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**International Migration:
Implications for the World Bank**

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**INTERNATIONAL MIGRATION:
IMPLICATIONS FOR THE WORLD BANK**

by
Sharon Stanton Russell

Abstract

Increased awareness of the volume and direction of international population movements has been accompanied by growing awareness that migration is linked -- often in ways that are poorly understood -- to development objectives. Given the Bank's central role in promoting development, many ask: "What is the Bank doing about international migration?"

This report reviews recent trends in international migration and explores their implications for the Bank. Estimates prepared by the United Nations indicate that more than 100 million people are living outside their countries of birth or citizenship. There is no single, well-developed theory to explain the volume and direction of these movements. Economic as well as political and social factors play roles in the interpretation of empirical evidence about migration, and there is growing attention to environmental linkages as well.

Many developing country governments encourage international labor migration, more often implicitly than explicitly. By providing employment for both unskilled and skilled workers, emigration offers an outlet for domestic frustrations that might otherwise present serious political problems, and can produce large inflows of valuable hard currency remittances. The consequences of international migration for development (of development on migration) in countries of origin and destination remain hotly debated.

International migration is not a high profile matter within the Bank, but more is being done than meets the eye. The topic is addressed in the Bank's ongoing work program through economic and sector work, policy dialogue, and in project preparation and lending. While the report does not recommend a major migration initiative for the Bank, it does suggest that efforts to enhance the internal and external flow of information, to increase awareness, and to expand its analytical capacity could have a high payoff.

Contents

INTRODUCTION	1
INTERNATIONAL MIGRATION: AN OVERVIEW	1
Scale, direction, and composition	1
The role of demographic factors in international migration	2
Why do people move? The causes of international migration	3
Consequences of international migration	8
The grounds for international attention to international migration.....	10
INTERNATIONAL MIGRATION: IMPLICATIONS FOR THE WORLD BANK?	11
What is the World Bank already doing about international migration?.....	11
Opportunities for addressing international migration in ongoing work.....	14
Perspectives of other international institutions	15
Conclusions	17

INTRODUCTION

International migration has become a major focus of discussion within the international community, in fora ranging from the 1991 London G-7 Summit to the April 1994 meeting of the Joint Bank-Fund Development Committee. Increased attention to the volume and directions of international population movements has been accompanied by growing awareness that migration is linked – often in ways that are poorly understood – to the process of development itself. Developing countries, which both send and receive the majority of international migrants, are seeking to understand better the role of migration in the development process. Industrial countries, for their part, are examining the ways in which their trade, aid, investment, and development assistance policies affect and are affected by international migration, especially from developing areas. This report, prepared under the auspices of HRO/PHN, is an initial effort on the part of the World Bank to address these questions. It includes the findings from extensive interviews with over 60 Bank staff members, as well as from selective reviews of Bank studies, reports, and data bases. Consultative meetings were held with other multilateral and bilateral bodies, in order to obtain outside perspectives on what the World Bank might do with regard to international migration.

To provide a common basis for discussion, the first half of this report presents a brief introduction to the subject of international migration: its basic dimensions; relation to other demographic factors; approaches to understanding the causes of movement; and the consequences of migration for sending and receiving countries. The second half of the report then considers the role of the World Bank.

INTERNATIONAL MIGRATION: AN OVERVIEW¹

Scale, direction, and composition

Estimates prepared by the United Nations Population Division based upon census data from the 1980s indicate that more than 100 million people are living outside their countries of birth or citizenship. The 100 million includes 36 million people in Asia, the Middle East, and North Africa; over 23 million in Eastern and Western Europe; over 20 million in the United States and Canada; 10 million in Sub-Saharan Africa; 6 million in Latin America and the Caribbean; and 4 million in Oceania. These figures include refugees² (who numbered 12-13 million in the mid-1980s) as well as temporary and permanent migrants.

¹ This section draws upon Michael S. Teitelbaum and Sharon Stanton Russell, "Fertility, International Migration, and Development," in Robert Cassen, ed. Population and Development: Old Debates, New Conclusions, New Brunswick (USA) and Oxford (UK): Transaction Publishers, 1994, pp. 229-252.

² In this report, the term "refugee" is used strictly in reference to those officially recognized as such by the United Nations High Commissioner for Refugees, in keeping with the 1951 UN Convention Relating to the Status

These numbers have undoubtedly grown in recent years. For example, they do not include the more than 70 million citizens of the former Soviet Union now living outside the boundaries of their "own" ethnic polity; nor do they include illegal migrants or externally displaced persons not reported in census or refugee sources. At the beginning of 1993, there were about 19 million people designated as refugees by the United Nations, and perhaps an equal number of forced migrants in refugee-like situations.³

It comes as a surprise to many that the larger share of international population movements is between developing countries. The refugee burden is particularly heavy for developing countries, which receive nearly three-quarters of all officially-designated refugees and untold numbers of other forced migrants. In addition, the developing world contains numerous magnets for economic migrants, including the newly industrializing economies of Asia; the oil-producing Middle East Gulf States; West Africa and--increasingly--South Africa; and the Southern Cone, Venezuela, and Mexico in Latin America. While international migrants represent only a small fraction of the world's population, the impacts of these movements can be large relative to the numbers who move.

Who are these international migrants? They include people who have moved more or less "voluntarily" (e.g., short and long term workers ranging from unskilled laborers to highly skilled "professional, technical, and kindred" [PTK] workers), as well as those whose movement is in some sense "forced" (e.g., refugees and *bona fide* asylum seekers, and people who move for environmental reasons or "ecomigrants"). Included along this spectrum are many whose movement is a response to poverty and lack of employment at home.

Some are settlers, whose migration--whether undertaken legally or illegally--is essentially permanent; others have moved (at least initially) on a temporary basis. In general, migrants tend to be young adults. Again, it comes as a surprise to many that between 40 and 60 percent of all international migrants worldwide--and over one half of refugees--are women and girls. In some migration streams (such as those from Sri Lanka and Indonesia to the Gulf States), the majority of migrants in the 1980s were women.

The role of demographic factors in international migration

The relationship between international migration and other demographic factors--population size, population growth, age structure, and internal population composition--is neither simple nor deterministic. For example, popular views hold that high fertility in areas of migrant

of Refugees, the 1967 Protocol Relating to the Status of Refugees, and the Organization for African Unity (OAU) Convention of 1969. The term "forced migrants" includes refugees by this definition, as well as others forced to flee across international boundaries from severe economic, political, and ecological conditions in their homelands.

³ United Nations High Commissioner for Refugees (UNHCR), The State of the World's Refugees: The Challenges of Protection, New York: Penguin Books, 1993, p. 153.

origin, juxtaposed with low fertility in areas of destination, is a major cause of international migration. Yet such differentials do not explain the greatest volume of migration, which is between developing countries, where both origin and receiving areas are characterized by high fertility and youthful age structures. Nor do they explain the significant volume of migration from Eastern to Western Europe -- both regions of low fertility.

This is not to say that demographic differentials are irrelevant, but rather that they create only the potential for international movement, and are only one among many sources of migration pressure or inducement. In the case of developing countries, high fertility coupled with declining rates of infant and child mortality has produced very "young" age structures. It is after a substantial lag of 15 to 20 years, as these successively larger groups of children reach the age of labor force entry, that the "expulsive" force of high fertility might be felt. Unless job growth is sustained at exceptionally high levels, the labor market for young adults becomes saturated, and relative incomes decline for this segment of the population. Typically this is accompanied by substantial rural-to-urban migration and, if circumstances permit, by follow-on migration to more favorable labor markets in other countries.

Similarly, low fertility in receiving countries may serve as a kind of inducement to international migration, if only indirectly and again with a long delay. In some countries with high in-migration, fertility rates are at extraordinarily low levels. In Germany, for example, the total fertility rate in 1993 was 1.4 children per woman; in Italy 1.3. Such low fertility rates may elicit pressures on governments from employers worried about future "labor shortages," or from politicians expressing collective fears of population decline, and may contribute to the adoption of explicit or implicit policies favoring openness toward substantial in-migration.

The magnitude of potential demographic pressures for international migration from developing countries is striking. According to ILO estimates made in the mid-1980s,⁴ in the two decades from 1970 to 1990, the economically-active population of the developing world increased by 59 percent, or some 658 million people. By comparison, the economically-active population in the developed countries increased by only 23 percent, or 109 million people. Over the two decades from 1990 to 2010, growth of the economically-active population in the developing world is projected to be considerably larger in absolute terms (733 million) and somewhat smaller in percentage terms (41 percent) than over the prior two decades. In contrast, the economically active population in developed regions is expected to increase by only 50 million people, or 9 percent. Even if high fertility in developing countries were to decline to moderate levels tomorrow, the demographic pressures for migration would continue for several decades.

Why do people move? The causes of international migration

Some theories of international migration. There is no single, well-developed theory of international migration. In view of this state of the art and the recent growth in transborder

⁴ International Labour Office, Economically Active Population 1950-2025, Geneva: ILO, 1986; Vol. V, Table 2.

population movements, the International Union of Social Scientists in Population (IUSSP) has formed a Committee on South-North Migration, which is systematically examining international migration theories, their assumptions, supporting evidence, and policy implications.⁵

Among the various models attempting to explain why international migration begins, five major approaches can be discerned:

- **Neoclassical economics: macro theory** (arguably the body of theory most familiar to World Bank staff) views geographic differences in the supply and demand for labor in origin and destination countries as the major factors driving individual migration decisions. Among the assumptions of this model are that international migration will not occur in the absence of these differentials, that their elimination will bring an end to international movements, and that labor markets (not other markets) are the primary mechanisms inducing movements. Government policy interventions affect migration by regulating or influencing labor markets in origin and destination countries.
- **Neoclassical economics: micro theory** focusses on the level of individual rational actors who make decisions to migrate based upon a cost-benefit calculation that indicates a positive net return to movement. In this approach, human capital characteristics that raise the potential benefits of migration, and individual, social, or technological factors that lower costs, will lead to increased migration. Differences in earnings and employment rates are key variables, and governments influence migration through policies that affect these (e.g., through development policies that raise incomes at the point of origin, decrease the probability of employment at destination, or increase the costs of migration).
- **The new economics of migration** views migration as a family (i.e., group) strategy to diversify sources of income, minimize risks to the household, and overcome barriers to credit and capital. In this model, international migration is a means to compensate for the absence or failure of certain types of markets in developing countries, for example crop insurance markets, futures markets, unemployment insurance, or capital markets. In contrast to the neoclassical models, wage differentials are not seen as a necessary condition for international migration, and economic development in areas of origin or equalization of wage differentials will not necessarily reduce pressures for migration. Governments influence migration through their policies toward insurance, capital, and futures markets, and through income distribution policies that affect the relative deprivation of certain groups and thereby their propensity to migrate.

⁵ This section summarizes key findings of the Committee as reported in Douglas S. Massey, et al., "Theories of International Migration: A Review and Appraisal," in *Population and Development Review*, Vol. 19, No. 3, September 1993, pp. 431-466.

- **Dual labor market theory** holds that demand for low-level workers in more developed economies is the critical factor shaping international migration. To avoid the structural inflation that would result from raising entry wages of native workers, and to maintain labor as a variable factor of production, employers seek low-wage migrant workers. In this model, international migration is demand-based and initiated by recruitment policies of employers or governments in destination areas. Wage differentials between origin and destination areas are neither necessary nor sufficient conditions for migration. The options for government policy intervention to affect migration are limited--short of major changes in economic organization in destination areas.
- **World systems theory** focusses not on labor markets in national economies, but on the structure of the world market--notably the "penetration of capitalist economic relations into peripheral, noncapitalist societies," which takes place through the concerted actions of neocolonial governments, multinational firms, and national elites. International migration is generated as land, raw materials, and labor in areas of origin are drawn into the world market economy and traditional systems are disrupted. The transport, communications, cultural and ideological links that accompany globalization further facilitate international migration. In this view, international migration is affected less by wage or employment differentials between countries than by policies toward overseas investments and toward the international flow of capital and goods.

As the IUSSP Committee stresses, "...the conditions that initiate international movement may be quite different from those that perpetuate it across time and space....new conditions that arise in the course of migration come to function as independent causes themselves...[making] additional movement more likely, a process known as cumulative causation."⁶ Several theories address the perpetuation of international movements:

- **Network theory** stresses that migrant networks serve to reduce the costs and risks of international migration and thus to increase the likelihood of movement. The development of such networks are often facilitated by government policies toward family reunification and, once started, migrant networks can make international flows relatively insensitive to policy interventions.
- **Institutional theory** points to the fact that once international migration has begun, private and voluntary organizations develop to support and sustain the movement of migrants. These include a variety of legal and illegal entities that provide transport, labor contracting, housing, legal and other services, many of which have proven difficult for governments to regulate.

⁶ Massey et al., op. cit., p. 448.

- **Cumulative causation** theory holds that, by altering the social context of subsequent migration decisions, the establishment of international migration streams creates "feedbacks" that make additional movements more likely. Among the factors affected by migration are the distribution of income and land; the organization of agricultural production; the values and cultural perceptions surrounding migration; the regional distribution of human capital; and the "social labeling" of jobs in destination areas as "immigrant jobs." Again, once a "migration system" has developed, it is often resistant to government policy intervention.

The IUSSP Committee concludes that theories regarding the initiation or perpetuation of international migration need not and should not be viewed as contradictory or mutually exclusive. Rather, "it is entirely possible that individuals engage in cost-benefit calculations; that households act to diversify labor allocation; and that the socio-economic context within which these decisions are made is determined by structural forces operating at the national and international levels."⁷ The task of assembling and evaluating the empirical evidence to support, refute, or refine these theoretical approaches is currently in progress.

Some other approaches. The theories summarized above are concerned largely with international migration flows that occur more or less voluntarily in response to economic and social conditions. They do not address the many types of movements that result more directly from political factors (violence, repression, human rights violations, ethnic tensions) or environmental factors, although both may have economic and social underpinnings. As is the case with more voluntary movements, the recent perceived increase in international migration has generated renewed efforts by social scientists to understand the root causes and consequences of these flows.

One recent empirical effort to examine the causes of official refugee movement across countries⁸ finds that civil strife, war, and government structure account for much of the world's refugees. Specifically, multivariate analyses suggest that greater threats of violence (i.e., oppression, minority struggle, and civil violence), more authoritarian government structures, and worsening socioeconomic development conditions are all associated with increased refugee emigration. However, the study concludes that there is no clear, single cause of refugee movement in any of the countries studied. As with more voluntary movements, multiple-cause explanations are required.

⁷ Demetrios G. Papademetriou and Philip L. Martin, "Labor Migration and Development: Research and Policy Issues," in Demetrios G. Papademetriou and Philip L. Martin (eds.), The Unsettled Relationship: Labor Migration and Economic Development, New York: Greenwood Press, 1991, pp. 3-26, cited in Massey, et. al., op. cit., pp. 54-455.

⁸ Barry Edmonston, "Why Refugees Flee: An Exploratory Analysis of Refugee Emigration Data," Washington, D.C.: National Academy of Sciences, Committee on National Statistics, October 26, 1992, mimeo.

Attention to both environmental issues and international migration has grown in recent years, and with it has come efforts to explore the links between the two. However, more attention has been given to the effects of migration on the environment (e.g., urban pollution, deforestation) than to environmental causes of migration.⁹ Among those who have attended to the latter, Suhrke discerns two opposing perspectives. The "minimalist" view holds that environmental degradation is essentially a contextual variable that affects the decision to migrate, but is only one of a cluster of causes for movement. The "maximalist" view, in contrast, sees environmental degradation as a direct and significant cause of outmigration.

A major research project has sought recently to explore the links among environmental change, resource scarcity, and conflict as underlying causes of movement.¹⁰ The study found that: (i) degradation and depletion of agricultural land, forests, water, and fish will contribute more to social turmoil in coming decades than climate change or ozone depletion; (ii) environmental change is only one of three main sources of resource scarcity, the others being population growth and unequal social distribution of resources; and (iii) these three sources of environmental scarcity interact, most commonly in patterns of "resource capture" by more powerful groups in a society and patterns of "ecological marginalization"--often accompanied by migrations to or from ecologically fragile regions.

The study found considerable empirical evidence that environmental scarcity causes large-scale population movements, which in turn cause group-identity conflicts. The migration of Bangladeshis to the Indian states of Assam, Tripura, and West Bengal is but one case in point. If environmental stress causes political fragmentation (as the study team believes may occur in China, for example), then large-scale internal and international migrations may be expected to occur. The study points to a number of policy options for adapting to environmental scarcity, including resource pricing and taxation policies that encourage conservation, technological innovation, and resource substitution; measures to reduce population growth rates; land redistribution and labor-intensive industrial development; and the production and international trade of goods and services that do not rely on depleted environmental resources.

As this brief review suggests, the causes of international migration are multiple and, for any given country, change over time. Understanding those causes, identifying what--if any--issues they raise for migrants and their countries of origin and destination, and determining appropriate and effective policy options for addressing such issues needs to be done on a country-by-country basis.

⁹ Astri Suhrke, "Environmental Degradation and Population Flows," Journal of International Affairs, Vol 47, No. 2, Winter 1994, pp. 473-496.

¹⁰ The project, "Environmental Change and Acute Conflict," has brought together a team of thirty researchers from ten countries. It is sponsored by the American Academy of Arts and Sciences and the Peace and Conflict Studies Program at the University of Toronto. For a fuller discussion of findings and conclusions, see Thomas F. Homer-Dixon, "On the Threshold: Environmental Changes as Causes of Acute Conflict," International Security, Vol. 16, No. 2, Fall 1991; and a follow-up article, Thomas F. Homer-Dixon, "Across the Threshold: Empirical Evidence on Environmental Scarcities as Causes of Violent Conflict," International Security, Summer 1994.

*Consequences of international migration*¹¹

Consequences in countries of origin. Many developing country governments have encouraged international labor migration, more often implicitly than explicitly. Such countries include Turkey, the Philippines, South Korea, India, Pakistan, Bangladesh, Sri Lanka, Jamaica, Cuba, Barbados, Mexico, El Salvador, and Nicaragua. Their reasons are multiple. Emigration can provide relatively well-paid employment, especially attractive for governments struggling to keep pace with rapid labor force increases. In some countries (Egypt, Sri Lanka and India are prominent examples), educational systems are producing numbers of highly-educated graduates far in excess of domestic demand for such persons. By providing employment for both unskilled and skilled workers, emigration offers an outlet for domestic frustration that might otherwise present serious political problems, and can produce large inflows of valuable hard currency remittances. Moreover, some governments have welcomed, if not encouraged, the emigration of selected ethnic groups and political dissidents.

At the same time, sending country governments express concern that emigration deprives these nations of their best human resources, represents a transfer of educational investment from poor to rich countries and leads to abuses or exploitation of their workers. Out-migration can also pose the risk of rather serious and sometimes dramatic economic problems and the need to make sudden adaptations when migrants return unexpectedly and in large numbers, as occurred in the aftermath of Iraq's incursion into Kuwait in 1990.

The consequences of international migration for development (and the effects of development on migration) in countries of origin remain hotly debated--and poorly understood. The positive links are most clear over the long term, as illustrated historically by countries such as Sweden, Germany, and Britain, and more recently by "transition cases" such as Italy, Greece, South Korea, and Taiwan, all of which went from being countries of emigration to countries of in-migration. Over the short term (10 to 20 years), it has proven difficult to demonstrate empirically any "automatic mechanism" by which international migration results in development.¹² At the same time, there is evidence that rapid and successful development may increase emigration in the short term.¹³

While there are unresolved debates about the positive and negative effects of remittances on countries of emigration, it is clear that remittances from international migration are sizable and important sources of foreign exchange. Official global remittance credits were US\$ 71 billion in 1990, up from just over US\$ 43 billion in 1980. If remittance flows through informal channels

¹¹ This section again draws on Teitelbaum and Russell, 1994.

¹² Papademetriou and Martin, *The Unsettled Relationship*, op.cit.

¹³ U.S. Commission for the Study of International Migration and Cooperative Economic Development, *Unauthorized Migration: An Economic Development Response*, Washington, D.C.: U.S. Government Printing Office, 1990, pp. xiii and 35. See also Massey et al., op. cit.

were to be included, this figure would be even higher. Remittances are also an important mechanism for the transfer of resources from developed to developing countries: net transfers (i.e., credits minus debits) to developing countries rose from US\$ 21 billion in 1980 to nearly 31 billion in 1989. The latter figure was almost two-thirds the value of official development assistance in 1988 (US\$ 51 billion).¹⁴ It is also increasingly clear that remittances are sensitive to macroeconomic policy variables (exchange rates, relative interest rates, currency valuation) as well as to the ease and security of transferring funds.

Although the poorest seldom have the means to migrate, remittances have been shown to play an important role in poverty alleviation for migrant households and in sub-national areas of outmigration. The consequences of remittances for income inequality depend greatly on the income composition of a given migrant stream. Inequality may increase if migrants are concentrated in upper-income households, but may have a neutral effect where migrants are fairly evenly distributed across income levels.

The consequences of migration for labor markets and human capital in countries of origin are multiple and most often context-specific. It has been difficult to demonstrate absolute reductions in unemployment as a result of international migration, but emigration does appear to play an important role in absorbing labor force growth. Whether or not emigration constitutes a "drain" of workers at any skill level sufficient to hinder the development process depends upon the availability of human and other resources to fill the gap. Similarly, migration may or may not contribute to the acquisition of skills abroad. It is more clearly evident, however, that migration and remittances improve the ability of migrant families to educate and provide health care for their children.

Consequences in countries of destination. Migrant-receiving countries are a heterogeneous lot, and generalizations about the consequences of international migration for them as a whole are difficult to make, especially given that migration patterns and reactions to them change over time and with changing circumstances. Arguably the most universal consequence is that international population movements--however small--can alter the ethnic, racial, cultural, and sometimes the political composition of receiving societies. While these diverse populations are often successfully integrated, they may also contribute to social conflict and, in extreme cases, violence against migrant groups.

In many countries of destination, international migrants are an important source of labor supply to ease manpower constraints and facilitate rapid economic growth. This was the case in Western Europe during the post-World War II years up to 1973-74; it continues to be the case in the Arab Gulf, and in burgeoning Asian economies such as Malaysia's. The effects of migrants on the employment of natives continues to be a subject of debate, probably because those effects vary, not only by country but also by sector, occupation, and type of migration. For example, while there has been little evidence of negative effects in selected U.S. labor markets (largely

¹⁴ Sharon Stanton Russell, "Migrant Remittances and Development," *International Migration*, Vol. XXX, No. 3/4, 1992; and Sharon Stanton Russell and Michael Teitelbaum, *International Migration and International Trade*, World Bank Discussion Paper No. 160, Washington, D.C., 1992.

because migrants and natives were complements), one recent study showed negative wage effects among blue collar workers in Germany.¹⁵ However, empirical evidence on the issue is sparse, especially so for developing countries.

The costs and benefits of international migrants for social services and entitlements, similarly is hotly debated.¹⁶ On the one hand, migrants tend to have high rates of employment and, where taxation systems function, of tax contributions. On the other hand, it is argued that migrants impose costs through their use of social welfare, health, and education services. Studies of these issues yield conflicting results; most are confined to developed countries, and few if any apply longitudinal cost-benefit methods of analysis.

The grounds for international attention to international migration

In its April 26, 1994 meeting, the Joint Bank-Fund Development Committee discussed the issue of international migration and its social, political, and financial consequences for origin and destination countries. Its final communique called for "more policy-oriented research on migration and closer collaboration between the different international agencies concerned."¹⁷ Two days later, in his opening remarks to the Annual Bank Conference on Development Economics, World Bank President Mr. Lewis T. Preston reiterated the call for more research, noting that international migration is among "the practical realities of interdependence that affect us all."¹⁸ How did international migration move from being seen as simply another form of "factor movement" to being a subject for discussion by Ministers of Finance and for intellectual inquiry by the world's leading financial and development institutions?

The short answer is that there is growing awareness of the diversity and complexity of international migration, of its causes and consequences, and of its links to development. There is general agreement that many forms of international migration represent "a rational response by individuals and families to interregional differences in opportunities and growing numbers of

¹⁵ Klaus F. Zimmerman, "European Migration: Push and Pull," Washington, D.C., The World Bank, Annual Bank Conference on Development Economics, p. 31.

¹⁶ For example, the currently ongoing debate about these issues in the U.S. is reflected in the very different conclusions reached by Passel and Clark from those of Huddle. See Jeffrey S. Passel and Rebecca Clark, "How Much Do Immigrants Really Cost? A Reappraisal of Huddle's 'Cost of Immigrants' [sic]. Washington, D.C.: The Urban Institute, February 1994, mimeo; and Donald Huddle, "The Cost of Immigration." Carrying Capacity Network, Revised July 1993.

¹⁷ Development Committee (Joint Ministerial Committee of the Boards of Governors of the Bank and the Fund on the Transfer of Real Resources to Developing Countries), "Communique," April 26, 1994.

¹⁸ Lewis T. Preston, "Opening Remarks to the Annual Bank Conference on Development Economics," April 28, 1994, p. 3.

people are opting for spatial mobility to improve their life chances.”¹⁹ At the same time, it is recognized that the causes, consequences, and volumes of international migration--far more so than internal population movements--are shaped by the policies of governments. These include not only policies toward entry (and, less often, exit) as well as integration, but also policies in such seemingly remote fields as exchange rates, agricultural pricing, trade, education, land and income distribution, labor markets, private sector development, and the environment--all areas in which the World Bank is a major interlocutor with governments. Yet it is also clear that far too little is known about the points of policy intervention and the migration effects of specific policy interventions.

It is also recognized that the many different types of migration--return migration, temporary and permanent migration, labor migration, and forced migration--need to be considered as separate types of movement, each with its own characteristics.²⁰ Not all types of migration are equally desirable. Orderly, voluntary international population movements are generally viewed as part of normal processes of economic adjustment, although much remains to be known about how to enhance the contributions of migration to development. Large-scale, massive, disorderly, and forced population flows are another matter. Dr. Sadako Ogata, the United Nations High Commissioner for Refugees, has stressed the responsibility of the international community to ensure that people have "the right to remain" in their countries of origin, free from risks of persecution, human rights violations, or civil strife.

INTERNATIONAL MIGRATION: IMPLICATIONS FOR THE WORLD BANK?

What is the World Bank already doing about international migration?

While international migration is not a major object of attention within the Bank, more is being done than meets the eye. International migration is addressed in the Bank's ongoing work: in Economic and Sector Work (ESW); in policy dialogue; in project preparation; and in lending.

Among recent or current examples from **Economic and Sector Work (ESW)**,

- A Poverty Assessment for Jordan included a migration specialist, and the implications of both in-migration and emigration were considered throughout the report in relation to poverty alleviation, as well as to labor markets, macro-economic conditions, housing, and education strategies.

¹⁹ United Nations, Expert Group Meeting on Population Distribution and Migration, Population Bulletin of the United Nations, Nos. 34/35 (United Nations Publication, Sales No. E.93.XIII.10).

²⁰ Expert Group Meeting, p. 6

- As a follow-up to the Jordan study, a planned regional study of poverty, labor markets, and migratory movements in the MENA region will address the strategic question of whether these countries should be exporters of skills or of goods that embody skills.
- An Economic Report on the Philippines identified remittances from emigrants abroad as a major source of poverty alleviation. A forthcoming Country Economic Memorandum (CEM) for Sri Lanka will examine the role of remittances in that country's economy.
- A labor market study of Malaysia included a migration specialist on the team and examined the relationship of migration to changing sectoral composition of the economy, technological shifts, changes in skill composition, unit labor costs, and Malaysia's international competitiveness. It also examined the likely effects of alternative labor importation strategies on the adoption of technology, incomes of Malaysians, and foreign capital inflows.
- A CEM for Pakistan contained extensive analysis of remittances, Government efforts to develop financial instruments to attract external funds from resident and non-resident nationals, and their implications for the economy's vulnerability to external shocks. The report concluded with practical recommendations to the Government on the use of Foreign Currency Deposit instruments.
- In other instances, international migration is the subject of **research and special studies**:
- In recent years, the World Bank has sponsored a regional study entitled International Migration and Development in Sub-Saharan Africa, and a global overview of International Migration and International Trade, both published as World Bank Discussion Papers.
- A major study on old age security forthcoming from the Research Department considers the extent to which international migration constitutes a solution to problems in this realm.
- The 1995 World Development Report on Labor is planning to consider the role of international migration in the functioning of labor markets, and its consequences for origin and destination countries.

International migration also arises as a subject of **policy dialogue**. For example, in the wake of the CFA devaluation in West Africa, new wage-price agreements are being negotiated. Given the large number of migrants from Burkina Faso in Côte d'Ivoire, Bank advisors are faced with the question of how large a wage increase in Burkina Faso can be enacted without also pushing up wages in Côte d'Ivoire. In another example, international migration arose as an

obstacle to project planning in Nepal, where the Government expressed reluctance to undertake family planning out of fear that resulting population decline would induce more migration from neighboring Bihar and Arissa states in India. In this case, the World Bank lacked data on net migration to inform dialogue with the Government on this concern.

International population movements enter into careful **project preparation**. The Russian Federal Migration Service estimates that around 2 million "refugees" and economic migrants have entered Russia since 1991, with the largest numbers from the Central Asian republics and Kazakhstan, the Transcaucasian republics, and the Baltic republics. It is now recognized that Bank-assisted efforts to plan for improvements to Russia's education system (including facilities location and construction) need to be informed by knowledge of where recent migrants have settled and of their demographic characteristics; arrangements are under discussion with a team of Russian demographers to develop this information base for project planning.

International migration also figures in **Bank lending programs**, in ways that promise to contribute considerably to the knowledge base about population movements in key world regions.

- Under the Health and Demographic Project (#2619) the Bank is financing Côte d'Ivoire's participation in the "Network on Migrations and Urbanisation in West Africa," an eight-country project coordinated by the Centre for Applied Research on Population and Development (CERPOD) in Mali, with financing from the Canadian International Development Agency (CIDA); the French Cooperation Office; the International Development Research Centre of Canada (IDRC); the United Nations Fund for Population Activities (UNFPA); as well as the World Bank. Recently completed in-depth surveys of nearly 100,000 households and more than 630,000 individuals in the eight countries will provide the basis for analyses of development policy impacts on population movements and policy recommendations regarding human resources, rural development, and regional integration.
- Under the Information, Policy and Institutional Strengthening Component of the "Labor Market and Productivity Enhancement Project" (#3542) in Mexico--with direction from the General Coordination Unit for Labor Market Policies, Studies and Statistics (CGPEET) and in coordination with the Colegio de la Frontera Norte--the Bank is supporting three successive migration surveys in three northern regions of the country to elicit information on the size, characteristics, and determinants of migration flows to the Mexico-U.S. border and from Mexico to the U.S. The surveys will collect data from a sample of about 14,400 migrants on their demographic characteristics, labor market histories, and migration characteristics and histories. The results will enable analyses of the links between these flows and labor market conditions.

One particular form of international migration--the return of refugees and externally displaced persons to their countries of origin--is a prominent contextual factor in World Bank lending for reconstruction and rehabilitation in post-conflict situations, such as in Cambodia,

Honduras, Mozambique, the Occupied Territories, and Vietnam. For example, it is estimated that between 200,000 and half a million migrant workers are returning to Vietnam from the former Soviet Union and eastern Europe; in addition, long-term refugees are returning from camps in Hong Kong and Indonesia, and the EC is funding a set of training programs for returnees. The Vietnamese government has recently announced that the country intends to become a major labor exporter. All of this is part of the context for World Bank lending in Education and Training in Vietnam.

Opportunities for addressing international migration in ongoing work

The Bank plays an important role in providing advice regarding countries' development strategies and their outcomes. These factors, in turn, affect the propensities of people to migrate and are affected by the migration process. The Bank also has a comparative advantage in mobilizing international resources and bringing them to bear on the problems of poverty, lack of employment opportunity, inequality, and environmental degradation that induce people to move when they would rather stay home.

Through its dialogue with Governments, the Bank has been able to influence the macroeconomic frameworks that can affect whether and how migrants remit their earnings abroad. Through its work on financial institutions, the Bank has the potential to develop incentives and mechanisms for the repatriation and productive investment of remittances. The World Bank is also a "knowledge-based" institution, with the potential to sponsor, and in some cases undertake, the kinds of research and analysis that can help countries and international institutions better understand the links between migration and development.

In addition to the kinds of work already mentioned, the Bank could also incorporate international migration in:

- **Risk analyses.** Project appraisals routinely assess risks to successful project implementation and goal attainment, and migration can be a risk factor. As the experience of the 1990-91 Gulf Crisis made clear, projects in labor-exporting countries with sizable populations abroad may be vulnerable to the sudden return of workers and interruption of hard currency inflows from remittances; Jordan, the Philippines, Sri Lanka and Yemen are examples. Similarly, reconstruction and rehabilitation projects in war-torn countries face risks associated with the return and reintegration of refugee populations under conditions of low-level, persistent conflict or unresolved sources of tension. Countries reliant on migrant labor (e.g., Malaysia, South Korea) face risks posed by changing relative wage rates in countries of origin and alternative destinations. Countries that border others with ecologically fragile zones (e.g., the Sahel) or politically and economically unstable conditions (Côte d'Ivoire, Tanzania) face risks of sudden population inflows.
- **Country Assessment Strategies.** The analysis of alternative, "upside" and "downside" scenarios offer opportunities similar to risk analyses for considering

the potential role of international migration. In addition, migration can be a major--but often overlooked--factor contributing to economic and social development objectives in countries of origin and destination, including poverty reduction, human capital development, labor market competitiveness, and private sector development.

- **Public Expenditure Reviews.** Especially in countries affected by large-scale refugee inflows, international population movements may have important implications for public expenditures. For example, in April 1990, the World Bank participated jointly with the Government of Malawi, the United Nations Development Programme (UNDP), and the United Nations High Commissioner for Refugees (UNHCR) in preparing a report to the Consultative Group for Malawi on the impact of refugees on the government public expenditure program.

Perspectives of other international institutions

Is there a "lead agency" for international migration? There is unanimous consensus among those agencies consulted in preparation for this report that there is currently no "lead agency" for international migration, broadly speaking. This question was posed because of perceptions within the Bank that "others are taking care of the subject" and expressed concerns by Bank staff about potentially infringing upon other agencies' mandates. Other bodies do, of course, have areas of mandated or effective responsibility (e.g., UNHCR for the protection of refugees, and increasingly for prevention of and immediate solutions to refugees situations; ILO for the protection of migrant workers, etc.) but these are viewed as either clearly distinct from or complementary to the mandates of the World Bank.

The roles of international partners. The subject of international migration is addressed by many different bodies in the context of their existing mandates.

- **The United Nations High Commissioner for Refugees (UNHCR)** is the lead agency for matters pertaining to the protection of refugees (as defined by the 1951 Convention and the 1967 Protocol), and of asylum seekers. Although perhaps best known for its human rights perspective, increasingly, UNHCR has also sought to address the root causes of refugee movements, both in its own work and by encouraging the collaboration of other bodies, including the World Bank. Toward this end, UNHCR has recently joined forces with the International Labour Organization (ILO) and the International Organization for Migration (IOM) to address the issue of migration, development, and trade. UNHCR has also sought Bank collaboration on issues of reconstruction associated with the repatriation of refugees.
- **The International Labour Organization (ILO)** has long been concerned with the migration of labor and the employment of foreigners and has been the focal

point for development of a Convention for the protection of migrant workers. Under its "World Employment Programme," and through regional activities such as the "Maghreb Initiative" and the "Asian Migration Project," the Organization has focussed on job creation in countries of emigration, and the relationship amongst migration, trade, and development. Currently, under the "Interdepartmental Project," the ILO is working to improve data collection and statistics on international migration in twenty-two countries. Like UNHCR, the ILO has sought World Bank collaboration in a number of these efforts.

- **The International Organization for Migration (IOM)**, an inter-governmental body comprising 39 member states, works closely with UN as well as other inter-governmental entities. IOM provides for the orderly transfer of migrants, refugees, displaced persons, and others in need of international migration services under its "International Migration Activities," while its "Programmes for the Transfer of Qualified Human Resources" help developing countries meet the need for highly skilled manpower. Periodically, IOM also provides a forum for discussion of migration and development, and the organization is currently conducting a multi-year cross regional study of emigration pressures, with support from the United Nations Fund for Population Activities (UNFPA). IOM and UNHCR are jointly undertaking information programs (in Albania, Romania, and shortly in Russia) to inform potential migrants about the realities of international movement.
- **The United Nations Fund for Population Activities (UNFPA)** has recently played a major role in bringing attention to the subject of international migration, notably in the context of the International Conference on Population and Development held in Cairo in September 1994. The UNFPA devoted its annual report, The State of the World's Population 1993 to the subject, and, in that document's recommendations, called upon the international community to "take account of the possible effects of economic, trade and development cooperation policies on international migration flows."
- **The United Nations Development Programme (UNDP)** is currently reconsidering its mandate and, while international migration is currently addressed within a number of its ongoing activities, the Programme does not consider itself an active partner on the topic at this time. In April 1993, UNDP's Policy Planning Committee reviewed and approved a policy strategy document on international migration, which is serving as a basis for continued internal discussion. UNDP, jointly with IOM, has co-sponsored a workshop in Buenos Aires on Sustainable Development and Migration.
- **The United Nations Conference on Trade and Development (UNCTAD)**, under its Research and Policy Analysis Branch, has been conducting studies on

foreign direct investment (FDI), trade, and international migration, and a book-length manuscript on the subject is in preparation.

UN Regional Economic Commissions are also engaged with the subject of international migration. The Economic Commission for Europe (ECE) is conducting a four-year project entitled, "International Migration in the ECE Region"; the effort provides rapid collection and dissemination of data on East-West migration; collects and analyses data on migration policies; and studies determinants and consequences of East-West flows. Recently, the heads of the five regional Commissions have decided to focus on international migration as an area of inter-regional cooperation over the next 3-4 years. Likely elements for cooperation include data gathering, research, special initiatives, and policy coordination.

In addition to IOM, other intergovernmental bodies working on international migration include the European Union (EU) and the European Commission, the Organisation for Economic Co-operation and Development (OECD), the Council of Europe, and the Inter-governmental Consultations on Asylum, Refugee and Migration Matters (IGC). The IGC has recently convened a forum involving international organizations and representatives of bilateral agencies concerned with the relationship between migration and development in which World Bank participation is actively sought.

Conclusions

Consultations with Bank staff carried out in preparation for this report identified several constraints and realities that bear upon Bank involvement in migration issues. The first is that, notwithstanding recent and current work on international migration, in-house knowledge and staff awareness about the subject remain limited. It is unrealistic to expect most existing staff to acquire a technical level of expertise about migration. It is not unrealistic, however, to develop a sufficient level of awareness to enable staff to seek and use outside expertise where appropriate.

A second major constraint is the limitation on financial resources, and (with some exceptions) reluctance to use available resources to incorporate work on international migration. In the face of this, it is unrealistic to "mandate" attention to the subject. Rather, the aim should be to facilitate the efforts of task managers who do want to address the topic by identifying additional human and financial resources.

In view of current realities within the World Bank, the recommendations below propose some practical first steps directed toward:

- enhancing the flow of information about international migration;
- building greater awareness about international migration; and
- developing some critical mass of internal experience and capacity.

Three possible actions include:

(1) **Establishing a focal person to put international migration on the World Bank's "institutional map."** Staff within the World Bank and entities outside the Bank would welcome a point of contact for information, assistance, and collaboration. For these purposes, it would be useful to consider whether to designate a senior individual with expertise in international migration capable of "brokering" the issue.

(2) **Building networks of interested staff and facilitating information exchange.** A number of staff are interested in international migration and would like to work on the subject, but are isolated from others similarly inclined. "International migration and trade," "migration and environment," "macroeconomic policies, remittances, and private sector development," "gender aspects of international migration," and "international migration and HIV" are among the subjects around which there appears to be a critical mass sufficient to warrant starting networks. Networks could also be organized amongst staff within regions where international population movements are especially dynamic (e.g., Asia; MENA; Mexico and Central America).

(3) **Sensitizing staff and building awareness.** Bank staff often lack basic information with regard to the volume, direction and composition of international migration, remittance flows, common terminology, definitions, and nomenclature. Many also lack an understanding of how international migration may affect their areas of work. During 1994, the Bank addressed some of these information needs through the Visiting Scholar program and a "brown-bag" seminar series on international migration issues. These discussions have continued in connection with preparations for the 1995 World Development Report. At the same time, there are important information gaps. For example, current and historical data on net migration flows are rarely available. Other types of information are context-specific (such as the effects of migration on employment of non-migrants) and may require further research or analysis.

A certain degree of momentum around the subject of international migration was built up during the preparations within the World Bank for the 1994 International Conference on Population and Development. To continue to build upon that momentum, it is recommended that the Bank identify an in-house locus for sharing of information and handling of contacts with other organizations on international migration issues. Wherever the focal point for migration is situated, it should be understood that this is not the only place within the Bank where the subject is being addressed. As one respondent put it, the most effective strategy is probably to "let a thousand flowers bloom."

International population movements have been identified as a major reality of the 1990s and the decades beyond. As such, they constitute an important factor for inclusion in the Bank's vision of its current and future role. While not recommending that the Bank initiate a major focus on the issue, this review suggests that the Bank's effectiveness in promoting the key development objectives of poverty reduction, human resource development, and sustainable economic growth would be enhanced by taking account of the ways in which international population movements affect these agendas.

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