can bring significant health risks to families at home. The risks of HIV and other sexually transmitted diseases can be especially high.

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<tr>
<th>Box 4.2</th>
<th>The 2009 crisis and remittances</th>
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<td><strong>The 2009 economic crisis, which began in major destination countries and has now gone global, has shrunk flows of remittances to developing countries. There is already evidence of significant declines in flows to countries that depend heavily on remittances, including Bangladesh, Egypt, El Salvador and the Philippines.</strong></td>
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**Countries and regions vary in their exposure to the crisis via remittance effects.** Remittances to Eastern European and Central Asian countries are forecast to suffer the biggest drop in both relative and absolute terms, partly reflecting the reversal of the rapid expansion that had followed European Union accession and the economic boom in the Russian Federation. In Moldova and Tajikistan, where remittance shares of GDP are the highest in the world (45 and 38 percent respectively), flows are projected to shrink by 10 percent in 2009. El Salvador is facing a significant decline in remittances, which account for over 18 percent of its GDP.

About three quarters of remittances to sub-Saharan Africa come from the United States and Europe, which have been badly affected by the downturn (chapter 2). It remains to be seen whether these sources will prove more or less resilient than official development aid and private investment flows.

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<th>Figure 4.1</th>
<th>The global recession is expected to impact remittance flows</th>
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<td><strong>Projected trends in remittance flows to developing regions, 2006–2011</strong></td>
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*Estimate ** Forecasts

Source: Ratha and Mohapatra (2009b) and The Economist Intelligence Unit (2009).

Note: These regional groupings include all developing countries as per UNDP Regional Bureaux classification. For the complete list of countries in each region see ‘Classification of Countries’ in the Statistical Annex.

Offsetting the potential gains in consumption, schooling and health, children at home can be adversely affected emotionally by the process of migration. One in five Paraguayan mothers residing in Argentina, for example, has
young children in Paraguay. Studies investigating the possible impacts have found that these depend on the age of the child when the separation occurs (in the first years of life the impact may be greater), on the familiarity and attitude of the adult in whose care the child is left, and on whether the separation is permanent or temporary. The advent of cheap and easy communication, for example by cell-phone and Skype, has eased the separation of family members and has greatly helped the maintenance of ties and relationships in recent years.

Movement can affect gender relations at home. When women move, this can change traditional roles, especially those surrounding the care of children and the elderly. When men migrate, rural women can be empowered by their absence: field studies conducted in Ecuador, Ghana, India, Madagascar and Moldova all found that, with male migration, rural women increased their participation in community decision-making. Norms adopted in a migrant’s new home—such as a higher age of marriage and lower fertility, greater educational expectations of girls, and labour force participation—can filter back to the place of origin. This diffusion process may be accelerated in cases where the social and cultural gap between sending and receiving countries is large. This has been confirmed by recent findings regarding the transfer of fertility norms from migrants to the extended family and friends at places of origin: lower numbers of children at the national level become the norm in both places.

Overall, however, the evidence about impacts on traditional gender roles is mixed. For example, where the lives of migrants’ wives at home remain largely confined to housekeeping, child-rearing and agricultural work, little may change—except that their workloads increase. Gains in authority may be temporary if male migrants resume their position as head of the household on return, as has been reported from Albania and Burkina Faso, for example.

The transmission of norms may extend to participation in civic affairs. Recent studies in six Latin American countries have found that individuals with greater connections to international migrant networks participate more in local community affairs, are more supportive of democratic principles and are also more critical of their own country’s democratic performance.

4.1.2 Community and national level economic effects

Beyond its direct impacts on families with migrants, movement may have broader effects. Migration-driven processes of social and cultural change can have significant impacts on entrepreneurship, community norms and political transformations—impacts that are often felt down the generations. For example, Kenya, and indeed most of Africa, may be affected today and in the future by Barack Obama Senior’s decision, taken five decades ago, to study in the United States. Most of these effects are highly positive. However, one concern that needs to be addressed is the outflow of skills from source communities.

Fears that the mobility of the skilled harms the economy of origin countries have long been voiced, though the debate has become more nuanced in recent years. The concerns surface regularly in a range of small states and poorer countries, but also extend to such countries as Australia, which sees many of its graduates go abroad. This issue has, over the past few decades, spawned a range of proposals, which are reviewed in chapter 5. But an important underlying point is that mobility is normal and prevalent, even in prosperous societies (chapter 2). Skilled people, like everyone else, move in response to a perceived lack of opportunities at home and/or better opportunities elsewhere, for both themselves and their children. Attempts to curtail these movements without addressing underlying structural causes are unlikely to be effective. There are also reasons to believe that the effects of skills flows are less detrimental for origin communities than is often assumed, as argued in box 4.3.

One traditional concern has been that the departure of able-bodied youth leads to labour shortages and declines in output, particularly in agriculture. In Indonesia, for example, communities faced shortages of labour for cooperative farm work. However, in many developing countries, movements of labour from agriculture to urban areas can be an important part of structural transformation. And to the extent that a shortage of capital, not labour, constrains growth in most developing countries, remittances can be an important source of rural investment finance.

Migration can be a strong force for convergence in wages and incomes between source and destination areas. This is because, as mobility
Box 4.3 Impacts of skills flows on human development

The emigration of people with university degrees has attracted much popular and academic attention, especially because the shortage of skills is acute in many poor countries. The evidence suggests that improving local working conditions in order to make staying at home more attractive is a more effective strategy than imposing restrictions on exit.

It is important to recognize that the dreadful quality of key service provision in some poor countries cannot be causally traced to the emigration of professional staff. Systematic analysis of a new database on health worker emigration from Africa confirms that low health staffing levels and poor public health conditions are major problems, but tend to reflect factors unrelated to the international movement of health professionals—namely weak incentives, inadequate resources, and limited administrative capacity. Migration is more accurately portrayed as a symptom, not a cause, of failing health systems.

The social cost associated with skilled emigration should not be overestimated. Where graduate unemployment is high, as it often is in poor countries, the opportunity cost of departure may not be large. If a highly productive but modestly paid worker leaves a community, it suffers a significant loss; but if an equally skilled but unproductive worker leaves, the community is hardly affected. If, for example, teachers often do not show up to work, the direct impacts of their departure are unlikely to be large. While this should not weaken the drive to address these underlying sources of inefficiency and waste, the fact that staff may not currently be serving their communities is not a point that can simply be wished away in the debate about skills flows.

Like other migrants, skilled people abroad often bring benefits to their countries of origin, through remittances and the development of networks. As shown in figure 3.2, the absolute gain in income from migration can be huge, so that if only a fraction of the difference is remitted, the benefits to the home country can be considerable. Some research has suggested that the share of foreign direct investment in a developing country is positively correlated with the number of that country’s graduates present in the investing country. Other studies have found that the more high-skilled emigrants from one country live in another, the more trade occurs between those countries.

Last but not least, significant numbers of skilled emigrants do return—a recent estimate suggested that about half do so, usually after about five years. Recent literature has also emphasized the increasing importance of circular movement as transnational networks grow.

The movement of skilled people happens not only across but also within borders, as people move towards better opportunities. This is illustrated in figure 4.2, which compares movement within Brazil, Kenya, Philippines and United States to international rates. The striking result is that we find very similar patterns of migration of skilled workers within and across nations. In particular, the tendency for a higher proportion of skilled workers to emigrate from small states is echoed in a similar tendency to migrate more from small localities. This suggests that the policy options explored in discussions of local development—such as increased incentives and improved working conditions—may also be relevant to policy-making related to the emigration of skilled professionals abroad.

More broadly, the economic effects of migration at the national level in countries of origin are complex and, for the most part, difficult to measure. Networks may arise that facilitate the diffusion of knowledge, innovation and attitudes and so promote development in the medium to longer term. There is a host of anecdotal evidence indicating that migrants support productive activities in their countries.

Increases between two regions, their labour markets become more integrated and large differences in wages become more difficult to sustain. There is considerable historical evidence, reviewed in chapter 2, that enhanced mobility is associated with the reduction of wage disparities between countries. Inequalities within countries can follow a bell-shaped pattern over time: progress in some areas creates wealth and thus increases inequality, which encourages migration, which over time in turn tends to reduce inequality. Studies have associated greater internal labour mobility with a reduction in inter-regional income disparities in Brazil, India, Indonesia and Mexico.

Interestingly, emigration rates for skilled workers are substantially higher among women than men in most developing countries. Women with tertiary degrees are at least 40 percent more likely than male graduates to emigrate to OECD countries from a wide range of countries, including Afghanistan, Croatia, Ghana, Guatemala, Malawi, Papua New Guinea, Togo, Uganda and Zambia. While this could reflect various factors, structural and/or cultural barriers to professional achievement at home seem the most likely explanation.

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of origin, through technology transfer, the repatriation of enhanced skills and exposure to better working and management practices.\textsuperscript{54} The Chinese government has pursued links with Chinese studying abroad to help promote academic excellence in its universities. Similarly, India’s ‘argonauts’—young graduates who helped fuel the country’s high-tech boom in the early 2000s—brought to their jobs the ideas, experience and money they had accumulated in the United States and elsewhere.\textsuperscript{55} The entire software industry model changed as firms increasingly outsourced production to India or based themselves there. In this case, skilled migration brought significant external and dynamic effects, which benefit both workers and the industry in the place of origin.

The spread of new industries via international networks of skilled professionals can be rapid and unpredictable, can find niches even amidst otherwise low levels of overall development, and depends crucially on the openness of the business and political environment at home. It appears that countries such as the Islamic Republic of Iran, Viet Nam and the Russian Federation, which have more closed systems, have benefited less in high-tech business formation via their skilled workers abroad than have India and Israel, for example.\textsuperscript{56}

Almost all the quantitative macro studies on effects at the national level have focused more narrowly on the scale and contribution of remittances. In 2007 the volume of officially recorded remittances to developing countries was about four times the size of total official development aid.\textsuperscript{57} At this scale, remittances are likely to be making a strong contribution to foreign exchange earnings relative to other sources in individual countries. In Senegal, for instance, remittances in 2007 were 12 times larger than foreign direct investment. Remittances represent a significant share of GDP in a range of small and poor states, with Tajikistan topping the list at 45 percent; for all the countries in the top 20 remittance receiving countries, the share exceeded 9 percent in 2007; and in more than 20 developing countries, remittances exceed the earnings from the main commodity export.

However, two major qualifications should be attached to these findings. First, the vast bulk of these flows do not go to the poorest countries. Of the estimated inflows of remittances in 2007, less than 1 percent went to

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**Figure 4.2** Skilled workers move similarly across and within nations

Population and share of skilled workers who migrate internally and internationally

Source: Clemens (2009b).

Note: Shares represented using kernel density regressions.
countries in the low-HDI category. So, for this group, remittances are only about 15 percent of their official development aid. By contrast, in Latin America and the Caribbean remittances in 2007 amounted to about 60 percent of the combined volume of all foreign direct investment and aid. Second, studies that have sought to trace the impacts of remittances on the long-term growth of the recipient country suggest that these impacts are generally small, although the findings are mixed. This stems in part from the fact that the development impact of remittances is ultimately contingent on local institutional structures.

Concerns have been expressed that remittances create a form of ‘resource curse’, contributing to undesirable currency appreciation and thereby hampering competitiveness. Here again, however, the evidence is mixed. Moreover, remittances go to individuals and families and are thus distributed more widely than rents from natural resources, which flow only to governments and a handful of companies and thus can tend to exacerbate corruption. One positive macroeconomic feature of remittances is that they tend to be less volatile than either official development aid or foreign direct investment, although still subject to cyclical fluctuations, as seen in 2009 (box 4.2).

In general, ‘remittance-led development’ would not appear to be a robust growth strategy. Like flows of foreign aid, remittances alone cannot remove the structural constraints to economic growth, social change and better governance that characterize many countries with low levels of human development. That said, for some small states, particularly those facing additional challenges related to remoteness, mobility may be integral to an effective overall strategy for human development (box 4.4).

4.1.3 Social and cultural effects

Mobility can have profound consequences for social, class and ethnic hierarchies in origin communities if lower status groups gain access to substantially higher income streams. This is illustrated by the cases of the Maya in Guatemala and the Haratin, a group of mainly black sharecroppers, in Morocco. These are welcome changes, which can disrupt traditional, caste-like forms of hereditary inequality based on such things as kinship, skin colour, ethnic group or religion, which are associated with unequal access to land and other resources.

The ideas, practices, identities and social capital that flow back to families and communities at origin are known as social remittances. These remittances can arise through visits and through rapidly improving communications. The case of the Dominican village of Miraflores, where two thirds of families sent members to Boston in the 1990s, shows the impacts on gender dynamics. Women’s roles changed, not only in Boston, where they went out to work, but also in the Dominican Republic, where they enjoyed a more equal distribution of household tasks and greater empowerment generally. Another example comes from Pakistanis at the Islamic Center of New England in the United States, where women pray and run the mosque alongside men. News of these changes has travelled back to Karachi in Pakistan, where some women still prefer traditional approaches but others are trying to create new spaces where women can pray and study together. Health is another area where social remittances have an impact. As a result of exposure abroad, visiting or returning migrants may bring back practices such as drinking safe water, keeping animals out of living spaces, or going for annual medical check-ups.

The social and cultural effects of migration are not always positive, however. A counter-example is the deportation of youth from the United States back to Central America, which has been likened to the export of gangs and gang cultures. Although detailed data and analysis are not available, a recent regional report found that the distinction between home-grown gangs (pandillas) and those exported from the United States (maras) is not always clear. In either case, programmes that target at-risk individuals and communities with a view to preventing youth and gang violence are needed, alongside intergovernmental cooperation and greater support and funding for reintegration programmes.

For many young people all over the world, spending time abroad is considered a normal part of life experience and migration marks the transition to adulthood. Field studies in Jordan, Pakistan, Thailand and Viet Nam have found that migration was a means of enhancing a family’s social status in the local community. It is
Box 4.4  Mobility and the development prospects of small states

As noted in chapter 2, it is striking that the countries with the highest rates of emigration are small states. These rates often coincide with underdevelopment. For poorer small states, the disadvantages of being small include over-dependence on a single commodity or sector and vulnerability to exogenous shocks. Small countries cannot easily take advantage of economies of scale in economic activity and in the provision of public goods, and often face high production costs and consumer prices. In the case of small island states, remoteness is an additional factor, raising transport costs and times and making it difficult to compete in external markets. All these factors encourage out-migration.

The financial benefits associated with migration are relatively large for small states. In 2007, remittances averaged US$233 per capita, compared to a developing country average of US$52. The annual highest flows relative to GDP are found in the Caribbean, with remittances accounting for 8 percent of GDP. However, most small states are not among the countries with the highest GDP shares of remittances, so they are not especially exposed to shocks from this source. At the same time, the benefits of migration for small states go well beyond the monetary value of remittances. Moving opens up opportunities for labour linkages, which can enhance integration with economic hubs. Temporary labour migration can be a way of balancing the economic needs of both the origin and destination sides, of providing opportunities for low-skilled workers and of enabling broader benefits at home through the repatriation of skills and business ideas. To the extent that smallness overlaps with fragility and, in some countries, instability, migration can be a safety valve to mitigate the risk of conflict, as well as a diversification strategy over the longer term.

Some small states have integrated emigration into their development strategies, mainly to meet the challenge of job creation. Our commissioned review of PRSs showed that many small states (Bhutan, Cape Verde, Dominica, Guinea-Bissau, Sao Tome and Principe, and Timor-Leste) mention positive elements of international migration in terms of impact on development and/or poverty reduction. Among the goals in Timor-Leste’s Poverty Reduction Strategy Paper (PRSP) (2003) was that of developing a plan for 1,000 workers to go abroad annually. However, others (Djibouti, Gambia, Guyana and Maldives) refer to emigration only as a problem. Some see negative aspects, such as exposure to downturns in remittances (Cape Verde) and increased inequality (Bhutan). Dominica’s PRS saw emigration both as a cause of poverty and as contributing to poverty reduction.

Small states can make migration a strategic element of development efforts in several ways, some of which involve regional agreements. Some countries focus on temporary employment abroad. Others emphasize the creation of skills, sometimes in concert with neighbours. Mauritius has actively encouraged temporary employment abroad as a way of acquiring skills and capital that migrants can use to set up their own business on return. Supported by donors, the government has established a programme that provides technical and financial support to returning migrants. The Lesotho Development Vision 2020 focuses on generating jobs at home by attracting foreign direct investments, while recognizing the role of work abroad, especially in neighbouring South Africa. Its PRS sets out reform measures that include automation and decentralization of immigration services, establishment of a one-stop shop for efficient processing of immigration and work permits, and anti-corruption measures in the Department of Immigration. Development strategies can take broader measures to deal with the challenges of remoteness. For example, in the South Pacific, regional universities and vocational training have facilitated mobility, and several states have entered into migration agreements with their neighbours.

Emigrants from small states have similar profiles to migrants generally, in that they tend to have more skills and resources than people who stay. In Mauritius, for example, the total emigration rate is 12.5 percent, but about 49 percent for graduates. Overall, however, there is no significant difference in the net supply of skills, measured by the number of doctors per 10,000 population, between small and large states. In terms of simple averages, the number of doctors is actually higher for small states, at 23 per 10,000 compared to 20 per 10,000 on average for all countries.


thus not surprising that the probability of migration increases for those with links to people already abroad.

Sometimes a ‘culture of migration’ emerges, in which international migration is associated with personal, social and material success while staying home smacks of failure.64 As the social network grows, the culture is further engrained and migration becomes the norm, particularly among the young and able. This has been observed in cases where there has been large-scale out-migration, such as the Philippines, as well as in West and Southern Africa. A study in Nigeria found that two out five undergraduate students were more interested in leaving Nigeria as a way of gaining social status than in seeking gainful employment at home.69 This can also be seen with respect to internal migration: a recent study from Ethiopia suggests that shifting preferences and aspirations as a result of education could lead people to migrate out of rural areas, irrespective of the earning potential that migration may
provide. The culture can acquire its own self-perpetuating momentum, as illustrated by the Irish, who continued to emigrate at the height of the Celtic Tiger boom.

In West Africa, migration is often not merely a vehicle for economic mobility but is also considered a process through which a boy attains maturity. For some groups in Mali, Mauritania and Senegal, migration is a rite of passage: it is through the knowledge and experience acquired from travel that young adolescent males become men. In the Soninke village of Kounda in Mali mobility distinguishes males and females. Masculinity involves the freedom to move, whereas women in the village are to a large extent fixed inside the household. Men who do not migrate and remain economically dependent on their kin are considered to be immature youngsters and women refer to them with a derogatory term, *tênes*, which means 'being stuck like glue'. In Mali, the colloquial French term used to describe migration is *aller en aventure*, literally, to go on adventure. For the Soninke, being 'on adventure' implies being 'on the path to adulthood'.

The effect of migration on income distribution and social inequality is primarily a function of selection—that is, who moves (see chapter 2). In general, money flows associated with international migration tend to go to the better off, whereas, at least in the longer term, remittances from internal migrants tend to be more equalizing. This type of pattern has been found for Mexico and Thailand, for example. Our commissioned research on China also found that inequality initially rose with internal remittances, then fell.

If it is the better off who tend to migrate, then an appropriate response is to ensure access to basic services and opportunities at home as well as to facilitate the mobility of the poor. As we argue in chapter 5, poor people should not have to move in order to be able to send their children to decent schools: they should have options at home, alongside the possibility of moving.

Collective remittances sent through hometown associations and other community groups have arisen in recent decades. These usually take the form of basic infrastructure projects, such as the construction of roads and bridges, the installation of drinking water and drainage systems, the sinking of wells, the bringing of electricity and telephone lines, and other public goods such as local church or soccer field restorations. Sometimes these are co-financed—the most famous example being Mexico’s *Tres Por Uno* programme, which aims to increase collective remittances by assuring migrant associations that, for every peso they invest in local development projects, the federal, municipal and local government will put in three. The amount transferred as collective remittances remains only a fraction of that sent back individually to families, so the potential development impact of such programmes should not be overstated.

For example, it has been estimated that, since 1990, Filipinos in the United States have donated US$44 million in financial and material assistance to charitable organizations in the Philippines, an amount equivalent to only 0.04 percent of GDP in 2007.

Mobility can affect social and political life in countries of origin in a broader sense. Migrants and their descendants may return and become directly involved in civic and political activities. Alternatively, business investments, frequent return visits and/or collective initiatives can affect patterns of participation by others at home. For example, in Lebanon, new political forces were formed, particularly after the 1989 Ta’ef Accord, as returning migrants used the wealth earned abroad to engage in politics.

Evidence that emigrants have spurred the improvement of political institutions in their home countries is accumulating. Democratic reform has been found to progress more rapidly in developing countries that have sent more students to universities in democratic countries. Knowledge and expectations brought home by a group of Moroccans returning from France have been found to shape basic infrastructure investments by the government in their home region. However, if emigration serves simply as a safety valve, releasing political pressure, the incentives of the established political elite to reform are diminished.

Just as migrants enrich the social fabric of their adopted homes, so too they can act as agents of political and social change if they return with new values, expectations and ideas shaped by their experiences abroad. Sometimes this has taken the form of supporting civil wars, as in the case of Sri Lanka’s diaspora, but in most cases engagement is more constructive.

Contemporary high-profile examples include...
Ellen Johnson-Sirleaf, President of Liberia and Africa’s first female head of state, and Joaquim Chissano, former President of Mozambique and now a respected elder statesman. Recognizing the potential benefits of diaspora engagement, some governments have begun to actively reach out. For example, Morocco and Turkey have extended political and economic rights to emigrants and allowed dual citizenship. However, whether these policies of engagement benefit non-migrants or simply subsidize an elite group outside the country remains an open question.

By improving its investment climate (presently ranked first in Africa by the World Bank’s Doing Business Index), Mauritius has also attracted migrants back; similar patterns have been seen in India and Turkey, among other countries.

**Box 4.5 Mobility and human development: some developing country perspectives**

Several recent National Human Development Reports (NHRDs), including those of Albania, El Salvador and Mexico, have focused on the development implications of mobility. In other countries NHRDs have considered how mobility influences selected aspects of development, such as the role of civil society (Egypt), rural development (Uganda), economic growth (Moldova), social cohesion (Côte d’Ivoire) and inequality (China).

Mexico’s NHDR identifies inequality as the most robust determinant of migratory flows, and movement as a factor that modifies the availability of opportunities to others, including stayers. Drawing on the National Employment Survey, the average Mexican migrant is found to have slightly above-average schooling and intermediate income levels but comes from a marginalized municipality, suggesting an initial set of capabilities coupled with lack of opportunities as major driving factors. The report finds that the overall human development impacts of migration in Mexico are complex and conditional on the profile and resources of different groups. For example, while migration tends to reduce education inequality, especially for girls, it can also discourage investment in higher education in communities where most migrants traditionally go abroad for low-skilled jobs.

Different insights come from El Salvador, where emigrants represent 14 percent of the population and the impact of migration is more visible at the macro level. The recent acceleration of migration is seen to have contributed to the country’s transition to a service economy, which has relied heavily on remittances and a mosaic of small businesses specialized in delivering goods and services to migrants and their families, including nostalgia products and communications. The report suggests that migration allows some relatively poor people a degree of upward mobility through their links to the global economy.

Source: UNDP (2000; 2004a; 2005a,b; 2006a; 2007c; 2008a; 2008c).

4.1.4 Mobility and national development strategies

To date, national development and poverty reduction strategies in developing countries have tended not to recognize the potential of mobility, nor integrated its dynamics into planning and monitoring. This is in part due to the range of other pressing priorities facing these countries, from improving systems of service delivery, through building basic infrastructure, to promoting broad-based growth.

Country-level perspectives on the links between mobility and development can be gleaned from recent National Human Development Reports. The highlights are summarized in box 4.5.

To gain insights into the link between national development strategies and migration in a larger sample of countries, we commissioned a study to review the role of migration in Poverty Reduction Strategies (PRSs). These strategies are statements of development objectives and policy, prepared by poorer countries whose views are often neglected in migration debates. PRSs are of interest since they also involve contributions from, or partnerships with, civil society actors, are intended to be based on quantitative and participatory assessments of poverty, and provide a sense of government priorities. They are also important because international partners have committed to aligning their assistance to these national strategies, given the importance of country ownership in development.

To date, Bangladesh’s PRS has perhaps the most comprehensive treatment of migration and development linkages. The most recent PRSs for Albania, the Kyrgyzstan and Sri Lanka also reflect a major focus on migration-related issues. Many African countries acknowledge the role of remittances, the advantages of return and circular migration of skilled expatriates and the value of knowledge transfer from such people. Several strategies intend to attract development investments from wealthy members of the diaspora.
Earlier analysis of the treatment of international migration in PRSs was based in part on the number of mentions of the word ‘migration’. While simple, this indicator is not very meaningful. It is nonetheless striking that there is no significant correlation in PRSs between the number of references to migration and various measures of its possible importance for national development, such as share of the population living abroad, level of remittances and rate of urbanization.

PRSs have laid out a wide range of migration-related policy initiatives, although these are often not explicitly based on prior analysis. In many cases the state of knowledge about the relationship between the proposed initiative and its expected development impact is weak, underlining the importance of better data and analysis.

In general, PRSs appear to recognize the complexity of international migration, acknowledging both its advantages—opportunities for development and poverty reduction—and its possible negative effects. Some tend to stress the positive—for example the most recent PRSs of Ethiopia, Nepal, Senegal and Uzbekistan frame emigration as an opportunity, without mentioning possible downsides. Most recent strategies emphasize the role of remittances, including those of Bangladesh, Democratic Republic of the Congo, Ghana, the Lao People’s Democratic Republic, Liberia, Pakistan, Timor-Leste and Uzbekistan.

Several strategies articulate policies towards migration. We can distinguish between policies that are broadly ‘proactive/facilitative’ and those focused on ‘regulation/control’ (table 4.1). Combating trafficking, preventing irregular migration and modernizing and strengthening immigration and customs services feature frequently. It is striking how some of these policies echo those promoted by rich country governments.

To sum up, while the PRS framework generally has not been geared towards addressing migration policy per se, it could provide a useful tool for integrating migration and development issues. Fitting this dimension into an overall national strategy for development will require investments in data and analysis and in broad stakeholder consultation. These challenges are discussed further in chapter 5.

### 4.2 Destination place effects

Debates about migration often dwell on the economic and social impacts on rich destination countries. This report has deliberately sought to redress this imbalance, by beginning with the migrants and their families, then focusing on the places they came from. However, that is not to say that the impacts on people in destination communities are unimportant.

In many developed countries, the percentage of migrants in the total population has risen rapidly over the past 50 years. It is now estimated to be in double figures in more than a dozen OECD countries. As noted in chapter 2 and shown in detail in Statistical Table A, the highest shares are found in Oceania (16 percent)—which includes Australia and New Zealand, North America (13 percent) and Europe (8 percent). The shares range between only 1 and 2 percent in the three major developing regions of Africa, Asia, and Latin America and the Caribbean. The highest country shares are recorded in the GCC states and in South-East Asia, including 63 percent in Qatar, 56 percent in the United Arab Emirates, 47 percent in Kuwait and 40 percent in Hong Kong (China). The real and perceived impacts of immigration are critical, not least because these perceptions shape the political climate in which policy reforms are debated and determined.

We begin this section by reviewing the economic impacts of immigration as a whole, then focus more narrowly on the labour market and

<table>
<thead>
<tr>
<th>Table 4.1</th>
<th>PRSs recognize the multiple impacts of migration</th>
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<tr>
<td>Policy measures aimed at international migration in PRSs, 2000–2008</td>
<td></td>
</tr>
<tr>
<td>Proactive/facilitative</td>
<td>No. of countries</td>
</tr>
<tr>
<td>Export labour</td>
<td>10</td>
</tr>
<tr>
<td>Encourage female migration</td>
<td>1</td>
</tr>
<tr>
<td>Promote student mobility</td>
<td>3</td>
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<tr>
<td>Sign bilateral agreements</td>
<td>9</td>
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<tr>
<td>Improve labour conditions abroad</td>
<td>6</td>
</tr>
<tr>
<td>Pre-departure training</td>
<td>6</td>
</tr>
<tr>
<td>Develop consular services</td>
<td>3</td>
</tr>
<tr>
<td>Regulate recruitment industry</td>
<td>2</td>
</tr>
<tr>
<td>Facilitate portability of pensions</td>
<td>2</td>
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<tr>
<td>Promote refugee integration</td>
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Source: Adapted from Black and Sward (2009).
Note: 84 PRSs reviewed.
fiscal impacts. For each of these types of impact there are important distributional issues—while there are overall gains, these are not evenly distributed.

**4.2.1 Aggregate economic impacts**

The impact of migration on aggregate growth rates of destination countries has been much discussed, but robust measurement is difficult. The data requirements and methodological complexities, including the need to disentangle direct and indirect effects and work out their timing, all present challenges (see box 1.1).

Economic theory predicts that there should be significant aggregate gains from movement, both to movers and to destination countries. This is because migration, like international trade, allows people to specialize and take advantage of their relative strengths. The bulk of the gains accrue to the individuals who move, but some part goes to residents in the place of destination as well as to those in the place of origin via financial and other flows. In background research commissioned for this report, estimates using a general equilibrium model of the world economy suggested that destination countries would capture about one-fifth of the gains from a 5 percent increase in the number of migrants in developed countries, amounting to US$190 billion dollars.92

To complement our review of the country-level studies, we commissioned research to construct a new dataset on migration flows and stocks, including consistent annual data on nature of employment, hours worked, capital accumulation and changes in immigration laws for 14 OECD destination countries and 74 origin countries for each year over the period 1980–2005.93 Our research showed that immigration increases employment, with no evidence of crowding out of locals, and that investment also responds vigorously. These results imply that population growth due to migration increases real GDP per capita in the short run, one-for-one (meaning that a 1 percent increase in population due to migration increases GDP by 1 percent). This finding is reasonable, since in most instances annual migration flows are only a fraction of a percentage point of the labour force of the receiving country. Moreover, these flows are largely predictable, implying that the full adjustment of per capita investment levels is plausible even in the short run.

At the individual country level, at least in the OECD countries, similar results have been found—that is, increased migration has neutral or marginally positive effects on per capita income. For example, simulations following the European Union accessions of 2004 suggest that output levels in the United Kingdom and Ireland, which allowed large-scale inflows from the new member states of Eastern Europe, would be 0.5–1.5 percent higher after about a decade.94 In countries where migrants account for a much higher share of the population and labour force—for example in the GCC states—the aggregate and sectoral contributions to the economy can be expected to be larger. However, detailed empirical analysis is unfortunately not available.

Migrants can bring broader economic benefits, including higher rates of innovation. Productivity gains in a number of destination places have been traced to the contributions of foreign students and scientists to the knowledge base. Data from the United States show that between 1950 and 2000, skilled migrants boosted innovation: a 1.3 percent increase in the share of migrant university graduates increased the number of patents issued per capita by a massive 15 percent, with marked contributions from science and engineering graduates and without any adverse effects on the innovative activity of local people.95

Countries explicitly compete for talent at the global level and the share of graduates among migrants varies accordingly.96 The United States, in particular, has been able to attract migrant talent through the quality of its universities and research infrastructure and its favourable patenting rules.97 In Ireland and the United Kingdom the share of migrants with tertiary education exceeds 30 percent, while in Austria, Italy and Poland it is below 15 percent.98 Countries offering more flexible entry regimes and more promising long-term opportunities have done better in attracting skilled people, whereas restrictions on duration of stay, visa conditions and career development, as in Germany for example, limit uptake. This has led to discussions about a blue card or European Union-wide employment permit—an idea that has received preliminary
backing from the European Parliament and approval by the European Council.\textsuperscript{99} Singapore and Hong Kong (China), have explicit policies to welcome foreign high-skilled professionals. These policies range from allowing immigrants to bring their families, through facilitating permanent residence after defined waiting periods (two years for Singapore, seven for Hong Kong (China)), to the option of naturalization.\textsuperscript{100}

Programmes to attract skilled labour can be developed using a general points-based approach, linked to labour market tests and/or employer requirements (chapter 2). A centralized ‘manpower’ planning approach can be difficult to implement, especially in the face of structural change and economic shocks. Points-based schemes, which have the virtue of simplicity, have been used by destination governments to favour high-skilled migrants or to attract workers for occupations in short supply on the national labour market, as in Australia’s General Skilled Migration programme.

Migration can stimulate local employment and businesses, but such effects are likely to be context-specific. Migrants also affect the level and composition of consumer demand, for example in favour of nostalgia goods, as well as locally available goods and services that are close to homes and work-places. Our commissioned study of such effects in California found evidence suggesting that an influx of immigrants over the decade to 2000 into specific areas (selected to capture the potential pool of customers for different firms) was positively correlated with higher employment growth in some sectors, especially in education services. The impact on the composition of demand was mixed: a higher share of migrants was associated with more large-scale discount retailers. At the same time, consistent with expectations, the study found that increased immigration was associated with increased ethnic diversity of restaurants.\textsuperscript{101}

4.2.2 Labour market impacts

There is controversy around the effects of migration on employment and wages in the destination country, especially for those with low levels of formal education. Public opinion polls show that there is significant concern that immigration lowers wages.\textsuperscript{102} There have also been lively academic debates on the subject, notably in the United States. Yet it is striking that most empirical studies in the OECD draw similar conclusions, namely that the aggregate effect of immigration on the wages of local workers may be positive or negative but is fairly small in the short and long run.\textsuperscript{103} In Europe, both multi- and single-country studies find little or no impact of migration on the average wages of local people.\textsuperscript{104}

At the same time it must be recognized that wage responses to immigration are unlikely to be distributed evenly across all workers and will be most pronounced where locally born workers compete with immigrants. The debates have clarified that it is not just the total number of migrants that matter but their skill mix as well. The kinds of skill that migrants bring affect the wages and employment opportunities of different segments of the local population, sometimes in subtle ways. If the skills of migrant workers complement those of locally born workers, then both groups will benefit.\textsuperscript{105} If the skills match exactly, then competition will be heightened, creating the possibility that locally born workers will lose out. However, this is not a foregone conclusion: often the results are mixed, with some individuals in both groups gaining while others lose. Assessing these effects is problematic, because measuring the degree to which different groups’ skills complement or substitute for one another is difficult, particularly across international borders.\textsuperscript{106}

One striking example of complementarity is how migrants can facilitate higher labour force participation among locally born females.\textsuperscript{107} The availability of low-cost child care can free up young mothers, enabling them to go out and find a job. There is consensus in the literature that low-skilled migrant labour generally complements local labour in Europe.\textsuperscript{108} This may arise in part because migrants are more mobile than locally born workers—as in Italy, for example.\textsuperscript{109} More importantly, migrants are often willing to accept work that locals are no longer prepared to undertake, such as child care, care of the elderly (much in demand in aging societies), domestic work, and restaurant, hotel and other hospitality industry work.

As noted, the small \textit{average} effect on pay may mask considerable variation across types of local workers. There is a vast empirical literature on
the effect of immigration on the distribution of wages in developed countries. In the United States, estimates of the effect on the wages of unskilled workers range from –9 to +0.6 percent. Local workers with low levels of formal schooling may still have advantages over migrants due not only to language but also to knowledge of local institutions, networks and technology, which enables them to specialize in complementary and better-paid tasks.

The imperfect substitutability of migrant and local labour is consistent with recent evidence suggesting that the workers affected most by the entry of new migrants are earlier migrants. They feel the brunt of any labour market adjustment, since newcomers primarily compete with them. In the United Kingdom, for example, heightened competition among migrants in the early 2000s may have increased the difference between the wages of locals and migrants by up to 6 percent.

While the evidence about employment impacts is less extensive, the pattern is similar. Detailed investigations have not established a systematic relationship between immigration and unemployment. This is in part because of labour market segmentation, as low-skilled migrants accept jobs that are less attractive to locals, enabling the latter to move to other sectors and jobs. The massive inflows associated with European Union accession led neither to the displacement of local workers nor to increased unemployment in Ireland and the United Kingdom. Recent experience in Europe thus supports the idea that migrant labour does not have a large effect on the employment of locals. One European study found that a 10 percent increase in the share of migrants in total employment would lower the employment of residents by between 0.2 and 0.7 percent.

These econometric results should also be interpreted in the light of the evidence concerning the labour market disadvantage of migrants that was reviewed in chapter 3. Legal and institutional factors—both their design and their enforcement—matter. If migrant workers fall through the net of the formal arrangements that protect wages and working conditions, unfair competition with locally born workers could well follow. A similar outcome can be expected where people are excluded from unions or where the enforcement of regulations is weak. Even in countries with well-regulated labour markets, workers with irregular status often tend to fall ‘under the radar’—the drowning of Chinese cockle gatherers in Morecambe Bay in the United Kingdom was a notorious case of lack of enforcement of health and safety standards. Recent British research found that more general structural trends, particularly the increasing use of agency (temporary) labour contracts, which are associated with fewer rights for workers, are significant factors shaping the pay and working conditions of migrant workers. There is widespread evidence of payment below the legal minimum wage, especially for younger migrants.

Among emerging and developing economies, empirical evidence on the labour market impacts of immigration is sparse. A recent study of Thailand, which investigated whether places with higher concentrations of migrants had lower wages, found that a 10 percent increase in migrants reduced the wages of Thai locals by about 0.2 percent but did not lower employment or reduce internal migration. Simulations conducted for Hong Kong (China), found that even large increases in new immigrants (a 40 percent increase) would lower wages by no more than 1 percent. To the extent that migrants can find employment only in the informal labour market, their arrival will have a larger effect on locals who themselves operate informally. In many developing countries, informality is ubiquitous, so migrants are likely to join an already large segment of the market.

4.2.3 Rapid urbanization

Rapid urban growth, which can be partly attributed to internal migration, can pose major challenges. While people may be attracted by the better opportunities available in cities, it is nonetheless true that local services and amenities may come under severe strain. This can be seen in large cities, such as Calcutta and Lagos, as well as the myriad medium-sized cities, from Colombo to Guayaquil to Nairobi. Many newcomers and their families in developing countries end up in shanty towns and slums, typically on the outskirts of large cities. Residents in these areas often face high service costs. They may also be at risk from flooding and landslides, not to mention harassment from the authorities and violence, theft
or extortion at the hands of criminals.

When movement is driven by falling living standards and weak support services in places of origin, the rate of migration to urban centres can exceed the demand for labour and the provision of services there. Under these conditions the outcome is high structural unemployment and underemployment. Moreover, where local authorities are ill prepared for population growth and face severe institutional and financial constraints, the result is likely to be rapidly increasing disparities in incomes and well-being and segmentation of the city into areas that are relatively prosperous and safe, with good services, and ‘no-go’ areas where living conditions are falling apart. In contrast, when people are attracted to cities because of employment opportunities, net benefits are likely to accrue as the concentration of ideas, talent and capital lead to positive spillovers. This has been found in the Republic of Korea, for example.

These contrasting scenarios underline the importance of good urban governance, which can be defined as the sum of the many ways individuals and institutions—public and private—plan and manage city life. Among the most important aspects of urban governance for migrants are: adequate financial resources, which must often be generated through local taxation; equitable pricing policies for basic social services and utilities; the extension of services to areas where migrants live; even-handed regulation of the informal sector; outreach and support services (such as language classes) targeted to migrant groups; and accountability, through such mechanisms as representation on local authorities, the publication of performance standards for key services, and the regular independent audit and publication of municipal accounts.

Field research provides useful insights into how city authorities are handling flows of people and the more general challenges of urban poverty. The findings suggest that decentralization and democratization can allow the poor more opportunities to lobby and to make incremental gains, at least in terms of infrastructure provision. Having a voice—and having that voice heard—seems to work in terms of protecting the poor from the worst excesses of bad governance, particularly from harassment and removal of informal traders. There are clearly echoes of Amartya Sen’s argument about the positive effects of democratic processes and a free press.

Clearly, however, some municipal governments have wielded levers with negative repercussions for migrants. For instance, a review of urbanization experiences in Asia, commissioned for this report, finds that a number of governments continue to pursue policies aimed at decelerating in-migration. Several countries were found to have forcibly cleared slums, pushing the poor into periphery areas void of services. In Dhaka, Bangladesh, some 29 slum areas, home to 60,000 people, were cleared by the authorities in early 2007. In Jakarta, Indonesia, the ‘closed city’ policy requires migrants to present proof of employment and housing, making it difficult for them to stay legally, while a law passed in September 2007 makes squatter settlements on river banks and highways illegal. Sometimes this kind of intervention can lead to unrest, as in Bangladesh, for example, following evictions in Agargoan and other settlements. It appears that mass evictions are more likely when democracy and accountability are weak, as the shantytown clearances around Harare in Zimbabwe during 2005 demonstrate.

One final point: popular perceptions among local people in Europe and the United States as well as South Africa, for example, associate migrants with price increases in certain private markets, such as the rental market for housing. To the best of our knowledge, no studies establish the existence of such an effect.

4.2.4 Fiscal impacts

A popular measure of the impact of migration, though not one that necessarily reflects its true economic and social effects, is the perception of the changes it brings to the government’s fiscal position. People across the political spectrum often share concerns about the implications of migration for the welfare state. Our analysis of the European Social Survey of 2002 suggested that up to 50 percent of the region’s population worry about migrants being a net fiscal burden, with those most concerned tending to be less well educated, older and/or unemployed. The concerns are most acute in the Czech Republic, Greece, Hungary and Ireland, much less so in Italy, Luxembourg, Portugal and Sweden. Some people are worried about increased costs, others
about sustainability in the face of reduced social cohesion. Some governments have sought to address these concerns by introducing waiting periods for becoming eligible to receive benefits, as in Australia, New Zealand and the United Kingdom, for example.

Do migrants ‘take more than they give,’ or vice versa? This is a highly contentious issue, and one that we believe has garnered unwarranted attention. Estimating migrants’ use of public services is fraught with measurement difficulties, while calculating their offsetting tax contributions adds another layer of complexity. A migrant whose child attends state school may also provide childcare services that facilitate the entry of a high-skilled woman into the labour force—and both pay taxes.

In practice, there is wide variation across countries in both the existence and generosity of welfare benefits and the eligibility of migrants. Studies in the United States, which has low levels of benefits for a rich country, have found a range of estimates, but the general picture is consistent: first-generation migrants tend to generate net fiscal costs whereas later generations tend to produce large fiscal surpluses. At the same time, taxes paid by migrants may not accrue to the levels of government providing services to migrants. Especially where migrants are under-counted and where fiscal transfers are made to local authorities on a per capita or needs basis, it may be that the localities facing the largest burdens in extending basic services to migrants also lack adequate resources to do so.

Local government typically accounts for a significant share of total government spending and often bears the burden of financing basic services, including services for migrants. According to the International Monetary Fund, the share of spending in 2007 by sub-national authorities in developed countries ranged from 63 percent for Denmark to 6 percent for Greece. The share is significant in a number of other major destination countries, including the Russian Federation (51 percent) and South Africa (47 percent). But there are exceptions—for example Thailand, where the share is below 15 percent. Thus, depending on the structure of public finances, migrants could impose net fiscal costs on one level of government while being net contributors to total public revenue. For example, the costs of providing educational and health services, which may include special programmes such as language courses, may be concentrated in local authorities, while income taxes accrue to the central government.

In the United States, fiscal concerns appear to affect the immigration policy preferences of different groups. One study found that locals tend to be in favour of curbing immigration if they live in states that have large migrant populations and provide migrants with generous welfare benefits. This opinion is strongest among locals with high earnings potential, who tend to be in higher tax brackets. Similar results were obtained using a sample of over 20 countries in Europe.

In countries with progressive tax systems and welfare benefits, low-skilled migrants, refugees and those entering under family reunification programmes are associated with higher net fiscal costs. In some European countries migrants, after accounting for their demographic characteristics, appear to be more dependent on welfare programmes than locals, but this is certainly not the case in all countries. The difference can be traced back at least partly to the relative generosity of the welfare systems.

In the 2008/09 recession, rising unemployment and hardship among migrants can be expected to impose additional costs on public finances, although the degree to which this happens in practice remains to be seen. Determining factors in each country will be the share of migrants among the unemployed and the structure of unemployment benefits, particularly the eligibility rules. Even in countries with well-developed welfare systems, the access of migrants to benefits may be limited. A recent study predicted that, among European countries, Estonia, France and Latvia were likely to face a higher public finance burden due to the costs of migrants’ welfare benefits during the 2009 downturn, whereas Austria, Finland, Germany, Ireland and Spain would register less-marked increases. In many developing countries, the issue of rising fiscal costs during a time of recession typically does not arise, because welfare benefits are simply unavailable to anyone.

Migration is sometimes touted as a solution to the looming fiscal crisis associated with rapid...
aging in many developed countries (chapter 2). This would require that migrants be net contributors to the fiscal system in the short to medium term. The longer term costs when migrants themselves retire need also to be taken into account. Both imply the need either to continually expand immigration or, more realistically, to raise social security contributions from the increased numbers of working migrants while introducing structural changes to the design of social security and retirement systems.

Whether positive or negative, the net fiscal impacts of immigration are not large. Putting the various effects together, relative to GDP, most estimates for the United States and Europe place the net fiscal impact of immigration in the range of ± 1 percent of GDP. For example, the figure for the United Kingdom is ± 0.65 percent of GDP. These estimates indicate that the fiscal consequences of migration should not generally be a key factor in designing policy.

Some destination governments impose additional fees on migrants, based on the principle that individuals receiving a benefit over and above the services enjoyed by the local taxpayer should contribute more. In 1995, Canada introduced a Right of Permanent Residence Fee equivalent to US$838, to be paid before a visa can be issued (but refundable if the client is refused or chooses not to proceed). Several amendments over time have sought to mitigate negative impacts with a loan option, flexibility in the timing of payment, elimination of the fee for refugees, protected persons and dependent children—and then halving of the fee in 2006. In addition to the fee, there is a US$430 administrative charge for adults (US$86 for dependents). However, in the Canadian and other similar cases, there is no direct link between the revenues generated from this fee and funding for integration programmes. The United Kingdom recently introduced a landing fee, at a more symbolic level of UK£50 (US$93). Both these examples seem oriented more towards assuaging popular concerns than towards raising revenue to cover fiscal costs.

4.2.5 Perceptions and concerns about migration

Migration is a controversial issue in many countries. The mere presence of newcomers from different backgrounds can pose challenges, especially in societies that were traditionally homogeneous. Broadly speaking, three interlinked types of concern can be distinguished, related to security and crime, socio-economic factors, and cultural factors. We end this chapter by addressing each of these aspects in turn.

Following the attacks on the United States in 2001, security concerns rose to the top of the political agenda. A major issue was the association, real or imagined, of foreigners with a lack of loyalty and the threat of terrorism. Such fears are far from new, having characterized many historical instances of anti-immigration sentiment. Examples include the ethnic Chinese in Indonesia, who were suspected of political subversion on behalf of Communist China during the 1960s, and the ethnic Russian populations in the Baltic states who were suspected of undermining the states’ newly won independence after the collapse of the Soviet Union in the early 1990s. These concerns normally abate somewhat over time, only to resurface in new forms at times of political instability and change.

Security concerns also derive from the perceived links between immigration and crime, which are often cited in popular debates about migration. We found that more than 70 percent of respondents to the European Social Survey of 2002 believed that immigrants worsen a country’s crime problems, with the figure rising to more than 85 percent in Germany, the Czech Republic and Norway. As exemplified by the film The Godfather, stereotype images associating immigrants with crime have long been propagated through the popular media, which often feature violence perpetrated by a range of immigrant groups including the Italian mafia, Chinese triads and Central American gangs such as the Salvadoran Mara Salvatrucha.

The data do not confirm these stereotypes. However, they do reveal significant variation in immigrant crime rates across countries. Data from the 2000 US census show that, for every ethnic group, incarceration rates among young men are lowest for immigrants, even those who are the least educated. On average, among men aged 18 to 39 (who comprise the vast majority of the prison population), the incarceration rate of the locally born in 2000 was 3.5 percent, five times higher than the 0.7 percent rate of the
Earlier studies for the United States yielded similar findings. However, the picture in Europe is more varied. Data from the Council of Europe on 25 countries show that on average there are more than twice as many foreign-born people in prison than locally born. A study on six European countries found that, in Austria, Germany, Luxembourg, Norway and Spain, offense rates are higher for foreigners, while this was not the case in Greece, for example.

Fears that migrants will undermine the socio-economic status of local people have been tested empirically. As already indicated, the effects can be positive for some individuals and groups and negative for others, but are seldom very large. However, the 2008/09 economic recession represents a severe shock to many workers in destination (and other) countries, possibly the worst since the Great Depression of the 1930s. While there is no serious suggestion that this shock has been caused by migrant labour, it has nevertheless stoked the flames of anti-immigrant rhetoric, as local workers search for ways of saving their own jobs. Governments are under enormous pressure—and often fail to withstand it. Opinions are shifting, even in cases where migration has been broadly welcomed by the public thus far—for example, in the United Kingdom against Eastern Europeans, despite the successful experience of large-scale inflows during the long boom.

People’s views about migration are conditioned by the availability of jobs. In the majority of the 52 countries covered in the latest World Values Survey, most respondents endorsed restrictions on immigration, but many emphasized that these restrictions should be clearly linked to the availability of jobs (figure 4.3). The demographic and economic projections presented in chapter 2 suggest that, beyond the current recession, structural features will lead to the re-emergence of job vacancies and hence new opportunities for migrants.

Even in normal times, many feel that preference should be given to locally born people (figure 4.4). Our regression analysis found that this view prevailed more among people who were older, had lower incomes, lived in small towns and did not have a migrant background. Interestingly, however, people were more likely
to favour equal treatment of migrants in countries where the stock of migrants was relatively high.

Economic and security concerns can sometimes reinforce each other, in what becomes a vicious circle. Migrants who are marginalized—due, for example, to temporary or irregular status or high levels of unemployment—may resort to anti-social or criminal behaviour, confirming the security fears of locals. If this leads to further discrimination in the labour market and in policy formation, such migrants may turn away from the new society back to the old, possibly forming gangs or other anti-social organizations that threaten local populations. This type of pathology has been observed among some young Maghrebian in France and some Central American groups in the United States.

Where labour market disadvantage leads to social exclusion, repercussions for social cohesion can quickly follow. Recent research in seven developed countries has highlighted barriers to socialization encountered by children in immigrant families. These families are often concentrated in certain locations, such as particular low-income urban localities. This fosters educational and socio-economic segregation: residence in segregated neighbourhoods limits contacts with locally born people, a separation reinforced by attendance at schools that are de facto segregated. A study we commissioned on Latino immigrant identity in the United States suggested that restrictive migration policies and increasingly adverse public opinion over time, alongside mixed human development outcomes, have affected people’s sense of self. The study, based on interviews with immigrants and their children from several Latin American countries, suggests that immigrants have formative experiences that engender group solidarity but promote a rejection of American identity, related to the realities of the labour market during a period of rising inequality.

Concerns are also expressed about the possible impacts of immigration on the political climate. However, in most countries, the relative size of the migrant population is too small to have a direct effect on national electoral politics, particularly since migrants come from a diversity of backgrounds and will have a diversity of political views. In any case migrants are generally not permitted to vote in national elections. Their preferences may be more significant in local elections, where granting of voting rights to first-generation immigrants is more common. Over time, as economic, social and cultural assimilation deepens, the effects of migrants on voting patterns become even less predictable.

Last but not least, in sufficient numbers, migrants can affect the ethnic and cultural diversity of a society, literally changing the face of a nation. Several countries that today are highly prosperous were historically founded by migrants. Australia, Canada, New Zealand and United States have continued to welcome large inflows over time, in successive waves from different countries of origin, and generally have been highly successful in absorbing migrants and giving them a common sense of belonging to the new nation despite their cultural differences. In countries with a long and proud history of independence and a strong sense of national identity, the arrival of newcomers may pose more challenges.

Of course, some cultural attributes are more easily adopted by locals than others. For example, many societies welcome new cuisines (probably the most resistant are the French and Italians, who think they have figured it out already). This confirms Paul Krugman’s thesis that a taste for variety, combined with
economies of scale, does more to explain international trade patterns than any other factor. But some find it harder to open the door to new religious and social customs such as the wearing of headscarves by women and the payment of dowries.

While specific issues can arise, the evidence suggests that people are generally tolerant of minorities and have a positive view of ethnic diversity (figure 4.5). People who are less well-educated, older, unemployed and without a migrant background are less likely to value ethnic diversity. At the same time, more than 75 percent of respondents in the 2005/2006 World Values Survey did not object to having a migrant as their neighbour. These attitudes point to clear opportunities for building a broad consensus around better treatment of migrants, a policy option that we explore in the next chapter.

Insecurity and adverse reactions may arise when migrant communities are seen to represent alternative and competing social norms and structures, implicitly threatening the local culture. This is associated with the view that ethnic identities compete with each other and vary considerably in their commitment to the nation state, implying that there is a zero sum game between recognizing diversity and unifying the state. Yet individuals can and do have multiple identities that are complementary—in terms of ethnicity, language, religion, race and even citizenship (chapter 1). Thus when migrants integrate more fully and more diffusely with their adopted homeland, which in turn becomes even more diverse, they have a better chance of being valued as enriching society and introducing complementary cultural traits.

4.3 Conclusions
This chapter has explored the impacts of mobility on those who do not move. We began with places of origin and focused on developing countries (although by far the highest regional rates of out-migration are observed for Europe and the lowest for Africa). The greatest impacts are at the household level, for those who have family members who have moved, and these are largely positive for income, consumption, education and health. However, the poverty impacts are limited because those who move are mainly not the poorest. Broader community and national effects can also be observed, although these patterns are often complex, context-specific and subject to change over time.

Given the global recession of 2008/09, it is especially important to assess the impact of migration on host communities and countries. There is no evidence of significant adverse economic, labour market or fiscal impacts, and there is evidence of gains in such areas as social diversity and capacity for innovation. Fears about migrants are generally exaggerated.

These findings, alongside those in the preceding chapter, suggest the possibility of creating virtuous circles through policy measures that enhance and broaden the benefits of mobility. This would increase migrants’ economic and social contributions to both destination and origin communities and countries.

The public policies that people encounter when they move play a large part in shaping their futures. Designing these policies well is in the interests of migrants themselves, the communities they leave behind and the other residents in their adopted homes. It is to this topic that we turn in the final chapter of this report.
Policies to enhance human development outcomes
This final chapter proposes reforms that will allow mobility to contribute to a fuller enhancement of people’s freedoms. At present, many people who move have at best only precarious rights and face uncertain futures. The policy mismatch between restrictive entry and high labour demand for low-skilled workers needs to be addressed. We propose a core package of reforms that will improve outcomes for individual movers and their families, their origin communities and host places. The design, timing and acceptability of reforms depend on a realistic appraisal of economic and social conditions and a recognition of public opinion and political constraints.
Policies to enhance human development outcomes

The foregoing analysis has shown that large gains to human development would flow from improved policies towards movers. These would benefit all groups affected by migration. A bold vision is needed to realize these gains—a vision that embraces reform because of its potential pay-offs, while recognizing the underlying challenges and constraints.

We have also shown that the entry policies that have prevailed in many destination countries over recent decades can be largely characterized by denial and delay on the one hand, and heightened border controls and illegal stays on the other. This has worsened the situation of people lacking legal status and, especially during the recession, has created uncertainty and frustration among the wider population.

The factors driving migration—including disparate opportunities and rapid demographic transitions—are expected to persist in the coming decades. Lopsided demographic patterns mean that nine tenths of the growth in the world’s labour force since 1950 has been in developing countries, while developed countries are aging. These trends create pressures for people to move, but the regular channels allowing movement for low-skilled people are very restricted. Demographic projections to the year 2050 predict that these trends will continue, even if the demand for labour has been temporarily attenuated by the current economic crisis. This implies a need to rethink the policy of restricting the entry of low-skilled workers, which ill accords with the underlying demand for such workers. This chapter tackles the major challenge of how governments can prepare for the resumption of growth, with its underlying structural trends.

Our proposal consists of a core package of reforms with medium- to long-term pay-offs. The package consists of six 'pillars'. Each pillar is beneficial on its own, but together they offer the best chance of maximizing the human development impacts of migration:

1. Liberalizing and simplifying regular channels that allow people to seek work abroad;
2. Ensuring basic rights for migrants;
3. Reducing transaction costs associated with migration;
4. Improving outcomes for migrants and destination communities;
5. Enabling benefits from internal mobility; and

Our proposal involves new processes and norms to govern migration, but does not prescribe any particular levels of increased admissions, since these need to be determined at the country level.

Our agenda is largely oriented towards the longer-term reforms needed to enhance the gains from movement, while recognizing the major challenges in the short term. In the midst of what is shaping up to be the worst economic crisis since the Great Depression, unemployment is rising to record highs in many countries. As a result, many migrants find themselves doubly at risk: suffering unemployment, insecurity and social marginalization, yet at the same time often portrayed as the source of these problems. It is important that the current recession must not become an occasion for scapegoating, but rather be seized as an opportunity to institute a new deal for migrants—one that will benefit workers at home and abroad while guarding against a protectionist backlash. Forging that new deal and selling it to the public will require political vision and committed leadership.

Open dialogue is critical if progress is to be made in the public debate about migration.
Open dialogue is critical if progress is to be made in the public debate about migration.

this debate, the benefits should not be overplayed and the concerns about distributional effects—especially among low-skilled workers—need to be recognized and taken into account. The political economy of reform is directly addressed below.

Because this is a global report with diverse stakeholders—governments in origin, destination and transit countries; donors and international organizations; the private sector; and civil society, including migrant groups and diaspora associations, academia and the media—the policy directions we outline are inevitably pitched at a general level. Our intention is to stimulate debate and follow-up in discussing, adapting and implementing these recommendations. At the country level, much more detailed analysis will be needed to ensure relevance to local circumstances and allow for political realities and practical constraints.

5.1 The core package

We will now explore the policy entry points outlined above. Our focus is limited to selected aspects out of the much broader menu of options that have been discussed and implemented around the world. In defining a priority agenda we have been motivated by a focus on the disadvantaged, a realistic consideration of the political constraints and an awareness that trade-offs are inevitable. Whenever possible, we illustrate with examples of good practice.

5.1.1 Liberalizing and simplifying regular channels

Overly restrictive barriers to entry prevent many people from moving and mean that millions who do move have irregular status—an estimated one quarter of the total. This has created uncertainty and frustration, both in the migrant community and among the wider population, especially during the current recession.

When growth resumes, the demand for migrant labour will likewise rebound, since the demographic and economic conditions that created that demand in the first place will still be in place. The need for working-age people in developed countries has been largely structural, and is long-term—not temporary—in nature. This is true even for high-turnover jobs in such sectors as care, construction, tourism and food processing.

If the demand for labour is long-term, then, from the perspective of both migrants and their destination communities and societies, it is better to allow people to come legally. And provided migrants can find and keep jobs, it is better to offer them the option of extending their stay than to limit them to temporary permits. The longer people stay abroad, the greater the social and economic mobility they and their children are likely to enjoy. When the presence of migrants is denied or ignored by host governments, the risk of segmentation is greatly increased, not only in the labour market and economy but also in society more generally. This is one lesson that emerged clearly from the German guest-worker experience. We see it again today, in destinations as diverse as the GCC states, the Russian Federation, Singapore, South Africa and Thailand.

So what would a liberalization and simplification of migration channels look like? There are two broad avenues where reform appears both desirable and feasible: seasonal or circular programmes, and entry for unskilled people, with conditional paths to extension. The difficult issue of what to do about people with irregular status is a third area in which various options for change are possible and should be considered. In each case, the specific design of new measures will need to be discussed and debated at the national level through political processes that permit the balancing of different interests (section 5.2). As high-skilled people are already welcomed in most countries, reforms need to focus on the movement of people without tertiary degrees.

The first avenue, already explored by a number of countries, is to expand schemes for truly seasonal work in sectors such as agriculture and tourism. Key elements when planning and implementing reforms include consultation with source country governments, union and employer involvement, basic wage guarantees, health and safety protection, and provision for repeat visits. These elements are the basis for schemes that have been successfully operating for decades in Canada, for example, and have more recently been introduced in New Zealand (box 5.1). Workers in formal schemes of this kind are typically accorded better protection than those with irregular status. From a human development point of view, that is one of their major advantages.
taking decisions on the following key issues: that is known to face labour shortages.

experience of, or willingness to work in, a sector be made conditional on a job offer, or at least visas can initially be temporary. Issuance can be responsive to local conditions and there are several ways of ensuring this. Numbers can be granted. During the first quarter of operation, there were 24,000 applications, representing about 15 percent of total applications to come to Sweden.

New Zealand’s Recognised Seasonal Employer Scheme (RSE) was launched in April 2007 as part of the government’s growth and innovation agenda, to address the acute problems experienced by the horticulture and viticulture industries in finding workers during seasonal labour peaks. It provides a number of seasonal jobs, set annually.

RSE was designed to avoid some of the downsides of the low-wage temporary work cycle, which was seen as unsustainable for both employers and workers, many of whom were irregular migrants. Transiting to RSE shook out existing irregular workers from the system and brought new employers into contact with the government. During the transition period employers were allowed to retain workers already in New Zealand for a limited period and under certain conditions.

Central to the objectives of both the New Zealand government and the union movement, and critical to public acceptance, was to ensure that employers recruit and train New Zealand workers first, before they recruit offshore. However, the scheme allows Pacific Island countries to find a continuing market for their low-skilled labour, provided that they put in place appropriate selection and facilitation processes and help to ensure return. Their workers have the opportunity to be trained and properly remunerated, and to broaden their experience and contacts. So far, no serious problems have been reported.

RSE is not a low-cost scheme. It will not be economically sustainable unless the industries involved can realize productivity and quality gains in partnership with a known group of workers, who can be relied on to return to specific orchards and vineyards each year.

The second avenue, which involves more fundamental reforms, is to expand the number of visas for low-skilled people—conditional on employer demand. As is currently the case, the visas can initially be temporary. Issuance can be based on employer demand—such that an individual is required to have a job offer prior to arrival—or on the recommendations of a technical committee or similar body that considers projections of demand and submissions from unions, employers and community groups. The United Kingdom’s Migration Advisory Committee, set up in late 2007 to provide advice on the designation of so-called ‘shortage occupations’, is a good example. The disadvantages of requiring a job offer are that the decision is effectively delegated to individual employers, transaction costs for individual migrants may be higher, and portability can become an issue. Caution should be exercised in relation to employers’ stated ‘needs’ for migrants. These could arise because migrants are willing to work longer hours and/or because they are more skilled. Employers should not use migrant labour as a stratagem for evading their legal obligations to provide basic health and safety protection and to guarantee minimum standards in working conditions, which should be accorded to all workers, regardless of origin.

Employer portability. Tying people to specific employers prevents them from finding better opportunities and is therefore both economically inefficient and socially undesirable. Our policy assessment found that governments typically allow employment portability for permanent high-skilled migrants, but not for
temporary low-skilled workers. However, there are signs of change. The United Arab Emirates has begun to offer transferable employment sponsorships in response to complaints of abuse from migrants. Sweden’s recent labour immigration reform, described in box 5.1, is perhaps the most comprehensive example of employment and benefits portability to date, as work permits are transferable and migrants who lose their jobs—for whatever reason—have three months to find work before the visa is revoked. An employer who has gone abroad to recruit will typically seek some period of non-portability—but even in these cases there are ways of building in a degree of flexibility: for example, allowing the migrant or another employer who wants to employ her to pay a fee reimbursing the original employer for recruitment costs.

Box 5.2 Experience with regularization

Most European countries have operated some form of regularization programme, albeit for a range of motives and, in some cases, despite denying that regularization takes place (Austria and Germany). A recent study estimated that in Europe over 6 million people have applied to transit from irregular to legal status over the decade to 2007, with an approval rate of 80 percent. The numbers in each country vary hugely—Italy having the highest (1.5 million), followed by Spain and Greece.

Regularization programmes are not limited to the OECD. A regional agreement in Latin America, MERCOSUR, means that Argentina, for example, has legislated that any citizen of a MERCOSUR country without a criminal background can obtain legal residence. In South Africa efforts are underway to regularize irregular Zimbabweans, beginning with a temporary residence permit that grants them access to health care and education and the right to stay and work for at least six months. In Thailand 135,000 migrants were regularized in early 2008, although in the past periods of regularization were followed by stepped-up rates of deportation.

The pros and cons of regularization have been hotly debated. The benefits for the destination country relate to security and the rule of law, while the individuals and families who are regularized may be better placed to overcome social and economic exclusion. Among the disadvantages are concerns about encouraging future flows, the undermining of formal admissions programmes and fraudulent applications. At the same time, the benefits of regularization are highly dependent on context. For example, in the United States many irregular immigrants already pay taxes, so the revenue benefits are much lower than in countries with large informal economies, where taxes are avoided on a much larger scale. Surveys of country experiences have tended to conclude that the socio-economic impacts of regularization have been mixed, with the expected positive impacts on wages, mobility and integration not always materializing.

Right to apply for extension and pathways to permanence. This will be at the discretion of the host government and, as at present, is usually subject to a set of specific conditions. Nevertheless, extension of temporary permits is possible in many developed countries (e.g. Canada, Portugal, Sweden, United Kingdom and United States), and some developing countries (e.g. Ecuador and Malaysia). Whether the permit is renewed indefinitely may depend on bilateral agreements. Some countries grant the opportunity for migrants to convert temporary into permanent status after several years of regular residence (e.g. in Italy after six years, and in Portugal and the United Kingdom after five). This may be conditional on, for example, the migrant’s labour market record and lack of criminal convictions.

Provisions to facilitate circularity. The freedom to move back and forth between host and source country can enhance benefits for migrants and their origin countries. Again, this can be subject to discretion or to certain conditions. Portability of accumulated social security benefits is a further advantage that can encourage circularity.

The issue of irregular status inevitably crops up in almost any discussion of immigration. Various approaches have been used by governments to address the issue. Amnesty schemes are announced and remain open for a finite period—these have been used in various European countries as well as in Latin America. Ongoing administrative mechanisms may grant some type of legal status on a discretionary basis—for example, on the basis of family ties, as is possible in the United States. Forced returns to the country of origin have also been pursued. None of these measures is uncontroversial. Box 5.2 summarizes recent regularization experiences.

So-called ‘earned regularizations’, as tried in a number of countries, may be the most viable way forward. These provide irregular migrants with a provisional permit to live and work in the host country, initially for a finite period, which can be extended or made permanent through the fulfilment of various criteria, such as language acquisition, maintaining stable employment and paying taxes. There is no initial amnesty but rather a conditional permission to transit to full residence status. This approach has the
attraction of potentially garnering broad public acceptance.

The varied European experience suggests that among the key ingredients of successful regularizations are the involvement of civil society organizations, migrant associations and employers in planning and implementation; guarantee against expulsion during the process; and clear qualifying criteria (for example, length of residence, employment record and family ties). Among the challenges faced in practice are long delays. With locally administered schemes, as in France, variable treatment across locations may be an issue.

Forced returns are especially controversial. Their number has been rising sharply in some countries, surpassing 350,000 in the United States and 300,000 in South Africa in 2008 alone. Pushed enthusiastically by rich country governments, forced returns also feature in the European Union’s mobility partnerships. Many origin states cooperate with destination countries by signing readmission agreements, although some, for example South Africa, have so far declined to sign.

What should humane enforcement policies look like? Most people argue that there need to be some sanctions for breaches of border control and work rules and that, alongside discretionary regularization, forced returns have a place in the policy armoury. But implementing this sanction raises major challenges, especially in cases where the individuals concerned have lived and worked in the country for many years and may have family members who are legally resident. For example, a recent survey of Salvadorian deportees found that one quarter had resided in the United States for more than 20 years, and that about four fifths were working at the time of their deportation, many with children born in the United States. In various countries, including the United Kingdom, the media have occasionally taken up cases of threatened deportation that have seemed particularly inhumane.

It is clearly important that, where individuals with irregular status are identified, enforcement procedures should follow the rule of law and basic rights should be respected. There is a need to establish the accountability of employers who engage workers with irregular status. This has been a topic of debate in the United States, for example. Formal processes to determine whether or not individuals have the legal right to stay in the country are clearly better than summary or mass expulsions, which have been observed in the past (e.g. Malaysia’s expulsion of irregular Indonesian workers in early 2005), although some procedural aspects, such as the right to counsel, may represent an unwelcome burden on the public purse in developing countries. The United Kingdom Prison Inspectorate has published Immigration Detention Expectations based on international human rights standards. But mere publication does not, of course, ensure that the standards are met. In some countries, NGOs work to improve living conditions in detention camps—the Ukrainian Red Cross is an example. The recent European Union directive on the procedures for return appears to be a step towards transparency and harmonization of regulations, with an emphasis on standard procedures either to expel people with irregular status or to grant them definite legal status. The directive has, however, been criticized as inadequate in guaranteeing respect for human rights.

5.1.2 Ensuring basic rights for migrants

This report has focused on mobility through the lens of expanding freedoms. But not all migrants achieve all the freedoms that migration promises. Depending on where they come from and go to, people frequently find themselves having to trade off one kind of freedom against another, most often in order to access higher earnings by working in a country where one or more fundamental human rights are not respected. Migrants who lack resources, networks, information and avenues of recourse are more likely to lose out in some dimensions, as too are those who face racial or other forms of discrimination. Major problems can arise for those without legal status and for those in countries where governance and accountability structures are weak.

Refugees are a distinct legal category of migrants by virtue of their need for international protection. They have specific rights, set out in the 1951 Refugee Convention and 1967 Protocols, which have been ratified by 144 states (figure 5.1). These agreements provide critical protection to those fleeing across international borders to escape persecution.
More generally, the six core international human rights treaties, which have been ratified by 131 countries around the globe, all contain strong non-discrimination clauses ensuring the applicability of many provisions to migrants. These instruments are universal and apply to both citizens and non-citizens, including those who have moved or presently stay, whether their status is regular or irregular. Of particular relevance are the rights to equality under the law and to be free from discrimination on grounds of race, national origin or other status. These are important legal constraints on state action.

Recently, protocols against the trafficking and smuggling of people have rapidly garnered broad support, building on existing instruments with 129 ratifications. These protocols, which seek to criminalize trafficking, focus more on suppressing organized crime and facilitating orderly migration than on advancing the human rights of the individuals (mainly women) involved. Many states have enacted these principles into national legislation: of the 155 states surveyed in 2008, some 80 percent had introduced a specific offence of trafficking in persons and more than half had created a special anti-trafficking police unit. Progress on this front is clearly welcome, although some observers have noted that increasingly harsh immigration policies have also tended to promote trafficking and smuggling.

By way of contrast, the series of ILO conventions adopted throughout the 20th century, which seek to promote minimum standards for migrant workers, have not attracted wide endorsement. The causes are several, including the scope and comprehensiveness of the conventions versus the desire for unfettered state discretion in such matters. In 1990, the UN International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families (CMW) reiterated the core principles of the human rights treaties, but also went further, for example in defining discrimination more broadly, in providing stronger safeguards against collective and arbitrary expulsion and in ensuring the right of regular migrants to vote and be elected. However, there are only 41 signatories to date, of which only five are net immigration countries and none belong to the very high-HDI category (figure 5.1).

Looking behind figure 5.1 to examine the migration profiles of ratifying countries, we found that most have immigration and emigration rates below 10 percent. Among the countries where the share of the population who are either migrants or emigrants exceeds 25 percent, the rates of signing are still low—only 3 out of 64 have signed up to the CMW, for example, although 22 have signed the six core human rights treaties. Even among countries with net out-migration rates exceeding 10 percent of their population—which have strong incentives to sign in order to protect their workers abroad—ratification rates of the CMW are low. Only 20 percent of high-emigration country governments have signed the CMW over the almost two decades of its existence, whereas half have ratified the six core human rights treaties and 59 percent are signatories to the more recent trafficking protocol.

Countries that have not ratified the CMW are still obliged to protect migrant workers, through other core human rights treaties. Treaty Monitoring Bodies (TMBs) under existing conventions are now supplemented by periodic review by UNHCR. Recent analysis of a decade of deliberations by TMBs reveals that the relevant
provisions of other core human rights treaties can highlight problems and protect the rights of migrants, and have increasingly done so over time. Even if each country naturally seeks to portray its human rights record in the best light, TMBs can, despite the lack of enforcement mechanisms, influence through ‘naming and shaming’, highlighting egregious cases and seeking moral or political suasion.

Ensuring the rights of migrants has been a recurrent cry in all global forums, as exemplified by the statements made by civil society organizations at the 2008 Global Forum on Migration and Development in Manila. Yet it is also clear that the main challenge is not the lack of a legal framework for the protection of rights—as a series of conventions, treaties and customary law provisions already exist—but rather their effective implementation. In this spirit, in 2005 the ILO developed a Multilateral Framework on Labour Migration, which provides guidelines and good practices within a non-binding framework that recognizes the sovereign right of all states to determine their own migration policies. This ‘soft law’ type of approach accommodates the inherent differences between states and allows for gradual implementation.

Even if there is no appetite to sign up to formal conventions, there is no sound reason for any government to deny such basic migrant rights as the right to:

- Equal remuneration for equal work, decent working conditions and protection of health and safety;
- Organize and bargain collectively;
- Not be subject to arbitrary detention, and be subject to due process in the event of deportation;
- Not be subject to cruel, inhumane or degrading treatment; and
- Return to countries of origin.

These should exist alongside basic human rights of liberty, security of person, freedom of belief and protection against forced labour and trafficking.

One argument against ensuring basic rights has been that this would necessarily reduce the numbers of people allowed to enter. However as we showed in chapter 2, this trade-off does not generally hold such and an argument is in any case not justifiable on moral grounds.

The prime responsibility for ensuring basic rights while abroad lies with host governments. Attempts by source country governments, such as India and the Philippines, to mandate minimum wages paid to emigrants have typically failed due to the lack of jurisdiction over this matter. Source country governments can nonetheless provide support in terms of advising about migrants’ rights and responsibilities through migrant resource centres and pre-departure orientation about what to expect while abroad.

Consular services can play an important part in providing a channel for complaints and possible recourse, while bilateral agreements can establish key principles. However, a collective and coordinated effort by countries of origin to raise standards is more likely to be effective than isolated national efforts.

Employers, unions, NGOs and migrant associations also have a role. Employers are the main source of breaches of basic rights—hence their behaviour is paramount. Some employers have sought to set a good example by developing codes of conduct and partnering with the Business for Social Responsibility programme for migrant workers’ rights, which focuses on situations where there are no effective mechanisms for enforcing existing labour laws. Among the measures available to unions and NGOs are: informing migrants about their rights, working more closely with employers and government officials to ensure that these rights are respected, unionizing migrant workers and advocating for regularization. One active NGO, is the Collectif de défense des travailleurs étrangers dans l’agriculture (CODESTRAS), which seeks to improve the situation of seasonal workers in the South of France through awareness-raising, information, dissemination and legal support.

The role of trade unions is particularly important. Over time, unions have accorded greater attention to migrants’ rights. The World Values Survey of 2005/2006, covering 52 countries, suggests that rates of union membership are higher among people with a migrant background: 22 percent of those who have a migrant parent are members of a labour union, compared to 17 percent of those who do not. This difference is especially large in low-HDI countries.
Last but not least, migrants themselves can affect the way destination communities and societies perceive immigration. Sometimes, negative public opinion partly reflects past incidents of unlawful behaviour associated with migrants. By supporting more inclusive societies and communities, where everyone—including migrants—understands and respects the law and pursues peaceful forms of participation and, if necessary, protest, migrants can alleviate the risk of such negative reactions. Civil society and local authorities can help by supporting migrant networks and communities.25

5.1.3 Reducing transaction costs associated with movement

Moving across borders inevitably involves transaction costs. Distance complicates job matching, both within countries and, more acutely, across national borders, because of information gaps, language barriers and varying regulatory frameworks. This creates a need for intermediation and facilitation services. Given the magnitude of income differences between low- and very high-HDI countries, it is not surprising that there is a market for agents who can match individuals with jobs abroad and help navigate the administrative restrictions associated with international movement.

Under current migration regimes, the major cost is typically the administrative requirement that a job offer be obtained from a foreign employer before departure. Especially in Asia, many migrant workers rely on commercial agents to organize the offer and make all the practical arrangements. Most agents are honest brokers and act through legal channels, but some lack adequate information on the employers and/or the workers or smuggle people through borders illegally.

This market for intermediation services can be problematic, however. In the worst cases it can result in trafficking and years of bondage, violent abuse and sometimes even death. A much more common problem is high fees, especially for low-skilled workers. Intermediation often generates surplus profits for recruiters, due to the combination of restrictive entry and high labour demand for low-skilled workers, who frequently lack adequate information and have unequal bargaining power. The costs also appear to be regressive, rising as the level of skills falls, meaning that, for example, few migrant nurses pay recruitment fees but most domestic helpers do. Asian migrants moving to the Gulf states often pay 25–35 percent of what they expect to earn over two or three years in recruitment and other fees.26 In some cases, corruption imposes additional costs. Extensive administrative regulation can be counterproductive in that it is more likely to expose migrants to corruption and creates rents for middlemen, officials and others who grease the wheels of the system.

Governments can help to reduce transaction costs for migrant workers in several ways. Six areas deserve priority consideration:

- Opening corridors and introducing regimes that allow free movement. Because of MERCOSUR, for example, Bolivian workers can travel relatively freely to Argentina, as well as learn about jobs and opportunities from friends and relatives through deepening social networks. The same dynamic was observed on an accelerated basis following European Union enlargement in 2004. Another example is facilitated access for seasonal workers across the Guatemala–Mexico border.
- Reducing the cost of and easing access to official documents, such as birth certificates and passports. Rationalizing ‘paper walls’ in countries of origin is an important part of reducing the barriers to legal migration.27 Analysis at the level of the country and migration corridor is needed to identify the types and amounts of upfront costs, which can range from travelling multiple times from the village to the capital to apply for a passport, to the fees for other pre-departure requirements such as health checks, police clearances, insurance fees and bank guarantees. Prospective migrants in the Mexico–Canada programme go to the capital city six times on average—a requirement that prompted the government to offer a stipend to cover travel costs (although rationalizing the administrative requirements would have been more efficient).28 Some costs arise from destination country requirements. For example, the Republic of Korea requires that migrants learn the language before arrival: while language training increases earnings and promotes integration, it also increases pre-arrival debt.29 A number of countries have attempted to speed up paperwork for migrants, with varying degrees of success (box 5.3).
Empowerment of migrants, through access to information, rights of recourse abroad and stronger social networks. The latter, in particular, can do much to plug the information gap between migrant workers and employers, limiting the need for costly recruitment agencies and enabling migrants to pick and choose among a wider variety of employment opportunities. In Malaysia migrant networks allow Indonesians to learn about new job openings before the news even reaches local residents. Similarly, improved telecommunication has helped prospective migrants in Jamaica become better informed. Information centres, such as the pilot launched by the European Union in Bamako, Mali in 2008, can provide potential migrants with accurate (if disappointing!) information about opportunities for work and study abroad.

Regulation of private recruiters to prevent abuses and fraud. Prohibitions do not tend to work, in part because bans in destination places do not apply to recruiters in source areas. Yet some regulations can be effective, for example joint liability between employers and recruiters, which can help to avert fraud and deceit. In the Philippines recruitment agencies are treated as ‘co-employers’, liable jointly and separately for failure to comply with a given contract. An agency found to be at fault risks having its license revoked, although suspension is often avoided by payment of a fine. Self-regulation through industry associations and codes of conduct is another means of promoting ethical standards. Industry associations can collect and disseminate information on high-risk agencies and best practices. Many such associations exist in South and East Asia, although none has emerged as a self-regulatory body similar to those found in developed countries, since most have focused on ensuring that government policy on migration is friendly to the recruitment industry—as, for example, in Bangladesh, the Philippines and Sri Lanka. Such associations could develop over time to play a more effective role in assuring the quality of services and, where necessary, censuring members for lax standards.

Direct administration of recruitment by public agencies. In Guatemala, for example, the IOM administers a programme that sends seasonal farm workers to Canada at no charge to the worker. However there is debate about the appropriate role for government agencies. In most poor countries, the capacity of national employment agencies to match workers with suitable jobs at home, let alone abroad, is very weak. Some bilateral agreements, such as those signed by the Republic of Korea, require migrants to use government agencies, prompting complaints from recruiters and workers about high costs and lack of transparency. The fees charged by public recruiters are sometimes lower, but the costs in terms of time can be significant and can discourage prospective migrants from using regular channels.

Intergovernmental cooperation. This can play an important role. The Colombo Process and the Abu Dhabi Dialogue are two recent intergovernmental initiatives designed to cooperatively address transactions costs and other issues. This process, which took place for the first time in January 2008, involved almost a dozen source and several destination countries in the GCC states and South East Asia, with the United Arab Emirates and IOM serving as the co-hosts. It focuses on developing key partnerships between countries of origin and destination around the subject of temporary contractual labour to, among other things, develop and share

Box 5.3 Reducing paperwork: a challenge for governments and partners

A prime example of streamlined deployment despite extensive administrative requirements is the Philippine Overseas Employment Administration, which regulates all aspects of recruitment and works closely with other agencies to ensure the protection of its workers abroad. Indonesia has attempted to follow suit, establishing the National Agency for the Placement and Protection of Indonesian Migrant Workers (BNP2TKI) in 2006, although low bureaucratic capacity and weak intergovernmental coordination have reportedly compromised BNP2TKI’s effectiveness. Other countries have attempted to address issues related to delays and costs, but few have succeeded. In Gabon the government instituted a 3-day limit on the waiting time for passports, but the delays remain long and the process arduous. Similarly, the Myanmar government recently instituted a policy for passports to be issued within one week, but continuing complaints suggest that delays and demands for bribes remain common.

Development assistance programmes could support and finance administrative improvements for vital records registration with shorter processing times and lower costs. This would allow governments to offer their citizens proper travel documents at affordable prices. Bangladesh, which has a birth registration rate of below 10 percent, has partnered with the United Nations Children’s Fund (UNICEF) on this front. Source: Agunias (2008), Tirtosudarmo (2009), United States Department of State (2009e), Koslowski (2009), and UNICEF (2007).
knowledge on labour market trends, prevent illegal recruitment, and promote welfare and protection measures for contractual workers. The ministerial consultation is intended to take place every two years. A pilot project followed where under the initiative of the governments of India, the Philippines and the United Arab Emirates there will be a test and identification of best practices in different aspects of temporary and circular migration, beginning with a group of Filipino and Indian workers in the sectors of construction, health and hospitality.37

5.1.4 Improving outcomes for migrants and destination communities

While the weight of evidence shows that the aggregate economic impact of migration in the long run is likely to be positive, local people with specific skills or in certain locations may experience adverse effects. To a large extent these can be minimized and offset by policies and programmes that recognize and plan for the presence of migrants, promoting inclusion and ensuring that receiving communities are not unduly burdened. It is important to recognize the actual and perceived costs of immigration at the community level, and consider how these might be shared.

Inclusion and integration are critical from a human development perspective, since they have positive effects not only for individual movers and their families but also for receiving communities. The ways in which the status and rights of immigrants are recognized and enforced will determine the extent of such integration. In some developing countries, support for integration could be an appropriate candidate for development assistance.

Yet institutional and policy arrangements may often be more important than targeted migrant integration policies. For example, the quality of state schooling in poor neighbourhoods is likely to be critical—and not only for migrants. Within this broader context, the policy priorities for improving outcomes for migrants and destination communities are as follows:

Provide access to basic services—particularly schooling and health care. These services are not only critical to migrants and their families, but also have broader positive externalities. Here the key is equity of access and treatment. Our review suggests that access is typically most restricted for temporary workers and people with irregular status. Access to schooling should be provided on the same basis and terms as for locally born residents. The same applies for health care—both emergency care in the case of accidents or severe illness and preventive services such as vaccinations, which are typically also in the best interests of the whole community and highly effective in the long term. Some developing countries, for example Costa Rica, grant migrants access to public health facilities regardless of status.38

Help newcomers acquire language proficiency. Services in this area can contribute greatly to labour market gains and inclusion more generally. They need to be designed with the living and working constraints faced by migrants in mind. The needs of adults vary, depending on whether or not they are working outside the home, while children can access school-based programmes. Among good practice examples are Australia, which provides advanced language training to migrants and indigenous populations.39 Examples of targeted language learning for children include the Success for All programme in the United States, which combines group instruction and individual tutoring at the pre-school and primary school levels.40 Several European countries provide language courses for newcomers through programmes offered by central government, state schools, municipalities and NGOs, such as the Swedish for Immigrants programme that dates back to 1965, the Portugal Acolhe programme offered since 2001, and the Danish Labour Market programme introduced in 2007.

Allow people to work. This is the single most important reform for improving human development outcomes for migrants, especially poorer and more vulnerable migrants. Access to the labour market is vital not just because of the associated economic gains but also because employment greatly increases the prospects for social inclusion. Restrictions on seeking paid work, as have traditionally been applied to asylum seekers and refugees in many developed countries, are damaging both to short- and medium-term outcomes, since they encourage dependency and destroy self-respect. They should be abolished. Allowing people to move among employers is a further basic principle of well-designed
programmes, which are concerned with the interests of migrants and not solely with those of employers. In many countries, high-skilled newcomers also face problems in accreditation of the qualifications they bring from abroad (box 5.4).

Support local government roles. Strong local government, accountable to local users, is essential for the delivery of services such as primary health and education. However, in some countries, government officials implicitly deny the existence of migrants by excluding them from development plans and allowing systematic discrimination to thrive. Improving individual and community outcomes associated with migration requires local governments that aim to:

- Promote inclusive local governance structures to enable participation and accountability;
- Avoid institutional practices that contribute to discrimination;
- Ensure that law and order plays a facilitating role, including an effective and responsive police service;
- Provide relevant information for the public and for civil society organizations, including migrants’ associations; and
- Ensure equitable land use planning, consistent with the needs of the poor—for example, options to alleviate tenure insecurity and related constraints.

Address local budget issues, including fiscal transfers to finance additional local needs. Often, responsibility for the provision of basic services such as schools and clinics lies with local authorities, whose budgets may be strained by growing populations and who may lack the tax base to address their responsibilities for service delivery. Where subnational governments have an important role in financing basic services, redistributive fiscal mechanisms can help offset imbalances between revenue and expenditure allocations. Intergovernmental transfers are typically made across states and localities on the basis of at least two criteria: need (such as population, poverty rates, and so on) and revenue-generating capacity (so as not to discourage local taxation efforts). Since circumstances and objectives differ from country to country, no single pattern of transfers is universally appropriate. Per capita grants require that all people present, including irregular migrants and their families, should be counted. Transfers may also be used to reimburse specific costs, especially in social services, where there is a strong argument for equalization of access. Well-designed transfer systems do not rely heavily on earmarking, and the grants should be made in as simple, reliable and transparent a way as possible.

Address discrimination and xenophobia. Appropriate interventions by governments and civil society can foster tolerance at the community level. This is especially important where there is a risk of violence, although in practice policy responses tend to emerge ex post. In response to violence in Côte d’Ivoire, for example, an Anti-Xenophobia Law was passed in August 2008 to impose sanctions on conduct that incites such violence. Civil society can also work to encourage tolerance and protect diversity, as demonstrated recently in South Africa, where the ‘No to Xenophobia’ emergency mobile phone

Box 5.4 Recognition of credentials

Many migrants, especially from poorer countries, are well qualified yet unable to use their skills abroad. Accreditation of skills is rarely practised in Europe, for example, even where there are institutional arrangements in place that are supposed to facilitate recognition.

There are reasons why immediate accreditation is not allowed. For example, it may be difficult to judge the quality of overseas qualifications, and there may be a premium on local knowledge (e.g. lawyers, with respect to applicable legislation).

Among the strategies available to promote the use of skills and qualifications held by foreigners are the following:

- Mutual recognition agreements. These are most common between countries with similar systems of education and levels of economic development, as in the European Union.
- Prior vetting. Both source and destination governments can vet the credentials of potential migrants before they leave. Australia has pioneered this approach. However, if an individual’s goal is to enhance her human development via migration, the wait for credential recognition may be more costly than trying her luck in some other country, especially if she is unable to practise her profession at home or works there for a low wage.
- Fast-track consideration. Governments can facilitate fast-track consideration of credentials and establish national offices to expedite recognition. Mentors and short courses abroad can help migrants fill any gaps. Some states in the United States have established ‘New Americans’ offices to help newcomers navigate what can be a maze, even for internal migrants.
- Recognition of on-the-job skills. Many skills are learned on the job and mechanisms for recognizing such informally learned skills may be lacking. Developing the capacity to recognize and certify on-the-job skills could make it easier for workers to have their skills recognized abroad.

It is critical to ensure fair treatment of migrants during recessions.

SMS network was initiated after the violence of May 2008. Another example is the Campaign for Diversity, Human Rights and Participation, organized by the Council of Europe in partnership with the European Commission and the European Youth Forum. This emphasized the role of the media in combating prejudice against Muslim and Roma peoples, and offered awards for municipalities that actively advance protection and inclusion. Of course, where discrimination and tensions are deep-seated and have erupted in violence, and especially where the rule of law is weak, it will take time as well as much effort and goodwill for such efforts to bear fruit.

Ensure fair treatment during recession. This has assumed some urgency in 2009, which has brought reports of backlashes and deportations around the world. Among the provisions that can protect migrant workers against undue hardship are:

- Allow those laid off to look for a new job, at least until their existing work and residence permits expire;
- Ensure that those who are laid off before the end of their contracts can claim severance payments and/or unemployment benefits when entitled to do so;
- Step up labour law enforcement so as to minimize abuses (e.g. wage arrears) where workers are fearful of layoffs;
- Ensure continued access to basic services (health and education) and to job search services;
- Support institutions in origin countries that help laid-off workers to return and provide training grants and support; and
- Improve disaggregated data—including data on layoffs and wages, by sector and gender—so that origin governments and communities can become aware of changes in employment prospects.

If governments take these types of measures, the economic crisis could become an opportunity to promote better treatment and avoid conflict.

It is important to give credit where it is due. There are examples where state and local governments have embraced migration and its broader social and cultural implications. The recent West Australian Charter on Multiculturalism is an interesting example of a state-level commitment to the elimination of discrimination and the promotion of cohesion and inclusion among individuals and groups. Many of the foregoing recommendations are already standard policy in some OECD countries, although there tends to be plenty of variability in practice. The boldest reforms are needed in a number of major destination countries, including, for example, South Africa and the United Arab Emirates, where current efforts to enable favourable human development outcomes for individuals and communities fall far short of what is needed.

5.1.5 Enabling benefits from internal mobility

In terms of the number of people involved, internal migration far exceeds external migration. An estimated 136 million people have moved in China alone, and 42 million in India, so the totals for just these two countries approach the global stock of people who have crossed frontiers. This reflects the fact that mobility is not only a natural part of human history but a continuing dimension of development and of modern societies, in which people seek to connect to emerging opportunities and change their circumstances accordingly.

Given these realities, government policies should seek to facilitate, not hinder, the process of internal migration. The policies and programmes in place should not adversely affect those who move. By the same token, they should not require people to move in order to access basic services and livelihood opportunities. These two principles lead to a series of recommendations that are entirely within the jurisdiction of all national governments to implement:

Remove the barriers to internal mobility. To ensure full and equal civic, economic and social rights for all, it is vital to lift legal and administrative constraints to mobility and to combat discrimination against movers. As reviewed in chapter 2, administrative barriers are less common since the demise of central planning in large parts of the world—but some are remarkably persistent, despite typically failing to curb mobility to any marked degree. Such barriers are contrary to international law. They are also costly and time-consuming to maintain for government and to negotiate for movers. Many opt to travel without the proper documentation,
only to find later that they cannot access key services. Internal migrants should have equal access to the full range of public services and benefits, especially education and health, but also pensions and social assistance where these are provided.

Freedom of movement is especially important for seasonal and temporary workers, who are typically among the poorest migrants and have often been neglected or actively discriminated against. These types of migration flows can present acute challenges for local authorities responsible for the provision of services, which need to learn to cater to more fluid populations. Partial reforms that allow migrants to work but not to access services on an equal basis (as is the case in China) are not enough. Reforms have been introduced in some states in India—for example, allowing seasonal migrants to obtain temporary ration cards—but implementation has been slow.49

Provide appropriate support to movers at destination. Just as they should do for people coming from abroad, governments should provide appropriate support to people who move internally. This may be done in partnership with local communities and NGOs. Some people who move are disadvantaged—due to lack of education, prejudice against ethnic minorities and linguistic differences—and therefore need targeted support programmes. Support could be provided in areas ranging from job search to language training. Access to social assistance and other entitlements should be ensured. Above all, it is vital to ensure that basic health care and education needs are met. India has examples of NGO-run children’s hostels to help children of migrants access accommodation, schooling and extra classes to catch up.

Redistribute tax revenues. Intergovernmental fiscal arrangements should ensure the redistribution of revenues so that poorer localities, where internal migrants often live, do not bear a disproportionate burden in providing adequate local public services. The same principles as apply to fiscal redistribution to account for the location of international migrants also apply here.

Enhance responsiveness. This may sound obvious and should by now go without saying, but it is vital to build the capacity of local government and programmes to respond to people’s needs. Inclusive and accountable local government can play a central role not only in service provision but also in averting and alleviating social tensions. Proactive urban planning, rather than denial, is needed to avoid the social and economic marginalization of migrants.

The Millennium Development Goals (MDGs) call for action plans to create ‘Cities without Slums’ to, inter alia, improve sanitation and secure land tenure. However, progress has been slow: according to the most recent global MDG report, more than a third of the world’s urban population lives in slum conditions, rising to over 60 percent in sub-Saharan Africa.50

Governments sometimes respond to concerns about slums by seeking to curb inflows of migrants to cities, as revealed by the review of PRSs presented in chapter 4. However, a more constructive policy approach would be to meet the needs of a growing and shifting population by addressing the serious water and sanitation challenges that tend to prevail in slum areas. With proactive planning and sufficient resources, it is possible to ensure that growing cities can provide decent living conditions. Some cities, recognizing the importance of sustainable urban development, have come up with innovative solutions for improving the lives of city dwellers. Singapore’s experience with urban renewal is widely cited as a best practice example: virtually all of its squatter settlements were replaced with high-rise public housing, complemented by expanded public transport and improved environmental management. A more recent example comes from Alexandria, Egypt, where participatory approaches have been used to develop medium- and long-term plans for economic development, urban upgrading of slum areas and environmental regeneration.51

Last but not least, many rural migrants describe being pushed rather than pulled to urban areas because of inadequate public facilities in their place of origin. The universal provision of services and infrastructure should extend to places experiencing net out-migration. This will provide opportunities for people to develop the skills to be productive and to compete for jobs in their place of origin, while also preparing them for jobs elsewhere if they so choose.
Migration can be a vital strategy for households and families seeking to diversify and improve their livelihoods.

5.1.6 Making mobility an integral part of national development strategies

A central theme of the 2009 Global Forum on Migration and Development, hosted by Greece, is the integration of migration into national development strategies. This raises the broader question of the role of mobility in strategies for improving human development. Our analysis of PRSs since 2000 helped to identify current policy attitudes and constraints, while recognizing that migration has played a major role in national visions of development at different moments and periods in history.

The links between mobility and development are complex, in large part because mobility is best seen as a component of human development rather than an isolated cause or effect of it. The relationship is further complicated by the fact that, in general, the largest developmental gains from mobility accrue to those who go abroad—and are thus beyond the realm of the territorial and place-focused approaches that tend to dominate policy thinking.

Migration can be a vital strategy for households and families seeking to diversify and improve their livelihoods, especially in developing countries. Flows of money have the potential to improve well-being, stimulate economic growth and reduce poverty, directly and indirectly. However, migration, and remittances in particular, cannot compensate for an institutional environment that hinders economic and social development more generally. A critical point that emerges from experience is the importance of national economic conditions and strong public-sector institutions in enabling the broader benefits of mobility to be reaped.

We have seen that the mobility choices of the poor are often constrained. This can arise from underlying inequalities in their skills, but also from policy and institutional barriers. Needed now is country-specific identification of the constraints surrounding people’s choices, using quantitative and qualitative data and analysis. Improvements in data, alongside such recent initiatives as the development of migration profiles (supported by the European Commission and other partners), will be crucial to this effort. This would highlight barriers and inform attempts to improve national strategies.

Some development strategies—8 of the 84 PRSs prepared between 2000 and 2008—raise concerns about the exit of graduates. There is broad agreement that coercive policies to limit exit, as well as being contrary to international law, are not the right way to proceed, for both ethical and economic reasons. However, there is less agreement as to what alternative policies should look like. Box 5.5 looks at the merits of different options.

Finally, while this topic is beyond the focus of this report, we underline the importance of sustained efforts to promote human development at home. A comprehensive investigation of the sources of human development success and failure and its implications for national development strategies will be a major theme of the next HDR, which marks the 20th anniversary of the global report.

5.2 The political feasibility of reform

Against a background of popular scepticism about migration, a critical issue is the political feasibility of our proposals. This section argues that reform is possible, but only if steps are taken to address the concerns of local people, so that they no longer view immigration as a threat, either to themselves individually or to their society.

While the evidence on mobility points to significant gains for movers and, in many cases, benefits also for destination and origin countries, any discussion of policy must recognize that in many destination countries, both developed and developing, attitudes among the local population towards migration are at best mildly permissive and often quite negative. An array of opinion polls and other surveys suggest that residents see controls on immigration as essential and most would prefer to see existing rules on entry tightened rather than relaxed. Interestingly, however, attitudes to migration appear to be more positive in countries where the migrant population share in 1995 was large and where rates of increase over the past decade have been high. In terms of the treatment of migrants, the picture is more positive, as people tend to support equitable treatment of migrants already within their borders.

We begin with the vexed issue of liberalizing entry. The evidence suggests that opposition to liberalization is widespread, but the picture is
are four main reasons why this is so.

Not as monochrome as it initially appears. There are several developments, particularly in the developed economies,

ments, particularly in the developed economies, of this kind are already widely applied by governments, with an explicit link to the state of the national labour market, and sectoral needs. Our proposal links future liberalization to the demand for labour in destination countries and hence higher incomes for those who do manage to move, taxing these rents is non-distortionary and would not affect the global allocation of labour.

However, there are several arguments against imposing a surcharge on nationals abroad, who may already be paying tax to their new host countries. First, implementation would either be on a voluntary basis or through bilateral tax agreements. But people do not like paying taxes—and there is no consensus among governments as to the desirability of migrant taxation, largely because it is administratively costly. Second, while some emigrants will have benefited from attending a public university at home, others will have been educated abroad or privately. Third, through remittances, investment and other mechanisms, migrants often generate substantial benefits back home. Taxation could discourage these flows and persuade emigrants to relinquish their citizenship in favour of their new homeland.

Hence implementation of such taxes has been very limited. The Philippines tried, but experience was very mixed and the approach was shelved nearly a decade ago. Today most governments, including the Philippines, do not affect the global allocation of labour.

An alternative way to compensate for skill losses could be direct transfers between governments. Whether self-standing or part of an official development aid package, these have the advantage of simplicity and relatively low transaction costs. However, skill loss is hard to measure. And such transfers would not address the underlying issues that stimulated exit in the first place, such as low-quality educational and health services and/or thin markets for skilled individuals.

Aid is largely fungible, as many studies have shown, so even aid that is earmarked to support the higher education system mostly supports whatever the government is spending money on.

To the entry of skilled migrants. Our proposal is that this approach be extended to low-skilled workers, with an explicit link to the state of the national labour market, and sectoral needs.

Second, our focus on improving the transparency and efficiency of the pathways to permanence for migrants can help address the persistent impression, shared by many local people, that a significant part of cross-border migration is irregular or illegal. Certainly, in the United States the size of the irregular migrant

not as monochrome as it initially appears. There are four main reasons why this is so.

First, as mentioned in chapter 4, many people are willing to accept immigration if jobs are available. Our proposal links future liberalization to the demand for labour, such that inflows of migrants will respond to vacancy levels. This alleviates the risk that migrants will substitute for or undercut local workers. Indeed, conditions of this kind are already widely applied by governments, particularly in the developed economies,

Box 5.5 When skilled people emigrate: some policy options

Taxing citizens abroad—sometimes termed a Bhagwati tax—has been a longstanding proposal and is an established feature of the United States tax system. It can be justified by the notion that citizenship implies responsibilities, including the payment of tax, especially by the better off. If entry barriers create a shortage of skilled labour in destination countries and hence higher incomes for those who do manage to move, taxing these rents is non-distortionary and would not affect the global allocation of labour.

There may still be a case for policy to address skilled emigration in those sectors, such as health and education, where there are potentially large divergences between private and public benefits and costs. Which policy approach has merit depends on local circumstances. For example:

• Targeted incentives in the form of wage supplements for public-sector workers. Such an approach would have to be carefully calibrated, given its possible effects on labour supply. A major constraint here is that the wage differentials are often too great to lie within the fiscal capacity of poor governments.

• Training tailored to skills that are useful in origin countries but less tradable across borders. For example, while an international market for doctors exists, training in paramedic skills may promote better retention of skilled people as well as being more relevant to local health care needs.

• Reform of education financing. This would allow private-sector provision so that people seeking training as a way of moving abroad do not rely on public funding. The Philippines has been taking this route for training its nurses.

• Investment in alternative technologies. Distance services, dispensed by cell-phone, internet telephony or websites, can allow skills that are in short supply to benefit larger numbers of people.

• Targeted development assistance. Where loss of talent is associated with lack of innovation and investment—for example, in agriculture—development assistance could prioritize regional and national research institutions.

Providing incentives for skilled migrants to return has also been tried, but experience has been mixed and it is not clear that this is the best use of scarce public funds. Effectiveness depends partly on the strength of the home institution to which the migrant would return but also, and perhaps more importantly, on the performance and prospects of the whole country. Evidence suggests that returns occur anyway when countries offer sufficiently attractive opportunities. China, India and Mauritius are recent cases in point.

labour force is a major political issue, on which a policy consensus has yet to be reached. Irregular migration is also prominent in other destination countries, both developed and developing. Interestingly, recent data suggest that there is considerable support in developed countries for permanent migration, with over 60 percent of respondents feeling that legal migrants should be given an opportunity to stay permanently (figure 5.2).

To translate this support into action will require the design of policies for legal migration that are explicitly linked to job availability—and the marketing of this concept to the public so as to build on existing levels of support. Parallel measures to address the problem of irregular migration will also need to be designed and implemented, so that the policy vacuum in this area is no longer a source of concern to the public. Large-scale irregular migration, although often convenient for employers and skirted around by policy makers, tends not only to have adverse consequences for migrants themselves (as documented in chapter 3) but also to weaken the acceptability of—and hence the overall case for—further liberalization of entry rules. Sustainable solutions would have to include incentives for employers to hire regular migrants, as well as incentives for migrants to prefer regular status.

Third, some of the resistance to migration is shaped by popular misperceptions of its consequences. Many believe, for example, that immigrants have a negative impact on the earnings of existing residents or that they are responsible for higher crime levels. These concerns again tend to be more pronounced in relation to irregular migrants, not least because their status is associated with an erosion of the rule of law. There are several broad approaches to these issues that have promise. Public information campaigns and awareness-raising activities are vital. Because migration is a contentious issue, information is often used selectively at present, to support the arguments of specific interest groups. While this is a natural and usually desirable feature of democratic discussion, it can come at the cost of objectivity and factual understanding. For example, a recent review of 20 European countries found that, in every case, the perceived number of immigrants greatly exceeded the actual number, often by a factor of two or more.56

To address such vast gaps between perceptions and reality, there is a need to provide the public with more impartial sources of information and analysis on the scale, scope and consequences of migration. A recurring feature of the migration debate is the pervasive mistrust of official statistics and interpretation. Because migration is so vexed a policy issue, more attention needs to be paid to informing public debate on it in ways that are recognized and respected for their objectivity and reliability. Governments can benefit significantly from technical advice given by expert bodies, such as the United Kingdom’s Migration Advisory Committee. These should be deliberately kept at arm’s length from the administration, so that they are seen as impartial.

Fourth, migration policy is normally formed through the complex interaction of a multitude of players, who form different interest groups and belong to different political parties. Organized groups can and do mobilize to bring about reform, often forming coalitions to pursue change in areas where their interests coincide.57 For example, employer groups have
often been in the vanguard of calls for changes in entry rules in response to labour and/or skill shortages. Destination countries should decide on the design of migration policies and target numbers of migrants through political processes that permit public debate and the balancing of different interests. Further, what may be feasible at the national level needs to be discussed and debated locally, and the design further adapted to meet local constraints. Partly out of fear that debate over migration will take on racist overtones, discussion of migration among mainstream political parties and organizations has often been more muted than might have been expected. While the reasons for caution are laudable, there is a danger that self-censorship will be counter-productive.

How migrants are treated is a further area of policy in which reform may turn out to be easier than at first expected. Equitable treatment of migrants not only accords with basic notions of fairness but can also bring instrumental benefits for destination communities, associated with cultural diversity, higher rates of innovation and other aspects explored in chapter 4. Indeed, the available evidence suggests that people are generally quite tolerant of minorities and have a positive view of ethnic diversity. These attitudes suggest that there are opportunities for building a broad consensus around the better treatment of migrants.

The protection of migrants’ rights is increasingly in the interest of the major destination countries that have large numbers of their own nationals working abroad. By 2005, more than 80 countries had significant shares of their populations—in excess of 10 percent—as either immigrants or emigrants. For these countries, observance of the rights of migrants is obviously an important policy objective. This suggests that bilateral or regional arrangements that enable reciprocity could have an important role to play in enacting reforms in a coordinated manner.

While there is clear scope for improving the quality of public debates and of resulting policies, our proposals also recognize that there are very real and important choices and trade-offs to be made. In particular, our proposals have been designed in such a way as to ensure that the gains from further liberalization can be used in part to offset the losses suffered by particular groups and individuals. Further, while the fiscal costs of migration are not generally significant (as shown in chapter 3), there may be a political case for measures that help improve the perception of burden sharing. For example, Canada has had administrative fees in place for over a decade; other countries, such as the United Kingdom, have followed this approach.

Moreover, the design of policy has to address the potential costs associated with migration. The suggested design of the reform package already ensures that the number of entrants is responsive to labour demand, and helps assure that migrants have regular status. Further measures could include compensation for communities and localities that bear a disproportionate share of the costs of migration in terms of providing access to public services and welfare benefits. This will help to dispel resentments against migrants among specific groups and reduce the support for extremist political parties in areas where immigration is a political issue. An example of this can be found in the case of financial transfers to schools with high migrant pupil numbers, a measure taken in a number of developed countries.

Another important measure to minimize disadvantages to local residents lies in the observance of national and local labour standards. This is a core concern of unions and also of the public, whose distress at the exploitation and abuse of migrants is commendable and a clear sign that progressive reform will prove acceptable. Contemporary examples of union involvement in scheme design and implementation include Barbados, New Zealand and Sweden, which have thereby improved the design and acceptability of their programmes.

Lastly, it should go without saying (but often does not) that participation in decision-making increases the acceptance of reform. This is perhaps the most important measure that governments can take to ensure that changes to migration policy are negotiated with and agreed by different stakeholder groups. The Netherlands is an example where the government has undertaken regular consultations with migrant organizations. Similarly, in New Zealand, ‘Kick-Start Forums’ have successfully been used to bring together stakeholders to resolve problems in the Recognised Seasonal Employment Scheme.
5.3 Conclusions

We began this report by pointing to the extraordinarily unequal global distribution of opportunities and how this is a major driver of the movement of people. Our main message is that mobility has the potential to enhance human development—among movers, stayers and the majority of those in destination societies. However, processes and outcomes can be adverse, sometimes highly so, and there is therefore scope for significant improvements in policies and institutions at the national, regional and international levels. Our core package calls for a bold vision and identifies an ambitious long-term agenda for capturing the large unrealized gains to human development from current and future mobility.

Existing international forums—most notably the Global Forum on Migration and Development—provide valuable opportunities to review challenges and share experiences. Consultations at this level need to be matched by action at other levels. Even on a unilateral basis, governments can take measures to improve outcomes for both international and internal movers. Most of the recommendations we have made are not conditional on new international agreements. The key reforms with respect to the treatment of migrants and the improvement of destination community outcomes are entirely within the jurisdiction of national governments. In some cases actions are needed at subnational levels—for example to ensure access to basic services. Unilateral action needs to be accompanied by progress in bilateral and regional arrangements. Many governments, both at origin and destination, as well as countries of transit, have signed bilateral agreements. These are typically used to set quotas, establish procedures and define minimum standards. Regional agreements can play an especially important role, especially in establishing free movement corridors.

Our suggested reforms to government policies and institutions could bring about sizeable human development gains from mobility at home and abroad. Advancing this agenda will require committed leadership, extensive consultation with stakeholders and bold campaigning for changes in public opinion to move the debates and policy discussions forward.
Chapter 1

1. OECD (2009a).

2. Few developing countries have data on flows of migrants. However, the sum of the stock of internal migrants and international migrants in developing countries is considerably larger than the stock of migrants in developed countries (see section 2.1).

3. See the Social Statistics Tables for life expectancy and income, and Barro and Lee (2001) for years of education.

4. For a discussion of the reasons behind the poor living conditions in the Lower Rio Grande Valley, see Betts and Sotolite (1994). Anderson and Gerber (2007b) provide an overview of living conditions along both sides of the border and their evolution over time. Comprehensive data and analysis on human development within the United States can be found in Burd-Sharps, Lewis, and Martins (2008).

5. The number of Chinese who changed their district of residence over the period 1979–2003 is estimated to exceed 250 million (Lu and Wang, 2006). Inter-provincial flows (corresponding to the definition of internal migration we use in the report)—see box 1.3—accounted for about a quarter of these movements.


9. The practice of compulsory testing of immigrants is not unique to the Arab states. For example, the United States severely restricts the entry of HIV-positive travelers and bars HIV-positive non-citizens from obtaining permanent residence. See U.S. Citizenship and Immigration Services (2008).

10. A search for scholarly articles on international migration using the Social Sciences Citation Index yielded only 1,441 articles—less than a fifth of those dealing with international trade (7,467) and less than one twentieth of those dealing with inflation (30,227).


15. In particular, questioning of the distinction between voluntary and involuntary migration led to terms like “mixed migration” and the “migration-asylum nexus.” The use of some of these terms is not uncontroversial, as recognition of economic motives among asylum seekers can have implications for admissions and treatment. See Richmond (1994), van Hear (2003), van Hear, Bruinaker, and Bressa (2009), and UNHCR (2001).

16. Balkwell (2009) shows that the return to Angola of many of these migrants since the end of the civil war in 2002 coincided with the attempt by many Zambians to move to Angola in order to participate in expected improvements in social and economic conditions. This suggests that economic motives were at least as important among repatriate Angolans as the desire to return to their country of origin.


18. An interesting example of migration flows being disconnected from economic growth differentials was the 1985/86 recession, when Malaysian per capita GDP shrank by 5.4 percent while the Indonesian economy was unaffected, yet migration flows between the two countries continued unabated. See Hug (1993).

19. This does not mean that migrants in Malaysia are free from discrimination. See Hug (1993).

20. Attempts to develop a conceptual framework for understanding migration go back at least to Ravenstein (1885), who proposed a set of “laws of migration” and emphasized the development of cities as “poles of attraction.” Within neoclassical economic theory, initial expositions include Lewis (1954), and Harris and Todaro (1970), while the tradition of Marxist studies was initiated by discussion of the “agrarian question” by Kautsky (1899).


29. This definition is consistent with more conventional usage. For example, the Oxford English Dictionary defines mobility as “the ability to move or to be moved; capacity for movement or change of place; ... ” (Oxford University Press, 2009). The idea of labour mobility as indicating the absence of restrictions on movement, as distinguished from the action of movement itself, also has a long tradition in international economics; see Mundell (1968).


32. UNDP (1999), p.89.

33. UNDP (1997).

34. UNDP (2004b).

35. See, for example, the idea of using international transfers to reduce emigration pressures in poor countries, which was featured in the 1994 Human Development Report, UNDP (1994).

Chapter 2


2. Less conservative definitions raise the estimates significantly. For example, while our estimate of 42 million internal migrants (4 percent of the population) in India includes all those who have moved between states, there are 307 million people (28 percent of the population) who live in a different city from where they were born (Deshmukh and Akter, 2009). Montenegro and Hsin (2008) use an intermediate zonal demarcation and calculate an average internal migration rate of 19.4 percent for 34 developing countries. Seasonal migration is excluded from both of these estimates. To the best of our knowledge, no comparable cross-country estimates of seasonal migration exist, although country-specific research suggests that it is often high.

3. Immigrants, for example, are defined on the basis of place of birth in 177 countries but on the basis of citizenship in 42 countries. A few countries (including China) do not have information on either their foreign-born or foreign citizens, which means that these countries must be dropped from the sample or that their immigrant share must be estimated. The UN (2009b) estimates used throughout this report do the latter.


5. HDR team calculations based on Migration DRC (2007) and CEPII (2006).

6. The destination country HDI is calculated as the weighted average of the HDI of all destination countries, where the weights are the shares in the population of migrants. The magnitudes presented in figure 2.2 is only a rough approximation of the human development gains from international migration, because the human development of migrants may be different from the average of both at home and destination countries, and because the HDI itself is only a partial measure of human development. Box 1.1 and chapter 3 provide a more detailed discussion of the methodological problems inherent in estimating individual gains from migration.


8. Cummins, Letouze, Purser, and Rodriguez (2009). These authors use the Migration DRC (2007) database on bilateral stocks of migrants to develop the first gravity (bilateral flows) model covering both OECD and non-OECD countries. Other findings include large and statistically significant effects of characteristics such as land area, population structures, a common border and geographic distance, as well as former colonial ties and having a common language.

9. Martin (1993) observed that development in poor countries typically went hand in hand with increasing rather than decreasing rates of emigration and hypothesized that there may be a non-linear inverted-U relationship between migration and development. The theory has since been discussed by several authors including Martin and Taylor (1996), Massey (various) and Hatton and Williamson (various). The first cross-country test of the theory using data on bilateral flows was carried out by de Haas (2009).

10. A similar figure was first presented by de Haas (2009). This does not mean that migrants in Malaysia are free from discrimination. See Hugo (1993).


13. HDR team analysis based on UN (2009b). Migration ODC (2007) and CEPII (2006). These regressions control for a linear and quadratic term in HDI as well as for linear terms and a multiplicative interaction of size and remoteness. Remoteness is measured by the average distance to OECD countries, as calculated by the CEPII (2006). Size is measured by the log of population.

14. For example, female migrants accounted for less than a third of immigrants into the United States 200 years ago (Hatton and Williamson (2005), p.33).

15. See Ramírez, Domínguez, and Morais (2005) for a comprehensive discussion of the key issues.


22. Passel and Cohn (2008). If we use a broader definition of the labour force and count as economically active all individuals over the age of 15, we find that 24 percent of immigrants to the OECD have a tertiary degree, as opposed to 5 percent of the population of non-OECD countries.


27. Sun and Fan (2009).

28. Background research carried out by the HDR team in collaboration with the World Bank. This profile of internal migrants also found that those with lower levels of formal education were more likely to migrate in the upper middle-income countries of Latin America. This result suggests that when the average level of income of a country is sufficiently high, even relatively poor people are able to move.


33. These guidelines are outlined in OECD (2008b).


36. In 1907 alone, almost 1.3 million people or 1.5 percent of the population were granted permanent resident status in the United States; a century later, in 2007, both the absolute number and fraction were lower: 1.05 million and only 0.3 percent of the population (DHS, 2007). Hatton and Williamson (2005) estimated for a sample of countries—Denmark, France, Germany, Norway, Sweden, United Kingdom and six ‘New World’ countries (Argentina, Australia, Brazil, Canada, New Zealand and United States)—that the stock of foreign-born migrants in 1910–1911 was around 23 million, or about 8 percent of their population.

37. Linz et al. (2007).


42. Lucas (2004); 2008 figure from OECD (2008a).

43. By the late 19th century, the cost of steerage passage from the United Kingdom to the United States had fallen to one tenth of average annual income, making the trip feasible for many more people. However, the costs from elsewhere were much higher: for example, from China to California in 1880, it cost approximately six times Chinese per capita income. See Hatton and Williamson (2005) and Galenson (1984).

44. Taylor and Williamson (1997) and Hatton and Williamson (2005). For the Ireland–Great Britain comparison the period is 1852–1913, while for Sweden–United States it is 1856–1913.


49. For example, the United States’ open policy towards immigration following confederation was seen as a pillar of the national policy to generate economic prosperity through population growth. See Kelley and Trebilcock (1998).

50. See, e.g. Ignatiev (1995).

51. See the ILO counted 33 million foreign workers (International Labour Office (1936), p. 37). It is important to note that, since the number of nations has increased significantly during the past century, the rate of international migration could be expected to have increased even if no genuine increases in movement has taken place.

52. Since 1960, world trade as a share of global GDP has more than doubled, increasing at an average rate of 2.2 percent a year.


55. The German restrictions appear to have started before the oil shock but gained intensity after it. See Martin (1994).

56. These percentages refer to the migrants in countries that are developed according to the most recent HDI (See box 1.3). We might expect these patterns to be different if we instead calculated the share of migrants in the countries that were developed in 1960, but in fact the share of migrants in the 17 most developed countries in 1960 (covering 15 percent of the world population, the same share covered by developed countries today) was 6.2 percent, not very different from our 5 percent figure.

57. Since our exercise compares countries classified according to their current HDI levels, it does not take into account the convergence of some fast-growing developing countries, which moved into the top HDI category. Our method seems better suited to understanding the growing concentration of migrants in the subset of countries that are developed today. Furthermore, if we do the comparison for the group of countries classified as developing in 1960, we get very similar patterns (see endnote 58).

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59. This divergence has not occurred for other dimensions of human development, such as health and education (school enrolment rates). These dimensions are critical, although income appears to have a larger impact on the propensity to move (see Cummins, Letzews, Punter, and Rodriguez, 2009).

60. Moreover, China was different from other developing regions during the 1960s because of the restrictions on exit, which also affect comparisons of migration flows over time.

61. Since our exercise compares countries classified according to their current HDI levels, it does not take into account the convergence of some fast-growing developing countries, which moved into the top HDI category. Our method seems better suited to understanding the growing concentration of migrants in the subset of countries that are developed today. Furthermore, if we do the comparison for the group of countries classified as developing in 1960, we get very similar patterns (see endnote 58).

62. To emphasise the comparison, we use the most recent HDI. However, the convergence of some fast-growing developing countries and the growing propensity to move, as well as according to a set of objective criteria, such as the existence of numerical limits, entry requirements and international agreements
on free movement. The developing countries covered were Chile, China (internal mobility only), Costa Rica, Côte d’Ivoire, Ecuador, Egypt, India, Kazakhstan, Malaysia, Mexico, Morocco, Russian Federation, Thailand and Turkey. The developed countries were Australia, Canada, France, Germany, Italy, Japan, Portugal, Republic of Korea, Singapore, Spain, Sweden, United Arab Emirates, United Kingdom and United States. Further details of the assessment are provided in Klugman and Pereira (2008).

72. Governments often differ in the criteria they use to classify workers as skilled. In order to achieve some degree of homogeneity across countries, we classified as skilled all workers coming under regimes requiring a university degree. When the classification was based on occupation, we tried to match the type of occupation with the education level typically required to perform the job. When there was no explicit distinction in visa regimes based on education level or occupation, we either made a distinction based on information on the most common workers in each visa class, or, in the case of clearly mixed flows, we treated the regulation as applying to both high-skilled and low-skilled workers.


75. This concept originated as a mechanism in Arab countries’ legislation—which typically does not recognize adoption—whereby adults pledged to take care of orphaned or abandoned children. See Global Legal Information Network (2009).


77. See, for example, Bahrain Center for Human Rights (2008) and UNDP (2008d).

78. Under the new regulation, the Labor Ministry will transfer the sponsorship of the workers from previous government contractors to new ones and the state will bear their (residence permit) and sponsorship transfer fees. See Thairiand News (2009) and Arab News (2009).


85. See Cummins and Rodrigues (2009). These authors also address potential issues of reverse causation by using the predicted immigration shares from a bilateral gravity model as an exogenous source of cross-national variation. Their results still point to a statistically insignificant correlation between numbers and rights; indeed, in most of their instrumental variable estimates the correlation turns positive, shedding further doubts on the numbers versus rights hypothesis.

86. Musk de Bustillo and Antón (2009).


89. United States Department of State (2009b).

90. United States Department of State (2009d).


96. United States Department of State (2009a) and McKenzie (2007).

97. IMF (2009a).


99. Recessions in developed countries tend to last two years, after which trend economic growth is re-established: Chauvet and Yu (2006). However, the mean duration and intensity of recessions is much longer in developing countries. See Hausmann, Rodríguez, and Wagner (2008).

100. See Perron (1989) and Perron and Wu (2005), who find evidence of persistent effects of the oil shock and the Great Depression on incomes.


103. INE (2009).

104. The correlation is statistically significant at 5 percent. The Asian Development Bank has projected contractions in the key migrant destinations of the region, ranging up to 5 percent in Singapore. In South Africa, home to 1.2 million migrants, the EU expects the economy to contract by 0.8 percent in 2009, and the economy of the United Arab Emirates is projected to contract by 1.7 percent in 2009. Business Monitor International (2009).


110. The Straits Times (2009) and Son (2009).


114. de Haas (2009).


116. For example, in some European countries—where demographic constraints are a major problem—there have been successful efforts to encourage internal migration. In Spain, for example, the government has introduced a range of incentives to encourage workers to move between regions.

117. Inter alia, the labor market remains extremely segmented and the number of foreign workers is still very low, despite various efforts to encourage internal migration.

118. While all forecasts are inherently uncertain, our best estimates based on the model presented here suggest that the number of migrants in the year 2050 will be approximately 200 million, around 3 percent of world population, which is consistent with the widely held view that international migration will continue to play a minor role in global population dynamics compared to other demographic processes such as fertility. The projection is based on the assumption that the world population will reach 9.4 billion in 2050 (Population Reference Bureau, 2001). One recent study found average prediction errors of the order of 2 percent even for age sub-groups of the population.

119. However, these alternative solutions are in themselves costly. Technological innovation to substitute for a globally abundant factor uses up resources, and raising retirement ages or contributions reduces leisure or consumption.


130. UNDP (2007a) and UNDP (2008f).

131. See Friedman (2005).

132. See Friedman (2005).

Chapter 3


8. Harttgen and Klasen (2009). Migrants had lower income in two countries (Guatemala and Zambia) and there was no statistically significant difference in one (Viet Nam). See section 3.6.


23. The social transfer programmes included in this analysis are all forms of universal and social insurance benefits, minus income and payroll taxes and social assistance (including all forms of targeted income-tested benefits). The poverty line is defined as half the median income. See Smeeding, Wing, and Robson (2009).

24. These estimates may over- or underestimate the effect of transfers on poverty because the endogenous response of labour supply decisions to transfers is not factored in.

Notes

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38. The so-called ‘healthy migrant effect’ has been well documented; see, for example, Fennelly (2005).
44. See Otschick and Lee (2006), and Antecol and Bedard (2005). Another factor casting doubt on these estimates is the possibility that ‘regression to the mean’ may account for part of the apparent deterioration in health. In particular, if not being ill is an important condition enabling migration, those who migrate may include people who are not inherently healthier but who nevertheless have had the good luck not to fall ill. These people will also be more likely to fall ill after migrating than those whose lack of illness is due truly to good health.
47. McKay, Macintyre, and Ellaway (2003).
52. Some migrants gain access to services over time. For example, in many countries, asylum seekers who apply for refugee status often do not have access unless and until their application is successful. In other countries, Australia for example, payment of limited income support is available to some asylum seekers living in the community who have reached a certain stage in visa processing and meet other criteria (such as passing a means test).
54. PICUM (2009).
56. Landau and Wa Kabwe-Segatti (2009).
58. OECD (2009b).
59. Our commissioned research of HDI differences between internal migrants and non-migrants in 16 countries found that the educational level of migrants was higher in 10 countries, not significantly different in 4 and lower in 2 countries.
60. UNICEF (2008). Other studies find similar returns. For a comprehensive review of the evidence on early childhood interventions, see Heckman (2006).
62. For example, Norwegian authorities are obliged to inform refugee families about the importance and availability of ECD within three months of arrival.
63. For further information on undocumented migrants in Sweden, see PICUM (2009).
64. PICUM (2008a).
65. PICUM (2008a).
70. The Programme for International Student Assessment is a triennial survey of pupils aged 15 years.
71. OECD (2007). The Programme for International Student Assessment study focuses on science but also assesses reading and mathematics, which yielded similar comparisons.
72. Australia, France, Germany, Italy, Netherlands, Switzerland, United Kingdom and United States. See Hernandez (2009).
76. Rawls (1971).
82. Del Popolo, Oyarce, Ribotta, and Rodríguez (2008).
85. A standard deviation increase of 1 in destination country democracy, as measured by the Polity IV index, leads to an 11 log point increase in migration, significant at 1 percent. See Cummins, Letaoue, Purner, and Rodriguez (2009).
86. Landau (2005).
92. UNHCR (2008). There is no reliable estimate of the share of internally displaced people living in camps, but 70 percent are estimated to live with host country relatives, families and communities.
97. ECOSOC (1996). Presented to the UN Commission on Human Rights by the Representative of the Secretary General in 1998, the Guiding Principles on Internal Displacement set the basic standards and norms to guide governments, international organizations and all other relevant actors in providing assistance and protection to internally displaced persons in internal conflict situations, natural disasters and other situations of forced displacement worldwide.
98. Estimates in this paragraph come from IDMC (2008).
99. IDMC (2008) lists Azerbaijan, Bosnia and Herzegovina, Côte d’Ivoire, Croatia, Georgia, Lebanon, Liberia, Turkey and Uganda in this category. Noteworthy efforts include financial compensation as part of Turkey’s return programme and specific efforts towards property restitution across the Balkans, which had largely been completed by 2007.
100. Ghosh (2009).
102. Gibney (2009) and Halton and Wilkinson (2005). In the United Kingdom, for example, only 19 out of every 100 people who applied for asylum in 2007 were recognized as refugees and had their applications granted, while another nine who applied for asylum but did not qualify were given permission to stay for humanitarian or other reasons.
103. UNHCR (2008).
105. UNHCR (2002).
106. See, for example, UNECA (2005).
110. La Rovere and Mendes (1999).
111. For World Bank, CIEL (2009); there are other examples: for ADB, see Asian Development Bank (2009); for DB, see IDB (2009).
112. UNDP (2007b).
113. UNHCR (2009).
115. See, for example, Carling (2006).
121. These numbers are taken from the 2005/2006 World Values Survey. The survey records whether at least one parent is a migrant, which we use as a proxy for migrant status. These particular results are consistent with data from the 1995 World Values Survey, which show whether or not the respondent is foreign-born.

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Chapter 4

4. For a list of least and most costly international corridors, see World Bank (2000c).

10. Ratha and Mohapatra (2009a). This is the ‘base case’ scenario, which assumes that new migration flows to major destination countries will be zero, implying that the stock of existing migrants will remain unchanged.
20. Musson (2005). For example, Bangladeshi women working in the Middle East remit up to 72 percent of their earnings on average, and Colombian women working in Spain remit more than men (68 versus 54 percent).
35. Ha, Yi, and Zhang (2009a).
41. For a review of gender empowerment and migration see Ghosh (2009).
42. King and Vullnetari (2006).
43. See Deshpande and Grimm (2005).
44. Farquhar (2006).
47. Cordova and Hickey (2009). The countries covered were Dominican Republic, El Salvador, Guatemala, Honduras, Mexico and Nicaragua.
48. See the review of this literature in Clemens (2009).
53. An analogy can be drawn with the sharp decline in the skills and qualifications of schoolteachers in the United States over the past half century, which is attributed to the fact that skilled women now have a much broader range of career choices available to them than teaching (Corcoran, Wilkin, and Schwab, 2004).
57. The World Bank, which has been closely tracking migration flows, estimates that unrecorded flows would add at least 50 percent to the total remittance figure.
60. World Bank (2009a) and Kreyvev (2008).
63. de Haas (2006).
75. If the incomes and consumption of those abroad were included in these measures of inequality the distribution would widen considerably, since incomes abroad are so much higher.
77. Ha, Yi, and Zhang (2009b).
80. HDR team estimates based on figures cited in Annuence and Annuence (2008).
82. Spinelli et al. (2009).
91. These countries are Australia, Austria, Belgium, Canada, France, Germany, Ireland, Luxembourg, Netherlands, New Zealand, Spain, Sweden, Switzerland and the United States; see Statistical Table A. The share of foreign-born migrants in the United Kingdom was estimated at about 9 percent at that time.
94. See Barrell, Fitzgerald, and Rayle (2007). In the United States, Borjas (1999) estimated the aggregate effect to be positive but small, at 0.1 percent of GDP.
96. See, for example, the Council of the European Union (2009).
100. Martin (2009b).
101. This finding must be qualified because of the inability to distinguish the labour supply (immigrants tend to work in these restaurants) from labour demand effects (if they consume there); see Mazzaroli and Neumark (2006).
102. For example, 38 percent of Britons believe this is the case: Dustmann, Fratini, and Preston (2008a).
103. For instance, see Longhi, Nijkamp, and Post (2005), Ottaviano and Peri (2006), and Mize, Straubhaar, Vedeen, and Vedeen (2006).
104. For Spain, see Carrasco, Jimeno, and Ortega (2008), for France, Constant (2005), for the United Kingdom, Dustmann, Fratini, and Preston (2008).
105. See, for example, Borjas (1995). A substitute is when an increased supply of one input lowers the price of the other input, while a complement is when an increased supply raises the price of the other input.
106. For example, in the United States, workers with less than high-school education may in most respects be perfect substitutes for high-school graduates, throwing doubt on the assumption that completion per se matters; see Card (2009).
108. For a survey, see Mize, Straubhaar, Vedeen, and Vedeen (2006).
Several studies have investigated the long-run effects of immigration on political values, with differing results. Buehler (2005) finds significant differences in turnout and participation among US voters of different immigrant backgrounds, while Rodríguez and Wagner (2009) find that the well-documented patterns of civic engagement and attitudes towards redistribution across different regions of Italy are not reflected in the political behaviour of Italians from these regions who are living in Venezuela. O'Rourke and Sinnott (2003).

A comprehensive discussion of this issue can be found in World Bank (2010e).


Chapter 5


2. This chapter does not provide a comprehensive review of policies that are relevant to migration, since these have been well documented elsewhere: see OECD (2008b), IOM (2008a), Migration Policy Group and British Council (2007) and ILO (2004).


9. For example, in the United Kingdom the Foreign and Commonwealth Office team working on promoting the return of irregular migrants and failed asylum seekers is currently five times larger than the team focused on migration and development in the Department for International Development. See Black and Sward (2009).


12. See European Parliament (2008); on criticisms, see, for example, Amnesty International (2008).


14. See international conventions on Economic, Social and Cultural Rights (ICESCR 1966), on Civil and Political Rights (ICCPR 1966), on the Elimination of All Forms of Racial Discrimination (CERD 1965), on the Elimination of All Forms of Discrimination against Women (CEDAW 1979), Against Torture, and Other Cruel, Inhuman or Degrading Treatment or Punishment (CAT 1984), and on the Rights of the Child (CRC 1989). The ratification rates are lowest among Asian and Middle Eastern states (47 percent) and stand at 58 and 70 percent for Latin America and Africa respectively. While 131 countries have ratified all six core human rights treaties, some of these treaties have more than 131 signatories. The total number of parties for individual treaties can be found in the Statistical Annex.

15. ICCPR Art 2; 26; ICESCR Art 2; see Oposkin (2009).

16. The European Community, which is listed as a separate signatory, is not included here. IOM (2008b), p. 62.


22. PICUM (2008a).


24. For examples of such activities, see the Joint Initiative of the European Commission and the United Nations (EC-UN Joint Migration and Development Initiative, 2008). The joint initiative has at its heart a knowledge management platform of activities related to remittances, communities, capacities and rights led by civil society and local authorities. See GFMD (2008).


32. The 1967 ILO Convention on Private Employment Agencies prohibits the charging of fees to workers, but this has been ratified by only 21 countries.


35. Betcherman, Olivas, and Dar (2004) review the effectiveness of active labour market programmes, drawing on 150 evaluations in developing and developed countries.


42. This might include, for example, leaflets explaining who does what and where to go to complain.


47. Martin (2009a).


50. UN (2008a).


52. Black and Sward (2009).

53. For example, in Myanmar, college graduates must reimburse the government for the cost of their education before they can receive a passport; United States Department of State (2009c).

54. As Ranis and Stewart (2000) note, while there are many paths to good human development performance, in general successes have been characterized by initiatives that give priority to girls and women (education, incomes), effective expenditure policies (e.g. Chile) and good economic performance (e.g. Viet Nam).


57. Martin (2009a).


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