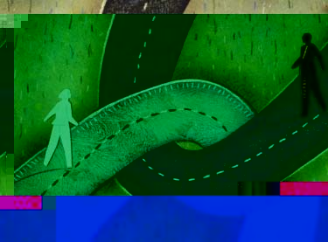
International migration and developing countries



International migration and developing countries

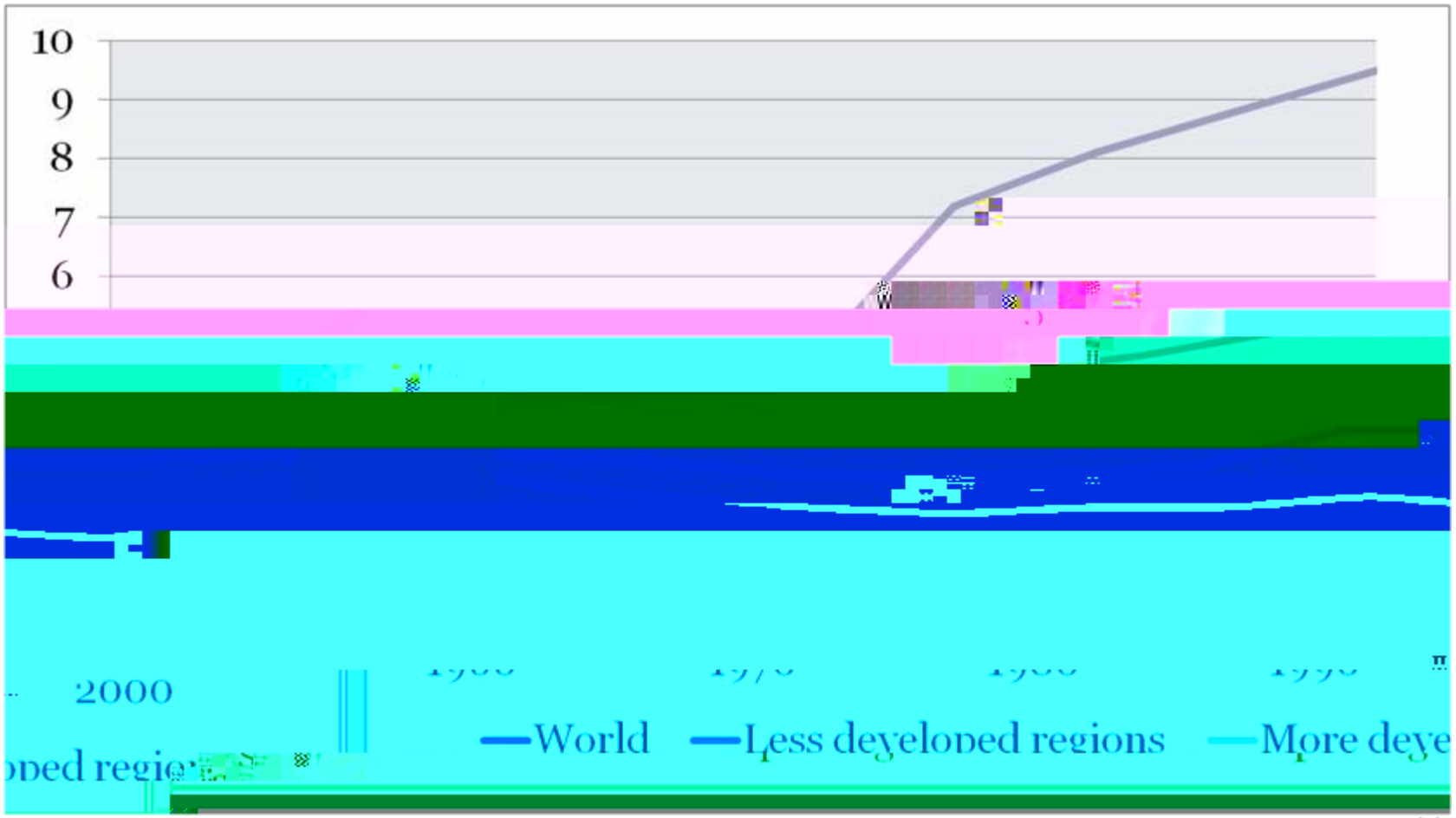
1	**What do we *think* we know?**
2	What do we *really* know?
3	What can we do?

1) What Do We *Think* We Know?

- International migration is exploding
- Canary Islands, Sonoran desert, boat people: most immigrants to OECD come

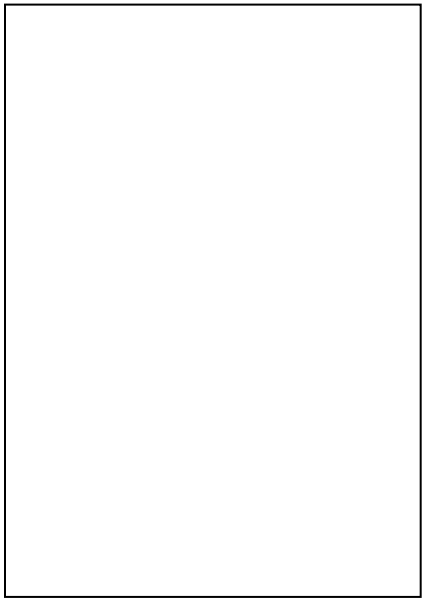
2) What do we really know

International migrants as a share of population

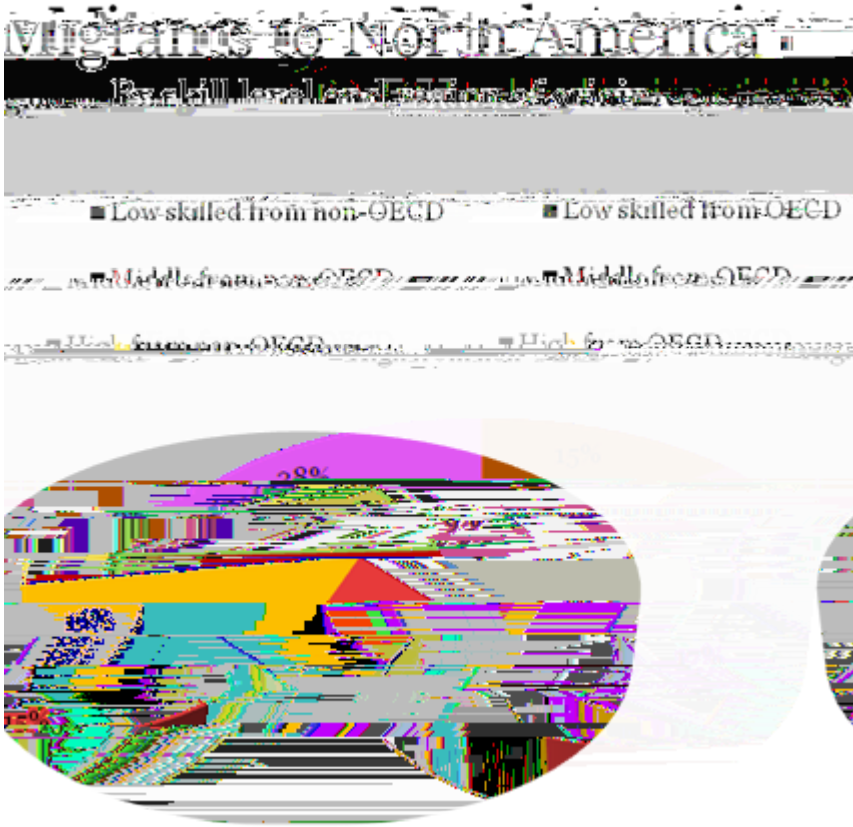


Source: United Nations.

Where do migrants to the OECD come from?



Skill level of migrants to Europe and North America



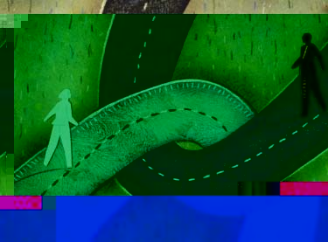
What about illegal immigration?

- Estimates of illegal immigrants for selected countries:
  - United States: 10.5-12 million (3.5-4% population)
  - Netherlands 125 000-230 000 (0.8-1.4 % population)
  - Switzerland 80 000-100 000 (1.1-1.5 % population)
  - Greece 370 000 (3.4% population)
- Overstaying often more common than fraudulent entry or sea landings
  - Italy, 2005 estimates: 60% "overstayers", 25% entered with false documents, and 14% entered by sea landings in southern Italy

Source: OECD International Migration Outlook 2006, 2007

Estimates of the Irregular Migrant Stock

	thousands	% of pop.	Year (years since regularisation)
Japan	210	0.2	2005
United States	10 300	3.6	2004 (18)
Netherlands	125-230	0.8-1.4	2004
Spain*	690	1.6	2005 (4)
Italy	700	1.2	2002 (4)2Greece



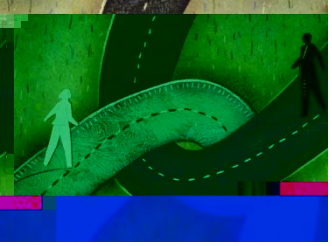
The Migration Cycle

- Migration affects development in three ways (+/-):
  - Changes in labour supply
  - Receipt of remittances
  - Changes in productivity
- The relative importance of each effect varies over the migration cycle

Source: OECD (2007)

Low skill migrants and poverty reduction

- Low-skilled mobility raises wages or reduces unemployment/underemployment
- The low-skilled remit more
  - Circular mobility
  - Unaccompanied by family members
  - Shorter stays
  - Closer to home
- Remittances by the low-skilled have a larger poverty-reduction impact

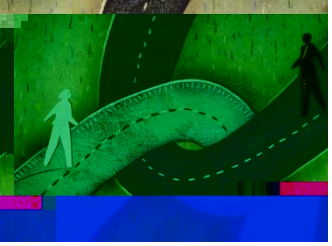


Brain drain: gains and losses

- Brain gain for some countries
  - Incentive to acquire more training and skills
  - Poor prospects for working in qualified jobs
  - Returning "brains"
- Brain drain hits the poorest developing countries hardest!

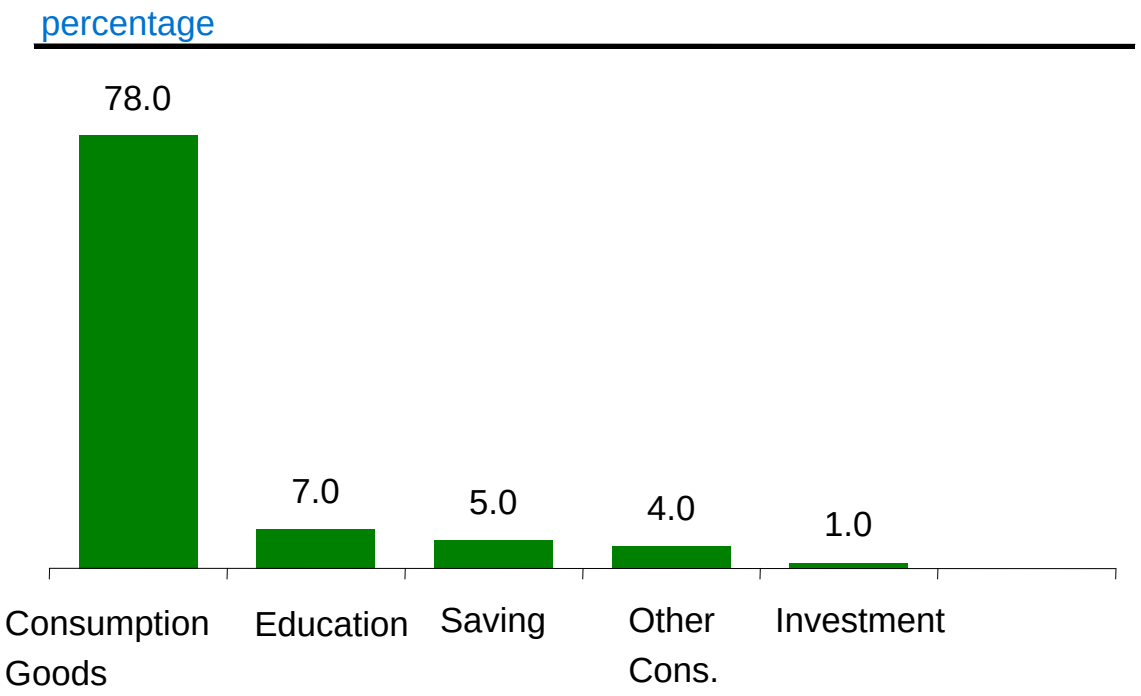
Source: OECD (2007)

Brain Drain: A Problem for the Poorest Countries

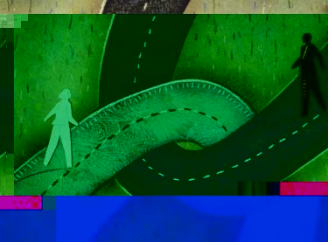


…. mostly used for consumption

Uses of remittances, Mexico 2000



Source: Fomin, Pew Hispanic Center



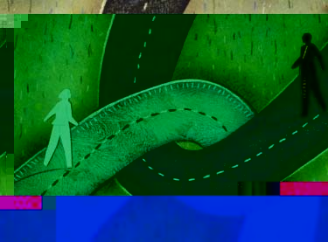
Remittances and aid: complements, not substitutes

- Remittances tend to finance consumption: often productive (consumer durables, house improvement, education, health)
- Incipient schemes for community investment of remittances (e.g. *Tres por uno*, Zacatecas, México)

Will development slow migration?

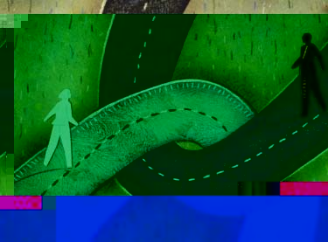
How it works:

- Poor countries specialise in production and of goods that use labour intensively
- New jobs created in export sector, absorbing would-be migrants
- Outsourcing



Probably not

- Adjustment is a long-term process
- Demographic factors will slow it further
- “Migration hump” hypothesis; with prosperity, *more* emigration
- Pitfalls of using aid to influence migration

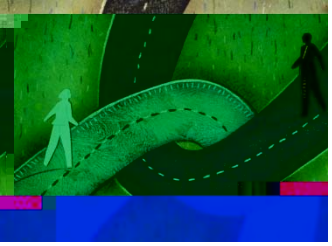


International migration and developing countries

3) What Can We Do?

More coherent policies for more effective mobility management

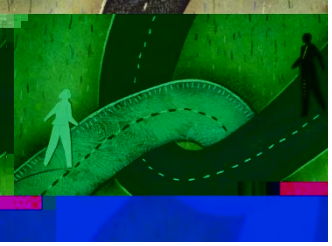
1. Look at migration policies through a development lens
2. Look at development policies through a



Migration policies through a development lens

More flexible options for migrants and employers, including

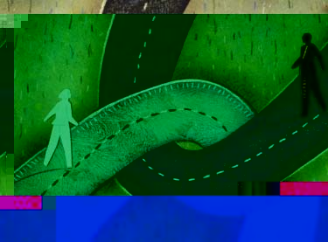
- Smart labour-market access policies to allow legal circular mobility
- Creating paths to naturalisation/citizenship for longer-term migrants
- Reducing remittance costs and increasing access to the financial system
- Co-developpement: engaging diasporas



Development policies through a migration lens

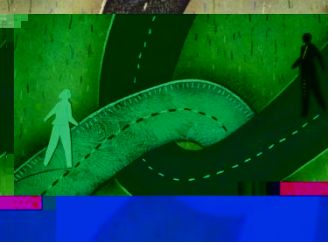
For sending countries, integrate migration into national development strategies.

- Macroeconomic policies (tax revenues, exchange rates...)
- Human resources and higher education policy
- Infrastructure investment (transport, communications)
- Dealing with the informal sector

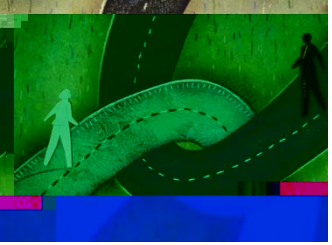


Concluding remarks

- Migration an integral part of globalisation
- Creating more awareness of the development – migration nexus
- Striving for policy coherence
- Not raising false hopes, promoting realistic solutions



For more info:
www.oecd.org/dev/migration



Thank you for your attention !