LEVERAGING ECONOMIC MIGRATION FOR DEVELOPMENT
A Briefing for the World Bank Board

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WORLD BANK GROUP
LEVERAGING ECONOMIC MIGRATION FOR DEVELOPMENT

A briefing for the World Bank Board

Migration and Remittances Team
Social Protection and Jobs

WORLD BANK GROUP
KNOMAD, the Global Knowledge Partnership on Migration and Development, is an open, inclusive, multidisciplinary brain trust for the global migration community. It aims to create and synthesize multidisciplinary knowledge and evidence; generate a menu of policy options for migration policy makers; and provide technical assistance and capacity building for pilot projects, evaluation of policies, and data collection.

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KNOMAD working papers, policy briefs, and a host of other resources on migration are available at www.KNOMAD.org.
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Acronyms and abbreviations

ASA       Advisory services and analytics
ASEAN     Association of Southeast Asian Nations
CAD       Current Account Deficit
Cat-DDO   Catastrophe Deferred Drawdown
CPF       Country Partnership Framework
CRRF      Comprehensive Refugee Response Framework
DEC       Development Economics Vice-Presidency
DE4A      Digital Economy for Africa
EAP       East Asia and the Pacific
ECA       Europe and Central Asia
EU        European Union
FCV       Fragility, Conflict, and Violence
FDI       Foreign direct investment
GCC       Gulf Cooperation Council
GCFF      Global Concessional Financing Facility
GCM       Global Compact on Migration
GCR       Global Compact on Refugees
GDP       Gross domestic product
GFMD      Global Forum on Migration and Development
GMG       Global Migration Group
GP        Global Practice
GRWG      Global Remittances Working Group
HCP       Human Capital Project
IDA       International Development Association
IDP       Internally displaced persons
ID4D      Identity for Development
IEG       Independent Evaluation Group (of World Bank Group)
IFC       International Finance Corporation
ILO       International Labour Organization
IOM       International Organization for Migration
IRCA      Immigration Reform and Control Act
<table>
<thead>
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<th>Abbreviation</th>
<th>Full Form</th>
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<tr>
<td>KNOMAD</td>
<td>Global Knowledge Partnership on Migration and Development</td>
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<td>LAC</td>
<td>Latin America and the Caribbean</td>
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<td>LMICs</td>
<td>Low- and middle-income countries</td>
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<td>MDFT</td>
<td>Multi-Donor Trust Fund</td>
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<td>MENA</td>
<td>Middle East and North Africa</td>
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<td>NBER</td>
<td>National Bureau of Economic Research</td>
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<td>OHCHR</td>
<td>Office of the United Nations High Commissioner for Human Rights</td>
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<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
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<td>OJT</td>
<td>On-the-job training</td>
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<td>RCI</td>
<td>Recruitment Cost Indicator</td>
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<td>RSW</td>
<td>IDA18 Sub-Window for Refugees and Host Communities</td>
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<td>SAR</td>
<td>South Asia Region</td>
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<td>SCD</td>
<td>Systematic Country Diagnostics</td>
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<td>SDGs</td>
<td>Sustainable Development Goals</td>
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<td>SIDS</td>
<td>Small Island Developing States</td>
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<td>SPJ</td>
<td>Social Protection and Jobs Global Practice</td>
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<td>SSA</td>
<td>Sub-Saharan Africa</td>
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<td>UN</td>
<td>United Nations</td>
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<td>UNICEF</td>
<td>United Nations Children’s Fund</td>
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<td>UNDESA</td>
<td>United Nations Department of Economic and Social Affairs</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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<td>UNHCR</td>
<td>United Nations High Commissioner for Refugees</td>
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<td>UNODC</td>
<td>United Nations Office on Drugs and Crime</td>
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<td>UNSD</td>
<td>United Nations Statistics Division</td>
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<td>UNRWA</td>
<td>United Nations Relief and Work Agency for Palestine Refugees in the Near East</td>
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<tr>
<td>We-Fi</td>
<td>Women Entrepreneurs Finance Initiative</td>
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<td>WHO</td>
<td>World Health Organization</td>
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<td>WBG</td>
<td>World Bank Group</td>
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Key definitions

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

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

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

Refugees and IDPs are often referred to as **forcibly displaced**. A distinguishing feature of forced displacement is that the forcibly displaced may not have sufficient time and choice to determine when and how to leave and where to go. The term **vulnerable migrants** is also used to refer to unaccompanied child migrants, smuggled persons, victims of trafficking, and migrants who become stranded in another country. Frequently the term **mixed flows** is used for refugees and asylum seekers as well as flows that fall outside established protection categories but are in need of interventions, such as vulnerable migrants and economic migrants.
Irregular migrants or undocumented migrants are those who have entered or work in a country without a proper visa or in violation of laws governing entry, stay, or employment of foreigners.

Temporary migration refers to migration for a specific motivation or purpose with the intention that, afterward, the migrant will return to the country of origin or move to another country.

Circular migration involves a repetition of migration by the same person between two or more countries. Researchers point out that after 10 years, almost half of original immigrants had left their destination country in Europe and 20 percent had left Australia, Canada, New Zealand, or the United States (Dustman and Gorlach 2016; OECD 2008). The term return migrant is self-explanatory.

Transit migration is the temporary stay of migrants in a country that is not their final, intended destination (and distinct from stopovers during personal or business travel).
Executive summary

This paper responds to a request from the World Bank’s Executive Directors for an update in the area of economic or voluntary migration since the previous Board discussion of the topic on August 25, 2016 (World Bank 2016a). This paper has four objectives: to provide an update on data, drivers, and impacts (section 2); to briefly discuss the changes in international governance, including the adoption of the Global Compact on Migration (section 3); to describe pertinent World Bank Group activities during FY2017–19 (section 4); and to suggest future areas of activity (section 5). Activities on forced displacement are considered separately and are summarized in World Bank (2017a). While this update focuses on economic or voluntary migration, future updates will consider integrating the differing aspects of forced displacement and migration.

Notable changes since the 2016 Board paper include the following: First, the number of international migrants has continued to rise, though at a slower pace than the number of refugees. Second, recent analytical evidence on the effects of migration on host communities appears to be more positive than before, even as public perceptions of immigrants remain sharply negative in many high-income OECD countries. Third, a Global Compact on Migration and a separate Global Compact on Refugees have been adopted, and a UN Network on Migration has been established to support implementation of the first. Fourth, within the World Bank Group, the International Development Association’s Eighteenth Replenishment (IDA18) includes a commitment to include migration in systematic country diagnostics performed in countries where migration or remittances are significant. As a result, the number of diagnostics mentioning migration and remittances has grown. The treatment of migration in IDA19 is even more prominent than in IDA18. Fifth, the Bank Group’s Regions and Global Practices have continued to produce advisory and analytical work on migration and remittances, resulting in seven lending operations. Finally, the Migration and Remittances Team moved in July 2017 from Development Economics to the Social Protection and Jobs (SPJ) Global Practice to bring migration into the Bank Group’s structure of global practices.
Rising migration flows, economic gains, and hardening attitudes toward migration

In 2018, the number of international migrants and refugees was estimated to be 266 million persons, of whom 240 million (90 percent) were economic migrants. Around 46 percent of migrants from developing countries went to high-income countries; but, contrary to popular belief, the share of migrants from developing countries going to other developing countries was larger than the share going to the “North” as defined by high-income countries belonging to the OECD. Two-thirds of international migration in Sub-Saharan Africa and 58 percent in Europe and Central Asia is intra-regional. India, Russia, South Africa, and several other developing countries are among the top host countries for migrants.

More than 164 million international migrants are migrant workers, including 68 million women. Women make up nearly half of all international migrants, outnumbering male migrants on all continents except Africa and Asia. In 2017, there were an estimated 10 million child migrants (under age 19). These statistics do not account for irregular or undocumented migrants. Anecdotal evidence and unofficial estimates suggest that almost all major migrant-receiving countries face the challenge of irregular migration. In recent years, transit migration has emerged as a major challenge across many low- and middle-income countries (LMICs).

The share of immigrants in the global population increased from 2.8 percent in 2000 to 3.5 percent in 2018. However, the share of migrants in the high-income member countries of the Organisation for Economic Cooperation and Development (OECD) increased from 8.8 percent to 12.6 percent during the same period. While this increase was smaller relative to that observed in many high-income countries outside the OECD, notably the Gulf Cooperation Council countries, it has led to widespread concerns in many host countries about possible large and sudden influx of migrants.

The main drivers of migration include income and employment gaps between origin and destination countries; economic and social inequality; demographic imbalances; and climate change. Other push and pull factors include social exclusion and discrimination; corruption; lack of education, health care, and social security; and marriage opportunities. Diaspora networks are also a driver of migration. Policy changes in both origin and destination countries can influence migration decisions and demand for migrant workers.

Migration flows are expected to increase in coming years, driven by income gaps, demographic imbalances, and climate change. During 2013–17, the average income in the high-income OECD countries was $43,083, compared with $795 in the low-income
countries, a ratio of 54:1. Even if the latter were to continue to grow faster than the former, at current growth rates it would take 135 years to close the income gaps.

By 2030, for every young person (15–24-years of age), there will be three seniors (65+) in Germany, Italy, and Japan (table 2.1). By comparison, the ratio of old to young will be 1:9 in Uganda, 1:7 in Nigeria, and 1:2 in India and Mexico. The inevitable consequence of the current population trajectories will be large labor-market imbalances and mounting fiscal pressures in high-income countries as tax bases narrow and the costs of care for the elderly rises. In contrast, developing nations with growing pools of young people will need to generate sufficient jobs to reach their targets for poverty reduction and growth. By 2030, the working-age populations in the world’s LMICs are projected to increase by 552 million. These projections point to a significant increase in migration pressures in the coming decade, especially from South Asia and Sub-Saharan Africa.

In addition, model-based simulations suggest that climate change may lead to decreasing crop productivity, shortages of water, rising sea levels, and melting glaciers, which may induce another 143 million people in South Asia, Latin America, and Sub-Saharan Africa to move, although most would move within their country rather than internationally.

Global welfare gains from an increase in cross-border labor mobility could be several times larger than those from full trade liberalization. Migrants tend to gain the most in terms of increases in income and better access to education and health services. Migration empowers women. Child mortality is reduced after migration. However, these gains are hindered by the discrimination and difficult working conditions that immigrants from LMICs face in the host countries. Origin countries can benefit through increased remittances, investments, trade, and transfers of skill and technology, resulting in reduced poverty and unemployment. In 2019, remittance flows to LMICs are expected to reach $550 billion, more than three times total development aid; they are on track to overtake flows of foreign direct investment to developing countries. On the negative side, emigration of skilled workers can affect the delivery of health and education services in small economies.

The high-income destination countries also benefit from migration through increased supplies of labor, skills, innovation, and entrepreneurship. Migrants also pay taxes and contribute to social security systems. According to one study, 83 percent of the native-born population in the 22 richest OECD countries have experienced a welfare gain as a result of immigration from non-OECD countries. However, evidence on the effect of immigration on the wages of native-born workers in destination countries remains mixed: some studies indicate small negative impacts on wages of lower-skilled native-born workers, whereas others indicate positive impacts when immigrants are skilled and complement the native-born workforce.
Many public opinion polls in recent years have revealed a hardening of attitudes toward migrants, especially lower-skilled or irregular migrants. A 2018 survey by the Pew Research Center found that 45 percent of respondents worldwide would like to see a decrease in immigration levels in their countries. About 44 percent of respondents to the Eurobarometer survey (Spring 2019) viewed immigration as the most critical issue facing the European Union, slightly larger than the percentage citing climate change as the top issue. In most destination countries, those surveyed greatly overestimated the number of immigrants; even native-born children of migrants seem to be perceived as foreigners. The opposition to immigration goes beyond economic considerations and appears to reflect a fear of loss of national and cultural identity.

The Global Compact on Migration and the UN Migration Network

Following a surge in mixed flows of refugees and migrants during 2014–16, the UN General Assembly organized a Summit on Large Movements of Refugees and Migrants on September 19, 2016 (followed by a Leaders’ Summit on September 20, 2016). The Summits proposed two separate global compacts to address, respectively, forced displacement and migration. In December 2018, the Global Compact for Safe, Orderly, and Regular Migration (Global Compact on Migration, or GCM) was adopted by Member States at the UN Intergovernmental Conference in Marrakesh. Later in the same month, it was formally endorsed at the UN General Assembly, with 152 votes in favor, 5 against, and 12 abstentions. Several major countries remain concerned about the implications of the GCM for their national migration policies.

The GCM establishes a nonbinding cooperative framework for international cooperation on migration. It covers migration induced by climate change, including displacement due to natural disasters. The compact emphasizes respect for the human rights of migrants, while also respecting the sovereignty of states and the limits of their obligations under international law.

The GCM’s cooperative framework outlines a set of 23 voluntary objectives covering the migration cycle—departure, transit, arrival, integration, and return (box 3.1). In addition to the migration-related SDGs on remittance and recruitment costs, the objectives include others that are consistent with the Bank Group’s purpose, such as ensuring that all migrants have proof of legal identity and adequate documentation; minimizing the adverse drivers and structural factors that compel people to leave their country of origin; investing in skills development and facilitating mutual recognition of skills, qualifications, and competences; creating conditions for migrants and diasporas to contribute fully to sustainable development in all countries; establishing mechanisms for the portability of social security entitlements, and earned benefits;
enhancing availability and flexibility of pathways for regular migration; and facilitating fair and ethical recruitment conditions that ensure decent work. The objectives that are most demanding for countries of origin are those that require collaboration with migrant-receiving countries in managing migration flows. These include discouraging irregular border crossings, combating smuggling and trafficking, and readmitting and reintegrating returning migrants.

In January 2019, the United Nations established a Network on Migration consisting of 38 organizational members of the UN system, including the World Bank, \(^1\) that have mandates touching on migration. The International Organization for Migration, now a UN-related institution, is tasked with the role of coordinating the new network. \(^2\) An executive committee has been established, consisting of representatives of eight UN agencies, including the IOM. A startup fund with a target of $25 million has been established to support capacity building; it will be managed by a multi-partner decision-making body.

The GCM explicitly calls on the World Bank’s Global Knowledge Partnership on Migration and Development (KNOMAD, a multidisciplinary brain trust for the global community) to improve data- and policy-oriented analytical activities.

**World Bank Group activities on migration**

Recent World Bank activities on migration can be grouped according to global partnerships, global knowledge, advisory services and analytics (ASAs, including systematic country diagnostics and country partnership frameworks), and lending. \(^3\) These activities span the four roles identified in the 2016 Board paper: (i) addressing fundamental drivers of migration and remittances through Bank Group support for development; (ii) maximizing benefits of migration and remittances and supporting the migration-related Sustainable Development Goals; (iii) generating knowledge for policy making and countering negative public perceptions; and (iv) financing programs to support safe and regular migration, including support for host countries dealing with migrant inflows.

The Bank Group’s twin goals of reducing poverty and sharing prosperity and its development programs directly or indirectly address the fundamental drivers of migration. For example, the Human Capital Project and, in particular, the Africa Human Capital Plan, focus on accelerating the demographic transition and improving health and education outcomes by leveraging innovation and technology. The project enables people to take advantage of the regular migration channels available to more skilled and better educated workers. The jobs agenda of the Bank Group promotes job-creating private investments and helps workers and entrepreneurs become more productive by building their skills and capabilities and connecting them to better jobs. The WBG has focused particularly strongly on supporting better labor market outcomes for women...
and removing financial and non-financial constraints through Women Entrepreneurs Finance Initiative (We-Fi). The International Finance Corporation has developed a regional risk-sharing facility for small and medium-sized enterprises owned by women in Burkina Faso, Ghana, Madagascar, Mali, Niger, Senegal, Tanzania, and Togo. The World Bank Group is working on both the mitigation of climate change and adaptation to its impacts (including its effect on migratory pressure). Support has been delivered through the Global Facility for Disaster Reduction and Recovery. The World Bank’s Adaptive Social Protection Program in the Sahel will enable new and existing social protection systems to act at scale before extreme climate events become disasters. The World Bank Group continues to support investment in quality infrastructure.

More specifically with respect to migration, the World Bank has undertaken approximately a hundred ASAs, and migration is a topic in 40 Systematic Country Diagnostics, 30 Country Partnership Frameworks (tables A2.1 and A2.2), and 7 lending projects. The Bank’s engagement, channeled primarily through ASAs in the six regions and across global practices, has focused on labor mobility, remittances, mobilizing diaspora resources, internal migration, protection of migrants, and the intersection of climate change and migration. The Bank is a custodian of three Sustainable Development Goals related to migration: reducing recruitment costs for migrant workers (indicator 10.7.1), reducing remittance costs (10.c.1), and increasing the volume of remittances (indicator 17.3.2).

**The way forward**

Migration is not a substitute for development at home, but it can be leveraged for development. Viewing migration through a development lens can suggest promising ways to deploy the World Bank Group’s knowledge, finance, and convening power to catalyze collective action to address migration at the global, regional, and national levels.

Migration is set to increase, driven by income gaps, demographic imbalances, and climate change. As it does, the World Bank Group can support global efforts to promote safe, orderly, and regular migration and can help maximize returns for sending and receiving countries. The migration agenda cuts across many global practices and thus is well-suited for “OneBank” projects (World Bank 2016a). The complexity of migration issues will require partnerships both within the World Bank Group and with the UN system, other multilateral development banks, civil society, and the private sector, whose participation is critical in generating jobs and financial services.

The Bank Group will continue to support operational work on migration in accordance with evolving demand and the Group’s capabilities. Based on consultations with clients, partners, and stakeholders, management has identified four broad areas for Bank
involvement in migration programs beyond its other activities that may affect migration. Those areas are (i) supporting safe and regular (legal) labor mobility, (ii) supporting the migration-related indicators specified in the Sustainable Development Goals (reducing recruitment costs paid by migrant workers, reducing remittance costs, leveraging remittances, and mobilizing diaspora resources for development), (iii) generating knowledge for policy making, and (iv) supporting global partnerships. These areas are sufficiently broad to cover most of the GCM objectives discussed earlier.

At a global level, the Bank, through KNOMAD, is in a position to respond to the GCM’s call for support by continuing to provide timely data and analytics on migration and remittance flows. In addition, if countries require assistance in their preparations for the International Migration Review Forums (scheduled to take place every four years, beginning in 2022) and the quadrennial Regional Migration Review Forums (every four years, beginning in 2020), the Bank, through its country management units or KNOMAD, is in a position to provide data, analytical evidence, and program evaluations.

Issues for discussion by the Board

- Has the World Bank Group used its global knowledge and convening efforts effectively to address migration challenges?
- Has the World Bank Group appropriately focused its lending and advisory services related to migration and remittances in specific country and regional contexts?
Section 1. Introduction

This paper responds to a request from the World Bank’s Executive Directors for an update in the area of migration — defined to include economic (or voluntary), and climate-driven migration, but excluding refugees — since the Board discussion of the topic on August 25, 2016 (see key definitions and table 1.1). The paper prepared for that discussion, entitled “Migration and Development: A Role for the World Bank Group,” highlighted the fundamental drivers of migration, as well as the costs and benefits of migration to migrants and to sending and receiving countries (World Bank 2016a). It went on to situate the World Bank Group (WBG) within the global migration architecture and outlined four roles for the group: (i) addressing fundamental drivers of migration and remittances through WBG support for development; (ii) maximizing the benefits of migration and remittances, and supporting migration-related SDGs; (iii) providing knowledge for policy making and to counter negative public perceptions; and (iv) financing programs to support safe and regular migration and support host countries dealing with migrant influxes.

Like the 2016 paper, this paper focuses on international (economic or voluntary) migration, not on refugees. This reflects the current division of labor at the global level. The global practice on Social Protection and Jobs, which houses the Migration and Remittances team that led the preparation of the 2016 paper, has the lead on migration. Recognizing the cross-cutting nature of migration, the paper incorporates inputs from all the global practices and departments across the Bank Group. Activities on forced displacement are considered separately and are summarized in World Bank (2017a). While this update focuses on economic or voluntary migration, future updates will consider integrating the differing aspects of forced displacement and migration.

This paper has four objectives: (i) to provide an update on migration data for the period 2000-18, and on migration’s drivers and impacts referencing relevant literature (section 2); (ii) to briefly discuss changes in the international governance surrounding migration during 2017-19, including the adoption of the Global Compact on Migration (section 3); (iii) to describe WBG activities during FY2017–19 (section 4); and (iv) to suggest future areas of activity (section 5). Annexes provide information on World Bank activities and a template for migration diagnostics in sending, receiving, and transit countries.
Notable changes since the 2016 Board paper include the following: The number of international migrants has continued to rise though at a slower pace than the number of refugees. The recent analytical evidence on the impacts of migration on host communities appears to be more positive results than before even as public perceptions towards immigrants remains sharply negative in many high-income OECD countries. A Global Compact on Migration and a separate Global Compact on Refugees have been adopted by the global community, and a UN Network on Migration has been established to support implementation of the former. Within the World Bank Group, IDA18 includes a commitment to include migration in the Systematic Country Diagnostics (SCDs) in countries where migration or remittances are significant, and the number of SCD mentioning migration and remittances has increased. IDA19 includes a more prominent mention of migration than IDA18. The Regions and the GP s have continued to produce Advisory Services and Analytics (ASAs) addressing migration and remittances, resulting in 7 lending operations. In July 2017, the Migration and Remittances Team was moved from Development Economics (DEC) to Social Protection and Jobs (SPJ) Global Practice with a view to bringing migration into the Bank Group’s structure of global practices.

**TABLE 1.1.** Typology of Migration and Forced Displacement

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<th>Migration (economic or voluntary)</th>
<th>Internal</th>
<th>International</th>
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<tr>
<td><strong>Internal</strong></td>
<td>740-763 million</td>
<td>Migrants 240 million</td>
</tr>
<tr>
<td><strong>International</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Forced</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Climate-driven IDPs 20 million</td>
<td></td>
<td>Migrants (Climate-driven or mixed flows)</td>
</tr>
<tr>
<td>FCV-driven IDPs 41 million</td>
<td></td>
<td>Refugees 26 million*</td>
</tr>
</tbody>
</table>

FCV—Fragility, Conflict and Violence
Note: Data on migrants and refugees refer to 2018, but data on internal migration refers to 2005. Climate-driven IDPs refer to those displaced by natural disasters; data reported is three-year average, reported by IDMC. There are no data on mixed flows or climate-driven international migrants.

*Refugee data include 5.5 million Palestinian refugees, but do not include 3.5 million asylum seekers.
Defining and measuring migration can be complex, as the glossary at the beginning of this report suggests. Recent crises have forced the international community to focus on refugees and asylum seekers escaping violence, conflict, or persecution. Refugees and people displaced by such crises—and by natural and man-made disasters in general—are distinct from “voluntary migrants,” who are not compelled by immediate events to leave and have more time to decide when, where, and how they will reach their desired destination. The latter are driven by economic factors such as poverty and inequality.

In practice, the distinction between forced and economic migration often falls into a grey zone. Motivations for migration are often mixed, with most migrants experiencing a range of economic, political, and social “push factors.” Economic migrants use many of the same routes used by refugees. And refugees may move for economic reasons at some stage, especially when moving to a different country from the first country of asylum.

Data

In 2018, the total number of international migrants and refugees was estimated to be 266 million, or 3.5 percent of the world’s population. According to the United Nations High Commissioner for Refugees, about 26 million refugees including 5.5 million Palestinian refugees registered by the United Nations Relief and Works Agency. The number of economic migrants was estimated to be approximately 240 million (figure 2.1, first panel). Around 46 percent of emigrants from developing countries went to high-income countries; but, contrary to popular belief, the share of emigrants from developing countries (the “South”) going to other developing countries was larger than the share going to the “North” defined as high-income countries belonging to the Organisation for Economic Co-operation and Development (OECD) (figure 2.1, second panel). Intra-regional migration was significant in Sub-Saharan Africa, where more than two-thirds migrated within the continent (figure 2.2). It was also significant in Europe and Central Asia, the Middle East and North Africa (MENA), and South Asia.
The Mexico–U.S. corridor is the largest migration corridor, followed by India–United Arab Emirates, Russia–Ukraine, Syria–Turkey, and Bangladesh–India.

High-income countries of the OECD and the Gulf Cooperation Council (GCC) are major migrant destinations. The United States continues to be the top destination, drawing about 47.5 million, followed by Germany with 12.6 million and Saudi Arabia with 12.2 million (figure 2.3). As a share of population, however, the top destinations are the high-income economies in the GCC and East Asia (figure 2.4).

The share of migrants in the global population increased from 2.8 percent in 2000 to 3.5 percent in 2018. However, during the same period, the share of migrants in the high-income OECD countries increased from 10.2 percent to 13.9 percent (figure 2.5). While the increase in international migrants in the high-income OECD countries was smaller than in high-income countries outside the OECD, notably the GCC, the increase in the OECD area has led to widespread concerns about possible large and sudden influxes of migrants. In part such concerns were fueled by a 21 percent annual increase in the number of refugees during 2015–18; during the same period, the annual increase in the number of economic migrants was 1.2 percent.
SECTION 2. RECENT TRENDS IN MIGRATION AND REMITTANCES

FIGURE 2.2. International migrants and refugees within and across regions and income groups, 2018

Million, by destination

<table>
<thead>
<tr>
<th>Region</th>
<th>Intra regional</th>
<th>Other developing</th>
<th>High income: OECD</th>
<th>High income: non-OECD</th>
</tr>
</thead>
<tbody>
<tr>
<td>EAP</td>
<td>24%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ECA</td>
<td>58%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LAC</td>
<td>9%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MENA</td>
<td>28%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SAR</td>
<td>23%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SSA</td>
<td>70%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Sources: World Bank staff estimates based on UNDESA.

FIGURE 2.3. Top 20 destination economies by number of international migrants and refugees, 2018

Sources: World Bank staff estimates based on UNDESA (2017), UNHCR

FIGURE 2.4. Top 20 destination economies by share of population, 2018

Sources: World Bank staff estimates based on UNDESA (2017), UNHCR
More than 164 million international migrants are migrant workers, including 68 million women (ILO 2018). Data by skill composition, limited to OECD countries, shows that between 2000 and 2010, the share of skilled migrants (tertiary-educated) increased from a third to about half of all OECD migrants of 85 million in 2010 (World Bank 2018a).

Women make up nearly half of all international migrants, outnumbering male migrants on all continents, except Africa and Asia. In Europe, the share of women migrants was 52 percent in 2017; in North America, 51.5 percent; in Oceania, 51.0 percent; in Latin America and the Caribbean, 50.4 percent; and in Africa, 47.1 percent.

In 2017, there were an estimated 10 million child migrants (aged 19 years or under). The proportion of children as a percentage of total migrants has steadily decreased over time (UNDESA 2017 data cited in IOM’s GMDAC 2019). A United Nations Children’s Fund (UNICEF) survey from 2016 indicated that three-quarters of migrant children interviewed in Libya said they had experienced violence, harassment, or aggression at the hands of traffickers (UNICEF 2017). The rise in unaccompanied child asylum-seekers in Europe (63,280 in 2016, according to Eurostat) and at the United States’ southern border (50,036 apprehended in 2018) have raised concerns about the human rights of children, especially with respect to the ongoing detention of child migrants in more than a hundred countries (UNICEF 2016).
These statistics do not account for irregular or undocumented migrants. Anecdotal evidence and unofficial estimates suggest that almost all large migrant-receiving countries face the challenge of irregular migration. In the United States alone, the number of undocumented migrants exceeds 10 million, or nearly a quarter of total immigrants (Passel and Cohn 2019; Pew 2018c). For Europe, Clandestino (2009) estimate that the number of unauthorized immigrants was about 1.9 million to 3.8 million in 2008. Koser and Lutz (1998) find that many asylum applicants who were not granted asylum chose to stay in their destination countries without residency permits. The reduction of legal paths to migration and the change in policies in Europe favoring skilled migration seem to have created more pressure for undocumented migration of low-skilled workers.

Transit migration has emerged as a major challenge across many low- and middle-income countries (LMICs), as transit migration can put pressure on already limited public resources. Migrants often transit through third countries because of immigration and border controls in the final destination country, and the transit route depends on the relative ease of entering third countries and then moving to the final destination. Major transit routes are: (i) Sub-Saharan Africa to North Africa to Europe; (ii) West Asia/South Asia to Turkey to Europe; (iii) Central America to Mexico to the United States; and (iv) West Asia to Thailand/Malaysia/Indonesia to Australia. According to Frontex data, during 2009–17, undocumented transit migrants were only around 6 percent of all immigrants entering Europe. Transit can be costly: for example, migrants pay $5,000 on average to travel the Tripoli/Khartoum route; this decreases to about $2,000 for routes through Italy, Turkey, or Greece (World Bank 2018b).

In recent years, there have been concerns over irregular and transit migration through the Maghreb region to Europe, which has raised the risk of restrictions on intra-regional freedom of movement (Kabbanji 2011). For almost half a century, people could travel freely from Sub-Saharan Africa to the Maghreb (Brachet 2018; De Haas 2006). Intra-regional migration in Sub-Saharan Africa accounts for more than two-thirds of international migration from the region. While there is a perception that most trans-Saharan migrants in the Maghreb (comprising the North African nations of Algeria, Libya, Mauritania, Morocco, and Tunisia) are in transit to Europe (IOM 2006; Smith 2014; Molenaar and Kamouni-Janssen 2017), most of the migrants travelling the trans-Saharan route reported Algeria or Libya as their final destination (Molenaar and Kamouni-Janssen 2017).

Latin America and Central America also have experienced large movement of migrants in recent years. An estimated 4 million persons from Venezuela have migrated to neighboring countries (R4V 2019). There has been large migration from El Salvador, Guatemala, and Honduras to Mexico and the United States. In these cases, migration is driven by poverty, unemployment, and violence.
Fundamental drivers of migration

The main drivers of migration include income (and employment) gaps between origin and destination countries, economic (and social) inequality, demographic imbalances, and climate change. Other push and pull factors include social exclusion and discrimination; corruption; lack of education, health care, and social security; and marriage opportunities. Diaspora networks are also a driver of migration. Fragility of states, conflict, and violence are primary push factors for forced displacement and refugee movement, but, as previously noted, the focus of this paper is international economic migration. This section draws on World Bank (2016a).

Policy changes in both origin and destination countries can influence migration decisions and demand for migrant workers. For example, the enforcement of the Household Service Workers Reform Package in the Philippines in 2006 appears to have led to a decline in the deployment of domestic workers in the subsequent two years, while the enactment of the Overseas Employment Policy of 2006 in Bangladesh seems to have precipitated a migration of Bangladeshi women. The changing nature of the receiving countries’ economy and labor market needs – for example, the growth of export-processing zones in Jordan and the employment of women migrants from Sri Lanka, or the entry of women into the labor markets and the resultant need for domestic help – are pull factors for migration. “Indigenization” policies in some GCC countries aimed at increasing the employment rate of native-born workers have lowered the recruitment of migrant workers (World Bank 2019a). There is a growing trend in many migrant-receiving countries to allocate more visas to skilled migrants.

Migration will also be affected by automation and the future of work. The growth of digital platform-based companies could provide new opportunities for potential migrants to provide their services remotely from their home country. On the other hand, increasing automation could lead to job losses for workers undertaking routine tasks. In the destination countries, this would translate into lower demand for migrant workers whereas in the origin countries, it would increase migration pressures. Migrants are likely to be affected by another important shift in the nature of work – a transition from long-term jobs to shorter-term, opportunistic employment (Biagi et al. 2018). The unstable nature of the future of work is compounded by weak social safety nets in destination and origin countries, and by the tightening of rules that exclude the self-employed and migrants from social protection programs (Saliola 2018).

Income gaps

Human mobility is essential for economic development and growth, whether from lagging to leading area within a country or across national boundaries. For the vast majority of the world’s poor whose labor is their primary asset, migration offers one of the best opportunities to escape unemployment and poverty. Most prefer to move short
distances within a country, as separation from home and family involves psychological costs, the financial costs of moving, and the risk of not finding a job, not to mention a high cost of adjusting to a foreign country.

Income gaps across countries are a powerful driver of observed migration patterns. During 2013–17, the average income in the high-income OECD countries was $43,083, compared with $795 in the low-income countries, a ratio of 54:1. Even if the latter were to continue to grow faster than the former, closing the income gap at current growth rates would take 135 years. Large income gaps between high-income and low-income countries persist in both low- and high-skill occupations (ILO Global Wage Report 2012/3).

Widening income inequality within origin countries, especially low-income countries, also operates as a powerful push factor. For the many poor whose labor is their only asset, migration to a richer country offers an opportunity to escape poverty (Borjas 1987). The poorest of the poor, however, tend to migrate internally, as they are unable to afford the costs associated with moving abroad.

**Demographic imbalances**

A stark demographic divergence separates high-income countries from developing countries. By 2030, for every young person (those 15–24 years old), there will be three seniors (65+) in Germany, Italy, and Japan (table 2.1). Even in China, the number of young persons is expected to be no greater than that of seniors by 2030. By comparison, the ratio of old to young will be 1:9 in Uganda, 1:7 in Nigeria, and 1:2 in India and Mexico. The inevitable consequence of the current trajectories will be large labor-market imbalances and mounting fiscal pressures in high-income countries as tax bases narrow and the costs of caring for the elderly rises. In contrast, developing nations with growing pools of young people will need to generate sufficient jobs to reach their targets for poverty reduction and growth.13

Migration pressures are likely to rise as increases in the working-age population (15–64 years) outpace job growth. The working-age population in the LMICs is expected to grow by 552 million between 2018 and 2030. The number of working-age persons will be greatest in Sub-Saharan Africa (251 million), followed by South Asia (194 million). The largest changes will be in India (129 million), Nigeria (44 million), Pakistan (34 million), Ethiopia (25 million), and the Democratic Republic of Congo (22 million). By contrast, large labor force gaps are likely to arise in China (-34 million), Russia (-8 million), Japan (-6 million), Germany (-5 million), and the Republic of Korea (-4 million).
### TABLE 2.1. Migration pressures across regions by 2030

<table>
<thead>
<tr>
<th>Country</th>
<th>Ratio of persons 65 and older to 15–24 year olds, 2030</th>
<th>Change in working age population 2018–30 (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>3:1</td>
<td>-6</td>
</tr>
<tr>
<td>Germany</td>
<td>3:1</td>
<td>-5</td>
</tr>
<tr>
<td>Italy</td>
<td>3:1</td>
<td>-3</td>
</tr>
<tr>
<td>Korea, Rep.</td>
<td>3:1</td>
<td>-4</td>
</tr>
<tr>
<td>Poland</td>
<td>2:1</td>
<td>-2</td>
</tr>
<tr>
<td>China</td>
<td>1:1</td>
<td>-34</td>
</tr>
<tr>
<td>Mexico</td>
<td>1:2</td>
<td>13</td>
</tr>
<tr>
<td>India</td>
<td>1:2</td>
<td>129</td>
</tr>
<tr>
<td>Pakistan</td>
<td>1:3</td>
<td>34</td>
</tr>
<tr>
<td>Kenya</td>
<td>1:6</td>
<td>12</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>1:5</td>
<td>25</td>
</tr>
<tr>
<td>Nigeria</td>
<td>1:7</td>
<td>44</td>
</tr>
<tr>
<td>Uganda</td>
<td>1:9</td>
<td>12</td>
</tr>
</tbody>
</table>

Source: World Bank Migration and Remittances Team estimates based on UN Population Projections and the International Labour Organization’s employment data.

Note: Working age defined as 15–64.

In addition to affecting the size of the labor force, demographic divergence is likely to exert migration pressures through its impact on wages, pension benefits, demand for health care, and retirement decisions. For example, the shrinking of the labor force in the North could lead to wider wage gaps between young unskilled workers in the North and their counterparts in the South. These widening gaps could attract younger workers to the North, and these workers are likely to attempt to enter through irregular channels if legal channels for migration are absent.

If managed properly, economically efficient, socially responsible, and legally sound migration regimes can enhance welfare for sending and receiving countries alike. Aging populations place the solvency of the social security system at risk, and immigration can play an important role in strengthening it. For example, the U.S. social security system is expected to become insolvent by 2035 (2019 OASDI Trustee Report). The nation’s dependency ratio (the ratio of the population 65 and over to the 15–64 year old population) grew from 14 percent (1:7) in 1950 to nearly 25 percent (1:4) in 2015; it is projected to reach 40 percent (2:5) by 2050 (OECD 2017). The rising dependency ratio reflects stagnant fertility rates and an increase in life expectancy, leaving fewer new workers to pay into the system and more benefits to be paid out to retirees over their longer lifetime. For OECD countries, the old age-dependency ratio is projected to rise...
under the status quo from 25 percent (1:4) in 2015 to 50 percent (1:2) in 2050 (OECD 2018). A scenario in which immigrant were curtailed or halted would have serious consequences. Using an agent-based model, Marine et al. (2018) show that halving current immigration rates to Switzerland would cause their social security system to become insolvent by 2027.

Global aging is expected to be one of the most significant demographic trends, and anticipated shortages in health care personnel are likely to bolster demand for migrant workers. One in eight individuals worldwide will be 65 years or older by 2030. The oldest subcategory of the elderly population (those 85 years and older) is the fastest-growing population in Europe, the United States, Canada, and Australia. Persons in that category are most likely to have physical and cognitive disabilities and to need long-term services and support (Stone 2016). The increase in demand for direct-care workers to provide such services could benefit foreign-born workers. Around 20–25 percent of direct-care workers in the United States, Canada, and Australia are foreign born (Fujisawa and Colombo 2009). In the United Kingdom, the proportion of immigrants among care workers more than doubled between 2001 and 2009 from 7 to 18 percent (Cangiano and Shutes 2010). Japan, which historically has resisted the use of foreign labor, has recently opened up to receiving more than 300,000 foreign workers over a five-year period as a strategy to address the country’s shrinking domestic labor force and widening care gap.

More broadly, demand for health care workers globally is projected to nearly double from 48 million in 2013 to 80 million by 2030, while supply is expected to grow only to 65 million, suggesting a shortfall of 15 million health care workers globally by 2030 (Lie et al. 2017). Most of the shortfall is expected to emerge in lower- and upper-middle income countries, while Sub-Saharan Africa is anticipated to generate a surplus of nearly 800,000 health care workers, suggesting that migration could ameliorate some but certainly not all the projected worldwide shortage of health care workers.  

Climate change

There is an increasing awareness of the impact of climate change on migration at the national and international level.

Throughout history, earthquakes, floods, and droughts have forced people to move to more hospitable locations (Black et al. 2011; Foresight 2011; White 2011). Sudden events such as earthquakes and floods have effects different from those of slower-onset events such as drought and erosion. With the former, migration is likely to be temporary, whereas in the latter case it can be permanent (Wodon et al. 2014). The poor are particularly vulnerable to the shocks caused by both types of events (Martin 2012; Adger et al. 2014; IPCC 2014). Apart from the direct effects of the events it triggers,
climate change may also drive migration indirectly by reinforcing patterns of conflict in already fragile regions or areas with ethnic divides.\textsuperscript{16}

The number of people forced to leave their homes because climate change has made their lives or livelihoods untenable is difficult to measure (Benko 2017). Although most people displaced by climate change are expected to move within their countries, those in small island nations would likely migrate to other countries (Groschl and Steinwachs 2016; McLeman et al. 2016; Waldinger 2015). A recent World Bank report projects that, in the absence of substantial progress in reducing greenhouse gas emissions and spurring development, more than 143 million people may be forced to migrate within their countries in Sub-Saharan Africa, South Asia, and Latin America by 2050 to escape the slow-onset effects of climate change (Rigaud et al. 2018).\textsuperscript{17}

The impact of climate change on international migration varies by country. For example, temperature anomalies are found to be associated with increases in migration in Uganda, but with decreases in migration in Kenya and Burkina Faso; and there is no consistent relationship between the two for Nigeria and Senegal (Gray and Wise, 2016). Rising temperatures and excessive precipitation were found to contribute to migration from 68 rural municipalities of Mexico to the United States in the years 1986–1999 (Nawrotzki 2015).\textsuperscript{18} Overall, it is widely expected that climate change will exacerbate the pressure on vulnerable people to migrate.

Benefits and costs of migration—for migrants, origin countries, and destination countries

Migration affects the welfare of the migrant, the household, and the community left behind, as well as the host community in the destination country.

Global welfare gains from an increase in cross-border labor mobility could be several times larger than those from full trade liberalization (World Bank 2018a, 2006). Ahmed et al. (2016) estimate the gain from eliminating restrictions on South-North migration at $706 billion by 2030. Docquier et al. (2015) find that eliminating restrictions would bring a rise in world gross domestic product (GDP) of between 11.5 and 12.5 percent and a rise in GDP per worker of 11.3 percent in the medium-term (over one-generation). The welfare gain due to international migration is estimated at 5–10 percent of average income for native-born persons of receiving countries and 10 percent of average income in countries that receive large amounts of remittances (Giovanni et al. 2014). And 83 percent of the native-born populations in the 22 richest OECD countries are calculated to have experienced a welfare gain from immigration (for the period 2000–10), essentially due to immigrants from non-OECD countries (Aubry et al. 2016).
Benefits for migrants

The bulk of the benefits from international migration accrue to migrants and their households, as their incomes increase significantly. The Human Development Report in 2009 reported that migrants from poor countries “on average saw a 15-fold increase in annual income (to $15,000 per annum), a doubling in education enrolment (from 47 to 95 percent) and a 16-fold reduction in child mortality (from 112 to 7 deaths per 1,000 live births).” More recent studies report similar findings. An immigrant from a developing country to the United States is estimated to earn four to six times the income of a worker of the same age and education in the origin country (Clemens et al. 2016). A female migrant worker earns five to six times more abroad than in Indonesia; nurses make seven times more in Australia than in the Philippines; accountants six times more in the United Kingdom than in Sri Lanka; and doctors five times more in the United States than in the Arab Republic of Egypt—after controlling for purchasing power parity. Isolating the pure-effect of migration on earnings, Tongans who won a lottery to work in New Zealand under the Pacific Access Category earned 3.7 times more after a year, with gains persisting even after a decade (Gibson et al. 2019).

But benefits to migrants cannot be evaluated exclusively in economic terms. Migration can empower migrants (especially women and minorities) and, in some cases, provide an escape from restrictive social practices and discrimination.

Costs for migrants

The benefits of migration are reduced by the considerable disadvantages that immigrants from LMICs often face in the job markets of high-income countries. Immigrants from countries that are less wealthy than the destination country or more distant in terms of geography or culture are significantly more likely to find themselves either out of work or overqualified and underpaid in host countries (Pareliussen 2017). The likelihood of future job loss among immigrants from low-income countries in Norway is more than twice that of native-born workers (Bratsberg et al. 2018).

Moving to another country and being separated from one’s immediate family can also come at considerable emotional cost to the migrant and the family left behind (D’Emilio et al. 2007; Holtmann and Tramonte 2014). Separation from parents has long-term consequences for children’s lives, and migrants incur significant personal risks. The journey can be perilous, and they may fall prey to traffickers, abusive employers, and unscrupulous recruitment agents. They also may have to face abrupt return owing to economic crisis or deportation. Such vulnerabilities can create hardships (including poverty) for the families back home.

Migrants may also face unsafe working conditions, health hazards, and even untimely deaths in destination countries. Health hazards include workplace injury (Kahn et al.
2003) and exposure to communicable diseases (Decosas et al. 1995; Lurie 2000; Lurie et al. 2000; Brummer 2002). There is anecdotal evidence that death rates among immigrants are higher than among comparable native-born persons in host countries or peers in origin countries.\(^{23}\) Death rates may be high for migrants because so many are engaged in jobs with a higher probability of accidents than are native-born persons, or because many do not have adequate access to health care or social protection and are vulnerable to exploitation.\(^{24}\)

In addition, after arrival in host countries, even highly skilled migrants often must accept jobs below their skill levels. This is particularly true in the case of migrants who are not proficient in the language of the host country (Dustmann et al. 2016; World Bank 2016; Mattoo, Neagu, and Ozden 2008).

Migration can be more dangerous for women, in part due to the physical perils of crossing some borders (Myrttinen 2017). Migrant women often suffer from discrimination. Domestic workers, who are often highly dependent on their employers, are particularly prone to unsafe and abusive working conditions (Magalhaes 2017).

**Benefits for origin countries**

One of the most critical paths for development centers on the efficient allocation of labor. Many countries are trapped in poverty and suffer from high inequality because their labor force is stuck in low-productivity locations, occupations, and sectors. Migration can reduce unemployment and underemployment and facilitate access to more-productive and higher-paying jobs. Several recent studies find that large-scale emigration can raise employment and wages in origin countries (see Dustmann et al. [2015] for the case of Poland following its entry into the European Union). In short, migration is a powerful tool for development. The key is the creation of better, more productive, and higher paying jobs—regardless of where those jobs are and whether workers are high- or low-skilled. This idea should be central in the migration policy debate, especially for low- and middle-income sending countries.

Migrants’ characteristics—high-skilled or low-skilled, permanent or temporary—do affect migration’s developmental impact. Whereas permanent migration may ease integration at the destination and yield higher benefits for individual migrants, temporary migration may lead to larger benefits for the origin country through return of human, physical, and social capital. Evaluating these differences and formulating appropriate policy responses must be country- and corridor-specific.

Remittances are a highly visible and tangible benefit to origin countries, particularly LMICs. Officially recorded remittances, estimated at about $530 billion in 2018, are more than three times the volume of official development assistance and comparable in size to flows of foreign direct investment (figure 2.6). Remittances are also
SECTION 2. RECENT TRENDS IN MIGRATION AND REMITTANCES

more stable than volatile private flows. During 2000–17, the coefficient of variation of remittances in 123 LMICs was 0.6, compared with 3.2 for foreign direct investment. Unlike official aid, which must be navigated through official agencies, remittances flow directly to recipients (Ratha 2014). And unlike capital flows, which tend to be highly cyclical, remittances are relatively stable and often consumption-smoothing, acting as insurance during economic crises or after natural disasters (De et al. 2016; Bettin and Zazzaro 2016).

Remittances also are a proven way of sharing prosperity. Were it not for remittances, the share of the poor in the population would have been 4 percentage points higher in Nepal, 5 percentage points higher in Ghana, 5–7 percentage points higher in Cambodia, 10 percentage points higher in Bangladesh, 11 percentage points higher in Uganda and 12 percentage points higher in El Salvador (Adams and Page 2005; Acosta et al. 2008; Roth and Tiberti, 2017; World Bank 2012; World Bank 2016a; Kinnon and Soler 2018). Remittances can play an important role in improving nutritional outcomes, for example among Ethiopian migrants in the United States (Mergo 2016) and sending households in Bangladesh (Romano and Traverso 2017), and in reducing child...
labor in disadvantaged households across a wide range of developing countries (De Paoli and Mendola 2016). Remittances were associated with higher spending on education in Senegal (Ndiaye et al. 2016) and Kenya (Hines 2014), higher school enrollment in El Salvador (Jacob 2015) and the Philippines (Theoharides 2018), and more years of completed schooling in rural Morocco (Bouoiyour and Miftah 2015) and in communities in Malawi with access to mining jobs in South Africa (Dinkelman and Mariotti 2015).

Evidence is mixed on the impact of remittances on economic growth. Some studies find a positive relationship (Bangake et al. 2019; Matuzeviciute and Butkus 2016; Salahuddin and Gaw 2015; Feeny et al. 2014; Larrey 2013; Fayissa and Nsiah 2012). Others have a less optimistic view, finding no causality between remittances and growth (Adams and Klobodu 2016; Clemens and McKenzie 2018). In general, studies focusing on the labor-supply response of remittance-recipient households tend to find that remittances lower work effort and may therefore reduce long-term growth (Vadean et al. 2019; Justino and Shemyakina 2012; Azam and Gubert 2006; Chami et al. 2003). Other studies find that remittances improve financial access and financial development and therefore stimulate growth (Chowdhury 2016; Toxopeus and Lensik 2007; Giuliano and Ruiz-Arranz 2005; Gupta, Pattillo, and Wagh 2009). The pro-growth effects of remittances are also more likely to be realized in the presence of an efficient financial sector. To the extent that a country’s investment climate encourages investment, remittances can facilitate imports of intermediate goods and have important second-round effects on growth. Empirical evidence from several studies suggests that remittances can lead to inflation of the price of nontradables and appreciation of the exchange rate, which can reduce the competitiveness of exports—the so-called Dutch Disease (Roy and Dixon 2016; Acosta et al. 2009; Bourdet and Falck 2006; Gupta, Pattillo, and Wagh 2009). One reason for the inconclusive results on the impact of remittances on growth may be the difficulty of separating the cause from the effect: if remittances react counter-cyclically to growth, then the negative relationship between the two is a result of reverse causality running from growth to remittances, not vice versa.

High costs of transferring money reduce the benefits from remittances. The cost of sending money home can be very high relative to the amount sent and to the low incomes of migrant workers and their families in the home country. SDG 10.c calls for reducing the transaction costs of migrant remittances to less than 3 percent by 2030. Thanks in part to a decade of advocacy by the G7, G8, and G20, and now, a global goal, the cost of sending money to LMICs has declined from 9.7 percent in 2009 to just below 7 percent. However, this level is still more than twice the SDG target (figure 2.7). The costs of sending money to Africa are particularly high: over 9 percent. And South–South remittance costs are even higher. In the last quarter of 2018, sending money from Angola to neighbor Namibia, for example, cost 22.4 percent, and from South Africa to Zambia, 18 percent, on average. At the other end of the spectrum, sending money from Russia to Central Asian countries cost between 1.3 percent and 1.7 percent. Banks making wire transfers charge the highest fees, while post offices and money transfer operators (MTOs) paying out through mobile wallets or bank accounts charge the lowest.
SECTION 2. RECENT TRENDS IN MIGRATION AND REMITTANCES

FIGURE 2.7. Remittance costs: lower than a decade ago, but still high

Note: Region acronyms are: EAP: East Asia and the Pacific, ECA: Europe and Central Asia, LAC: Latin America and the Caribbean, MENA: Middle East and North Africa, SAR: South Asia and SSA: Sub-Saharan Africa.

FIGURE 2.8. Average costs of remittances by type of provider, 2018

In general, fees tend to be high for cash-to-cash transfers used by poor people who lack access to banking services. Opening up access by MTOs to partnerships with national post offices, national banks, and telecommunications companies could help remove entry barriers and increase competition in remittance markets. But, in an apparent example of policy incoherence, remittance costs tend to include a premium when national post offices have exclusive partnership arrangements with a dominant MTO. Such premia average 1.5 percent of the cost of transferring remittances worldwide and are as high as 4.4 percent in the case of India, the largest recipient of remittances (figure 2.8).

Migration can increase trade in goods and services (Parsons and Vezina 2016; Gould 1994; Rauch 1996), in part because migrants’ knowledge about markets in both origin and destination countries can make them effective in connecting firms in origin countries with buyers overseas (e.g., Boly et al. 2014 for Africa). Bilateral trade is positively associated with the presence of migrants (Fagiolo and Mastroirillo 2014). The African diaspora plays an important role in promoting African exports (Ehrhart et al. 2014), particularly for highly differentiated goods. Sharing the same language or a similar cultural background eases communication and facilitates better understanding of procedures and regulations (Plaza and Ratha 2011). Haitians living in the United States constitute one of the largest groups of tourist visitors to Haiti, contributing to an industry that is highly job-intensive and has significant spillovers for the rest of the economy.

Migration, and in particular highly skilled migration, can also encourage capital flows and investments, as the presence of immigrants from a target country reduces the information costs of investing in that country (Kugler et al. 2015). On the other hand, a highly skilled diaspora, or the return of highly skilled workers, can facilitate the transfer of technology to origin countries (see Gibson and McKenzie [2014] for small island economies). Japan, the Republic of Korea, and Taiwan (China) are examples of economies that have benefited from their diasporas as sources of knowledge. More industrialized labor-sending countries with large, skilled emigrant populations such as India and China have also been able to tap their expatriates and develop mentor-sponsor models in certain sectors or industries. Kerr (2008) finds evidence of transfer of knowledge between ethnic emigrant groups in the United States and their home countries. This diffusion of knowledge is found to affect productivity in high-tech manufacturing sectors. Agrawal et al. (2011) provide empirical evidence that the Indian diaspora contributed to the development of significant innovations in India.

Diaspora members can be catalysts for the development of capital markets in their countries of origin by diversifying the investor base, introducing new financial products, and providing reliable sources of funding (e.g., through the issuance of diaspora bonds). Moreover, these emigrants may be more willing than other investors to assume risks in their origin country because they are better able to evaluate investment opportunities and possess contacts to facilitate the investment process (Lucas 2001).
According to Nielsen and Riddle (2007), emotion, sense of duty, social networks, strength of diaspora organizations, and visits to the origin country are important determinants of diaspora investment.

**Costs for origin countries**

Gains from migration are reduced by the high recruitment fees that migrant workers pay to obtain jobs abroad. In pursuit of their work on Sustainable Development Goal indicator 10.7.1, the World Bank (through the Global Knowledge Partnership on Migration and Development) and the International Labour Organization have collected data on recruitment costs borne by workers in more than 30 bilateral migration corridors. The Pakistan–Saudi Arabia migration corridor is one of the costliest, with payments in excess of $5,000, or the equivalent of 12 months of a worker's foreign earnings. Bangladeshi workers heading to Kuwait pay anywhere from $1,675 to $5,154, while Filipino workers to the Gulf countries incur some of the lowest fees, averaging less than 1.5 times their monthly overseas income.

The survey data reveal that costs are highly variable even for workers earning the same amount, indicating nontransparent recruitment practices (figure 2.9). Also, recruitment costs can be regressive—that is, migrants earning lower incomes may pay relatively higher fees. In some cases, lower-income workers must work for more than two years to pay off recruitment costs of as much as $9,000. Also, migrants who pay high fees tend to receive less income than what was contractually promised, are more likely to be paid irregularly, and are less likely to be compensated when injured on the job. Thus, vulnerable migrants experience both higher costs and worse working conditions.

Why are recruitment costs so high? The driving forces behind them are lack of opportunity at home and the relatively small number of work visas available overseas, owing to restrictive immigration policies. The difficulties of navigating complex migration processes have created a market for brokers and recruitment agencies. Moreover, the illegal practice of “visa trading” and excess demand for foreign jobs combine to create an exploitative setting.

High recruitment fees are prevalent in corridors where legal channels for migration exist, but where work visas are in short supply relative to demand. And fees paid to smugglers for irregular border crossings can be even higher in corridors where legal migration channels are not available. According to the United Nations Office on Drugs and Crime, irregular migrants from Nepal and India paid between $27,000 and $47,000 to enter the United States and between $15,000 and $30,000 to enter Europe (UNODC 2018). Irregular Vietnamese migrants paid between $7,000 and $15,000 to be smuggled into Western Europe, while Pakistani migrants paid $12,000 to $18,000. To cross the U.S.–Mexico border, smuggling costs (or coyote fees) have now surpassed $12,000 in response to more stringent border patrolling.
Brain drain—the migration of skilled individuals—is often cited as a negative effect of international labor mobility on sending countries (Bhagwati and Hamada 1974; Gibson and McKenzie 2011). Over a fifth of highly skilled workers from low-income countries and more than 40 percent of those from small island nations have migrated to high-income countries (Artuc et al. 2015). Large outflows of highly skilled workers from poor countries can impair the provision of public services and even contribute to a deterioration of institutions (Lim et al. 2016). However, the potential to emigrate, which will not always be realized, may increase the demand for higher education, thus increasing the stock of human capital, resulting in a “brain gain” (Stark et al. 1998; Kone and Ozden 2016). Circular mobility of professionals can also facilitate exchange of knowledge and skills between sending and receiving countries (Alvarez and Barney 2014; Saxenian 2005). The feasibility of encouraging certain hiring institutions in receiving countries (for example, public or private hospitals) to open training facilities in Africa could be examined to increase the supply of professionals (Ratha et al. 2011).

**Benefits for destination countries**

High-income destination countries benefit from migration in several ways. Immigration reduces labor-market constraints, filling occupations where native-born workers are in short supply. Many destination countries face labor shortages at both the high
and low ends of the skill spectrum; immigration brings immediate increases in labor supply. In many high-income countries, the agriculture, construction, engineering, and information technology sectors are heavily dependent on migrant labor. The labor market complementarities between migrants and native-born workers are another key benefit of migration. Agglomeration of skills improves productivity and further expands economic activity. Such spillovers are one reason why immigration by skilled workers encounters less political opposition than does immigration by those with lower skills.

Increased availability of goods and services and lower prices for consumers are also important benefits (Hong and McLaren 2015). Because of migrants, homes are cleaned and children are looked after more cheaply. The availability of affordable migrant domestic workers has spurred female labor-force participation and hours worked (Cortés and Pan 2013; Forlani et al. 2015; Romiti 2018).

As previously noted, increased immigration of young workers could ease the strain on retirement systems and the burden of caring for the elderly stemming from high dependency ratios in high-income countries. Indeed, a 2013 OECD report demonstrates that immigration has not been a fiscal drain for the destination countries—a common concern in almost every country—and has provided a net positive fiscal effect. Immigrants from countries that joined the European Union in 2004 and immigrants who arrived after 2000, are estimated to have made a net positive contribution to the United Kingdom’s fiscal system from 1995 to 2011 (Dustmann and Frattini 2014). The fiscal impact of immigration is highly positive for the United States as a whole and for the federal government separately, but negative for certain state and local governments (National Academy of Sciences, Engineering, and Medicine 2016).

Immigrants may increase destination countries’ productivity. Individuals’ willingness to move may indicate a lower risk aversion, and immigrants are more likely to become entrepreneurs than people who stay at home (Neville et al. 2014). In almost every country, the self-employment ratio of immigrants is higher than that of native-born persons of similar education. For the period 1986–2006, permanent immigration in 22 OECD countries was associated with a small rise in productivity growth owing to increases in human capital (Boubtane et al. 2015).

Immigrants are also more than likely to be represented among inventors and innovators. International graduate students and skilled immigrants have a significant and positive impact on future patent applications (Chellaraj, Maskus, and Mattoo 2005; Miguelez and Fink 2013; Breschi et al. 2015; Kerr and Kerr 2018; Choudhury 2016; Branstetter et al. 2015; Miguelez 2014; and Moser et al. 2014). An increase in the supply of foreign workers in science, technology, engineering, and mathematics fields in the United States drove gains in wages for native-born persons, implying that the foreign workers increased growth in total factor productivity in U.S. cities (Peri et al. 2015). An outsized share of high-tech companies (36 percent) are founded by immigrant
entrepreneurs; examples include Google, eBay, and Intel. And this is not a recent phenomenon: more than 40 percent of the largest firms in the United States were founded by first- or second-generation immigrants.

The benefits to both host countries and immigrants will be shaped by the extent to which migrants can learn and adopt languages, identities, and cultural practices to become full members of the society of the destination country (Asselin et al. 2006). Effective and successful integration depends on factors such as legal rights granted by the host country, visa policy (family reunification, employment-related, refugee status), and programs to raise social cohesion between native-born persons and immigrants (for example, language and cultural training).

Immigrant characteristics can impede or facilitate integration. Language barriers reduce immigrants’ access to jobs in Germany (Burkert and Haas 2014) and Australia (Wali et al. 2018). Conversely, greater native-born language proficiency is associated with greater success among immigrants in Australia (Guven and Islam 2015), Mexican immigrants to the United States (Avsar 2016), and French immigrants (Lochmann et al. 2019). All else equal, the number of years needed to get a first job of substantial importance in Sweden increases quickly with age among immigrants from LMICs who are older than 40 (Gustafsson et al. 2017). Immigrants with a higher belief in their ability to control outcomes tend to have better employment prospects in Germany (Thum-Thysen 2016). And immigrants in Denmark who share social norms with the majority experienced significantly better employment outcomes, particularly among first-generation immigrant women (Gorinas 2014). Discrimination also plays an important role in impeding migrants’ economic integration (see Auspurg et al. [2017] for rental markets in Germany and Weichselbaume [2017] for hiring in Austria).

Migrant integration policies differ in the extent to which migrants are granted civil rights, such as free speech; social rights, such as welfare benefits, education, and health care; and political rights, such as voting (Ruhs 2013; United Nations 2013). Empirical analysis shows that integration and economic contribution depend on the duration of the migration experience (OECD 2013), legal uncertainty regarding migration status, the availability of citizenship and access to labor markets (as well as other legal rights), and overall cultural acceptance by the host society. Easier access to citizenship is found to increase long-term social integration in Switzerland (Hainmueller et al. 2017) and the wages achieved by some groups of migrants in Sweden (Helgertz et al. 2014). A migrant may become integrated in some ways but not others, and failure to integrate in one way may have an impact on other aspects of integration. Inclusion, on the other hand, facilitates self-sufficiency and human development, which reduces welfare costs, raises tax income, and improves social cohesion (Cervan-Gil 2016). Social perceptions and attitudes held by native-born persons are highly important for integration.
Costs for destination countries

Large numbers of people and policy makers in destination countries regard immigration as an economic, cultural, and political burden. They fear that immigration leads to loss of jobs, imposes heavy burdens on public services, erodes social cohesion, and increases crime levels (UNDP 2009). Such negative perceptions of migration are further exacerbated in times of economic and political crisis and, in particular, in Small Island Developing States (SIDS).

Several recent studies of discrete immigration episodes find that immigration can reduce, at least in the short term, the wages or employment of native-born citizens who directly compete with the newcomers. Examples include the inflow of French expatriates and Algerian refugees during the Algerian war for independence (Borjas and Monras 2017), the massive inflow of ethnic Germans into Germany following World War II (Braun and Mahmoud 2014), the inflow of Syrian refugees as informal workers in Turkey (though Del Carpio and Wagner [2015] find a positive impact for some formal sector workers), and the sudden influx of Czech workers across the border into Germany after the fall of the Berlin Wall (Dustmann, Schönberg, and Stuhler 2017). While the influx of Cubans during the Mariel boatlift did not have a significant impact on average wages in Miami (Peri and Yashenov 2017; Clemens and Hunt 2017), it did have a negative effect on wages for the high school dropouts who were most likely to compete directly with Cuban refugees (Borjas 2017). Focusing on these discrete, supply-driven events avoids biasing estimates with the endogeneity of normal migration flows, but such estimates do not take into account longer-term adjustments, such as movements by workers to other regions or increased investment in response to the greater supply of labor.

Other recent articles find a positive impact of immigration on native-born workers’ wages or employment. Across most OECD countries, where immigrants tend to be more educated than natives-born, immigration tends to increase the relative wages of low-skilled native-born persons (Docquier, Ozden, and Peri 2014). The immigration of highly skilled workers may improve the wages of comparably skilled native-born workers owing to complementarities and positive spillover effects (Kerr et al. 2016). Del Carpio et al. (2015) observe that the presence of unskilled migrants in the construction and agriculture sectors creates jobs for young high-school educated Malaysians who are employed as their supervisors. On the other hand, middle-aged Malaysians with only primary education are likely to lose their jobs or see their wages reduced, as they cannot compete. Such heterogeneous effects across different age, education, and sectoral groups should be at the center of analytical and policy attention.

Many public opinion surveys indicate a common misperception that migrants are disproportionately involved in criminal activity (Mattes et al. 2000; Danso and McDonald 2001; Quirk 2008; Nunziata 2015). A recent survey in the United Kingdom, conducted
to gauge views about Brexit, found that 56 percent of respondents believed that European immigrants has increased crime, with the share being higher (75 percent) among those favoring Brexit. In many countries, crime surpasses jobs as the main reason behind public demands for more restrictive immigration policies (Mayda 2006; Bianchi, Pinotti, and Buonanno 2012). But academic research over three decades finds that immigrants are less likely than the native-born to commit serious crimes or to be imprisoned (Butcher and Piehl, 2007; Ewing, Martinez, and Rumbaut 2015). Legalizing undocumented immigrants is also associated with lower rates of violent crime and property crime in the United States (Baker 2015) and Italy (Pinotti 2017), in part through greater access to legal channels for employment. Providing support mechanisms for youth at risk and ensuring proper integration of migrants help diminish the risk of violence. The evidence once again indicates the important role of economic rights and labor market access in integrating and assimilating all types of migrants.

Issues related to national security and loss of national identity are among the most difficult migration-related concerns to address (Collier 2013). Among the arguments made is that a decline in social cohesion may lead to drops in public trust and in the provision of public goods, and to overall deterioration of social welfare. Several recent papers argue against these hypotheses (for example, Clemens and Pritchett 2019). However, no truly convincing empirical evidence exists on these topics, and the debate will continue. What is certain is that trust, social cohesion, communication, and assimilation are critical issues for economic development (World Bank 2015b).

Public attitudes toward immigration

Public opinion polls show increasingly negative attitudes toward migration in many host countries. For example, the December 2018 survey from the Pew Research Center shows that 45 percent of the global population wants to reduce immigration, a sharp contrast to the 2015 survey carried out by the International Organization for Migration and the Gallup organization, which had found that only a third of respondents worldwide would like to see immigration reduced in their country. The latest World Value Survey (Wave 6, 2010–14), which covers nearly 100 countries, shows that about half of the population believes that employers should give priority to native-born persons over immigrants. About 44 percent of respondents to the Eurobarometer survey (Spring 2019) view immigration as the most critical issue facing the European Union, slightly larger than the percentage citing climate change as the top issue. Hostility toward immigrants has increased in several high-income countries in recent years and has been a major source of political tension, as reflected in Brexit, the debate over the U.S. southern border wall, the Yellow Vest protests in France, and the fall of the Belgian government. Concerns over immigration have contributed to demands to limit the entry of foreigners or to expel undocumented migrants.
Nevertheless, surveys also show that public views of immigration in important destination countries remain mixed. In 18 countries that host more than half of the world’s international migrants, a majority of those surveyed still believe that immigrants strengthen their countries (Pew Research Center 2019). Public attitudes toward immigration in the United States are broadly neutral, while Canadians have a slightly positive view (based on Gallup World Poll results).

**FIGURE 2.10.** Perceptions vs reality: survey respondents’ estimates of immigrants’ share in population vs. the actual population share

Public perceptions greatly exaggerate the migrant share in the population, with many believing that the number of migrants surpasses the combined total of migrants and migrants’ children born in the country. A 2018 survey conducted by Ipsos MORI finds that in 34 of the 37 countries surveyed, the public greatly overestimated the share of immigrants in the total population. On average, respondents estimated that immigrants made up 28 percent of the population, while the actual share is 12 percent (figure 2.10). In part, this overestimation may reflect respondents’ difficulty in distinguishing between the foreign born and native-born persons who are descendants of immigrants.

Public attitudes toward migration vary according to the region and the status of the migrant. Views on irregular migration in Europe are extremely negative, with about...
90 percent of survey respondents favoring additional control measures (European Commission 2017). In the United States, however, 7 in 10 Americans say they feel sympathy for undocumented migrants. Sixty-five percent (correctly) believe that undocumented immigrants are not more likely than U.S. citizens to commit serious crimes, and 71 percent say most immigrants work in jobs that citizens do not want (Pew Research Center 2018b).

Susan Fiske’s (2017) research shows that, worldwide, immigrants are stereotyped as low on the two fundamental dimensions of the “stereotype map”: warmth (friendly, sincere) and competence (capable, skilled). When subtypes of migrants are included, however, public perception differs. In the U.S. samples, for example, European and Asian immigrants are ranked differently from Hispanic and African immigrants. In the Eurobarometer survey published in Spring 2018, more than half of Europeans surveyed had negative feelings about immigration from outside the European Union, but only a third were negative about immigration from within the European Union (World Bank 2017c).
The past two years have seen significant changes to the international architecture governing migration that has prevailed since the 1950s. A surge in mixed flows during 2014–16 prompted the UN General Assembly to organize a Summit on Large Movements of Refugees and Migrants, held on September 19, 2016. This was followed by a Leaders’ Summit on September 20, 2016. The summits proposed two separate global compacts to address, respectively, forced displacement and migration. After two years of intense negotiations among the UN Member States, a Global Compact for Safe, Orderly, and Regular Migration (Global Compact on Migration, or GCM) was adopted by Member States at a UN Intergovernmental Conference in Marrakesh in December 2018. Later in the same month, it was formally endorsed at the UN General Assembly, with 152 votes in favor, 5 against, and 12 abstentions.\(^2\) Several major countries remain concerned about the implications of the GCM for their national migration policies. A separate Global Compact on Refugees was endorsed by the UN General Assembly the same month.

The GCM establishes a nonbinding cooperative framework for international cooperation on migration. It covers migration induced by environmental change, including displacement due to natural disasters. The compact emphasizes respect for the human rights of migrants, while also respecting the sovereignty of states and the limits of their obligations under international law.

The GCM’s cooperative framework outlines a set of 23 voluntary objectives covering the migration cycle—departure, transit, arrival, integration, and return (box 3.1). In addition to the migration-related SDGs on remittance and recruitment costs, the objectives include others that are consistent with the Bank Group’s purpose, such as ensuring that all migrants have proof of legal identity and adequate documentation; minimizing the adverse drivers and structural factors that compel people to leave their country of origin; investing in skills development and facilitating mutual recognition of skills, qualifications, and competences; creating conditions for migrants and diasporas to contribute fully to sustainable development in all countries; establishing mechanisms for the portability of social security entitlements, and earned benefits; enhancing availability and flexibility of pathways for regular migration; and facilitating fair and ethical
recruitment conditions that ensure decent work. The objectives that are most demand-
ing for countries of origin are those that require collaboration with migrant-receiving
countries in managing migration flows. These include discouraging irregular border
crossings, combating smuggling and trafficking, and readmitting and reintegrating
returning migrants.

In January 2019, the United Nations established a Network on Migration consisting of
38 organizational members of the UN system, including the World Bank, that have
mandates touching on migration. The International Organization for Migration, now
a UN-related institution, is tasked with the role of coordinating the new network. An
executive committee has been established, consisting of representatives of eight
UN agencies, including the IOM. The others are the United Nations Department
of Economic and Social Affairs, the International Labour Organization, the Office
of the United Nations High Commissioner for Human Rights, the United Nations
Development Programme, the United Nations High Commissioner for Refugees, the
The network is expected to prioritize the rights and well-being of migrants and their
host communities in destination, origin, and transit countries. It will focus on those
issues where a common approach across the UN system would add value and where
results and impact can be readily gauged. A startup fund with a target of $25 million
has been established to support capacity building; it will be managed by a multi-part-
ner decision-making body.

Two processes important for the implementation of the GCM are the International
Migration Review Forum (to take place every four years, beginning in 2022), and the
Regional Migration Review Forum (every four years, beginning in 2020). The modalities
for these review forums will be defined in time for the UN General Assembly in 2019.

The GCM explicitly calls on the World Bank’s Global Knowledge Partnership on
Migration and Development (KNOMAD, see box 4.1) to support its objective of
improving data- and policy-oriented analytical activities.
SECTION 4. WORLD BANK GROUP ACTIVITIES

BOX 3.1. The 23 objectives of the Global Compact for Safe, Orderly, and Regular Migration

1. Collect and utilize accurate and disaggregated data as a basis for evidence-based policies.
2. Minimize the adverse drivers and structural factors that compel people to leave their country of origin.
3. Provide accurate and timely information at all stages of migration.
4. Ensure that all migrants have proof of legal identity and adequate documentation.
5. Enhance availability and flexibility of pathways for regular migration.
6. Facilitate fair and ethical recruitment and safeguard conditions that ensure decent work.
7. Address and reduce vulnerabilities in migration.
8. Save lives and establish coordinated international efforts on missing migrants.
9. Strengthen the transnational response to smuggling of migrants.
10. Prevent, combat, and eradicate trafficking in persons in the context of international migration.
11. Manage borders in an integrated, secure, and coordinated manner.
12. Strengthen certainty and predictability in migration procedures for appropriate screening, assessment, and referral.
13. Use migration detention only as a measure of last resort and work toward alternatives.
14. Enhance consular protection, assistance, and cooperation throughout the migration cycle.
15. Provide access to basic services for migrants.
16. Empower migrants and societies to realize full inclusion and social cohesion.
17. Eliminate all forms of discrimination and promote evidence-based public discourse to shape perceptions of migration.
18. Invest in skills development and facilitate mutual recognition of skills, qualifications, and competences.
19. Create conditions for migrants and diasporas to fully contribute to sustainable development in all countries.
20. Promote faster, safer, and cheaper transfer of remittances, and foster financial inclusion of migrants.
21. Cooperate in facilitating safe and dignified return and readmission, as well as sustainable reintegration.
22. Establish mechanisms for the portability of social security entitlements and earned benefits.
23. Strengthen international cooperation and global partnerships for safe, orderly, and regular migration.
Section 4. World Bank Group activities

This section highlights recent World Bank activities on migration. The activities are grouped into the categories of global partnerships, global knowledge, advisory services and analytics (ASAs, including systematic country diagnostics and country partnership frameworks), and lending. These activities span the four roles identified in the 2016 Board paper: (i) addressing fundamental drivers of migration and remittances through the World Bank Group’s support for development; (ii) maximizing benefits of migration and remittances and supporting migration-related Sustainable Development Goals (SDGs); (iii) generating knowledge for policy making and countering negative public perceptions; and (iv) financing programs to support safe and regular migration, including support to host countries dealing with migrant inflows.

The World Bank has undertaken approximately a hundred ASAs related to migration, and treated the theme in 40 Systematic Country Diagnostics, 30 Country Partnership Frameworks, and 7 lending projects. The Bank’s engagement, channeled primarily through ASAs in the six regions and across global practices, has focused on labor mobility, remittances, mobilizing diaspora resources, internal migration and protection of migrants, and the intersection of climate change and migration.

Global partnerships

During FY 2017–19, The World Bank Group continued its partnerships on migration and remittances with UN agencies, the European Union, multilateral development banks, and the G7 and G20. The Bank is a member of the UN Network on Migration (which replaced the Global Migration Group) and a key contributor of policy papers and advice to the Global Forum on Migration and Development (GFMD). In 2015, as the chair of the Global Migration Group (GMG), the Bank played an important role in facilitating the inclusion of migration-related goals in the 2030 SDGs and in Financing for Development in the Addis Ababa Action Agenda. The Bank hosts the Global Remittances Working Group, and its database of worldwide remittance prices helps countries monitor SDG 10.c on reducing remittance costs. The World Bank is also
working with the Financial Action Task Force and other standard-setting bodies on policies and regulations to combat money laundering and the financing of terrorism. The Bank is assisting regulators in many countries in addressing “de-risking,” the phenomenon of financial institutions terminating or restricting business relationships with clients or categories of clients to avoid, rather than manage, the risks of money laundering and terrorist financing. De-risking has affected banks’ and money transfer operators’ access to correspondent banking services.

Global knowledge

The World Bank Group publishes a wealth of data and rigorous policy reports on migration for three purposes: to inform policy making, to maximize the benefits of migration and manage its risks, and to support the migration-related SDGs. The Bank regularly compiles data on worldwide remittance flows, bilateral migration, and highly skilled migration. It has undertaken rigorous analysis of global gains from migration using sophisticated economic models and conducted pioneering household surveys involving migrants in several African countries. The Bank has published regional reports on migration in all six regions. In 2018, Moving for Prosperity: Global Migration and Labor Markets offered a comprehensive analysis of the gains from migration while addressing concerns about the costs incurred by host countries. The Bank has also launched a flagship report, Groundswell: Preparing for Internal Climate Migration.

For years, the Bank has played a key role in highlighting the importance of remittance flows in developing countries and identifying factors contributing to the high cost of sending money. Its implementation of the General Principles on International Remittance Services (covering transparency and consumer protection, payment systems infrastructure, legal framework, competition and governance) is an essential part of efforts to reduce costs. The Bank will continue to support countries in monitoring remittance prices and eliminating barriers to entry into the remittances market, including by streamlining anti-money-laundering regulations and addressing de-risking by correspondent banks. The Bank produces the quarterly Remittance Prices Worldwide database, which covers 365 bilateral country corridors (48 remittance-sending countries and 105 receiving countries).

With the International Labour Organization (ILO), the Bank is a co-custodian of SDG indicator 10.7.1, the aim of which is to reduce recruitment costs paid by migrant workers. Between 2014 and early 2017, the Bank (through KNOMAD, see box 4.1) and the ILO collected survey data covering more than 30 bilateral migration corridors, based on 5,500 interviews in countries of origin (Ethiopia, Nepal, Pakistan, and the Philippines) and destination (Italy, the Republic of Korea, Kuwait, Malaysia, Mexico, Russia, and Spain). The data collected supports methodological work to develop SDG indicator 10.7.1, which is defined as worker-incurred recruitment costs paid to secure an overseas
job, expressed as a proportion or multiple of monthly foreign earnings. In November 2018, the Inter-Agency and Expert Group on Sustainable Development Goals reclassified the recruitment cost indicator from Tier 3 to Tier 2 on the strength of a joint submission from KNOMAD and ILO.49

In receiving countries, the Bank has helped client countries increase their capacity to offer services to migrants. The Bank has supported the East African Community in developing a scorecard to assess mutual recognition of skills. A key purpose of the scorecard is to help returning migrants find employment.

**BOX 4.1. KNOMAD, the Global Knowledge Partnership on Migration and Development**

KNOMAD is a brain trust for the global migration community. As an open, inclusive, and multidisciplinary knowledge partnership, it aims to generate a menu of policy choices based on peer-reviewed analytical evidence and data collection. It also provides technical assistance. The Global Compact on Migration calls on KNOMAD to support the collection and analysis of data for evidence-based policy making. KNOMAD may also be asked to support the implementation of the GCM’s Regional and International Review Forums.

During its first phase (2013–18), KNOMAD advocated successfully to have goals related to migration included among the Sustainable Development Goals. It contributed to the preparation of the 2016 precursor to this paper, which was influential in G7 discussions and in the negotiations that resulted in the Global Compact on Migration. Other noteworthy outputs of KNOMAD include improvements to the UN World Population projections; incubation of the Mayoral Forum on Human Mobility, Migration, and Development for local governments; and creation of a network of more than 500 migration experts. So far KNOMAD has produced 6 migration and development briefs, 35 working papers, 43 international workshops and conferences, and 75 seminars on migration and development.

To address new realities, KNOMAD has reorganized its thematic working groups. The following nine groups are now operating: Data and Demographics, Labor Migration, Migrant Rights and Integration in Host Communities, Remittances and Diaspora Resources, Environmental Change and Migration, Internal Migration and Urbanization, Forced Migration and Development, Return Migration and Reintegration, and Special Issues (such as gender, migration of children and youth, local governments and migration, irregular migration, smuggling, and human trafficking).

KNOMAD is supported by a multi-donor trust fund with contributions from the European Union, Germany, Sweden, Switzerland, and the World Bank.
Advisory services and analytics

The World Bank has tailored its ASAs to the salient issues of each region (see table A2.1 in annex 2). In **East Asia and the Pacific**, ASAs include a study of integration and labor mobility in the Association of Southeast Asian Nations Economic Community; in Malaysia, a reimbursable advisory services program on the impact of foreign labor in the country; and an impact assessment of Australia’s Seasonal Workers Programme on participating households from the Pacific Islands. ASA programs for 2018–23 will include an examination of Pacific Island countries’ alternative recruitment, financing models, and supply-side readiness; an assessment of the development impact of the Pacific Labor Scheme and modeling of the impacts of expanding Pacific migration for communities in Australia and New Zealand; a study of the barriers to successful labor mobility in Myanmar; an evaluation of a program promoting legal migration in Indonesia; and an analysis of migrant workers from South Asia and East Asia participating in Korea’s Employment Permit System.

In **Eastern Europe and Central Asia**, recent activities have focused on the role of migration and remittances in Central Asia and remittance fees in Albania, Kosovo, Serbia, and the Western Balkans. In the Kyrgyz Republic, a financial sector program addresses remittances.

In the **Middle East and North Africa**, in Morocco, the Bank is supporting a twinning scheme involving Morocco’s public employment service, Germany’s federal employment office, and employers to facilitate overseas recruitment, predeparture training, and integration within the destination country. In Saudi Arabia, a reimbursable advisory services program is assessing policies put in place to correct the imbalance of migrant workers and native-born workers in the labor force. In Libya, analytical activities will collect data on mixed flows (a combination of forced displacement and economic migration). A study of how best to tap the MENA diaspora as an investment resource has also been conducted.

In **Latin America and the Caribbean**, activities are addressing migration issues in Haiti and the Dominican Republic, as well as the recent impact of Venezuelan migration to Colombia. A report finds that although migration could help Colombia grow, the process needs to be better managed so as to support the reintegration of Colombian returnees and the integration of arriving Venezuelans. The Bank is currently assessing the impact of Venezuelan migration to Ecuador and Peru. Several analyses of the impact of migration in the Northern Triangle of Central America (El Salvador, Guatemala, and Honduras) have also been pursued.

In **South Asia**, the Bank’s activities fall into three broad areas: (i) diversifying and upgrading temporary migration corridors, (ii) managing outbound international flows to ensure safer migration and reduce vulnerability, and (iii) providing services for
returning international migrants and displaced populations. Activities in each country are a mix of operations and analytics, with intensive engagement in Afghanistan, Bangladesh, and Pakistan.

In **Sub-Saharan Africa**, the World Bank has focused its efforts on reducing remittance costs (e.g., through work with the African Postal Financial Services) and helping countries such as Comoros and Somalia comply with regulations to fight money laundering and terrorist financing. Issues related to mixed migration, climate change, and intra-regional migration have been addressed in regional activities. Examples include a study of mutual recognition of identification documents in the East African Community and a project on regional identification documents in the Economic Community of West African States.

**Systematic country diagnostics**

During the period FY2017–19, forty systematic country diagnostics (SCDs) mentioned migration, remittances, or diasporas. However, only two countries—Comoros and El Salvador—undertook a more comprehensive migration diagnostic using the template designed for the purpose (see Annex 1).

Selected examples of how migration issues are addressed in SCDs are presented below. The Armenia SCD included an annex on internal mobility and international migration based on external sources from journals and OECD data. The SCD discusses the issues of emigration, remittances, and diaspora. It also recommends leveraging diaspora and remittances for development. Instruments could include diaspora bonds and the securitization of future flows of remittances. Chile’s SCD found insufficient data to assess the impact of immigration in the economy, including the fiscal impact on social services. Croatia’s provides examples of how the country partnership framework could inform future knowledge work in the country, including: informality and its impact on social protection, external migration, and the role of remittances for household welfare. Fiji’s SCD describes the role of remittances in reducing poverty and highlights a finding that Fiji could exploit opportunities for low- and medium-skilled migration under seasonal worker programs with Australia and New Zealand; it also seeks to establish a caregiver program with these countries. Georgia’s SCD notes that a key challenge and an opportunity will be to engage with the diaspora and attract highly skilled Georgians living abroad. The SCD of Honduras noted that to break the vicious cycle of migration without growth, it will be important to improve education and skills so that Hondurans can compete better, whether they migrate or stay home. Nepal’s SCD calls for deriving greater benefits from migration by addressing constraints to remittances, supporting entrepreneurial investments by return migrants, and making migration safer.
Country partnership frameworks

Thirty countries have included a discussion of migration and remittances in their country partnership framework (CPF) with the Bank (see table A2.2 in annex 2). The issues analyzed included: the positive contribution of remittances to poverty reduction and household welfare, the challenge of skilled emigration (and, in Europe and Central Asia region and small countries, declining population), high levels of rural-to-urban migration, and the imperative of creating jobs for youth and vulnerable populations to avoid conflict and further emigration. In several CPFs, few activities addressed interventions along the migration cycle (international or internal); in others, analysis of migration did not always translate into programming. For example, several CPFs report on the importance of remittances for poverty reduction and their relevance to economic growth. However, only two (Timor Leste and Comoros) included activities to leverage remittances and diaspora resources for development. Timor Leste aims to develop a program to reduce the cost of remittances through a payment platform; Comoros will try to mobilize diaspora investments.

Lending

Addressing fundamental drivers of migration through lending projects

The twin goals of reducing poverty and sharing prosperity address the issue of income gaps, a key driver of migration. Indeed, almost all of the World Bank Group’s development programs address this issue, directly or indirectly. In particular, the World Bank Group is addressing the fundamental drivers of migration by engaging in projects aimed at building skills and human capital, creating more and better jobs, addressing climate change, and improving living conditions through investments in infrastructure.

As documented in section 2, the desire for better opportunities for children is an important cause of migratory pressure – as was seen, for instance, in the child migrant crisis that erupted in Central America in 2014. But unregulated child migration also leads to terrible vulnerabilities – as seen in the recent deaths of Central American children at the Mexico-US frontier. Widening access to high-quality health and education services at home may help to reduce migration pressures. Since 2000, IDA has invested nearly $47 billion in human capital. As a result, 80 percent of children in IDA countries are now enrolled in primary education, and the gender gap in enrollment has narrowed to just 1 percent. The “Crecer Sano” project in Guatemala is improving local service delivery and behaviors related to malnutrition in the first thousand days of life. The Bank’s Human Capital Project promotes improved performance in health, education, and social protection to support a healthy and productive new generation. So far, 63 countries accounting for 85 million international migrants (or one-third of the global total) have signed on to the project. Common areas of focus are reducing stunting
(and its lifelong impact on productivity) and improving education quality and market relevance. The Africa Human Capital Plan focuses on accelerating the demographic transition and improving health and education outcomes by leveraging innovation and technology. An important priority are educational reforms to prepare youth from Africa and Asia for the global job market, which, among other benefits, would help them take advantage of the regular migration channels that are available to more educated and skilled workers. Projects related to fertility, family planning, and demographics in Africa and MENA can help to slow population growth and yield a demographic dividend.

In addition to promoting investment in human capital, the WBG is increasingly focused on jobs in IDA countries. Jobs enable young people to earn a living in their local economies and may reduce their incentives to migrate. A special theme on Jobs and Economic Transformation in IDA 18/19 supports a balanced approach that (a) promotes job-creating private investments through programs and policies to create markets and help firms connect to them, and (b) helps workers and entrepreneurs become more productive by building their skills and capabilities and connecting them to better jobs. The two-pronged strategy reflects the need to break out of a vicious circle where the lack of private sector jobs has undermined the quality of the labor force, given that many skills are typically learned on the job. This situation calls for coordinated policies to stimulate growth in private sector jobs, on the one hand; and to prepare a suitably qualified labor force to take up those jobs, on the other.

Accelerating job-creating private investments in IDA settings requires a broad set of programs and policies, including effective macroeconomic management (including control of debt) to strengthen incentives for investment and growth; sound governance, including secure property rights and legal frameworks; and well-functioning product markets, financial markets, and factor markets. Access to markets is advanced through investments in high-quality domestic and regional infrastructure, including transport, energy, urban, and business infrastructure; integrated digital development; and pro-poor trade strategies that reinforce comparative advantage and leverage domestic, regional, and global value chains in high-productivity sectors. For example, the Bank is supporting Egypt’s efforts to promote private sector-led investments, job creation, and a more inclusive economy through structural reform. In Ethiopia, the Bank supports private sector development and job growth through industrial parks, reforms in the logistics sector, and the development of infrastructure. In El Salvador, the World Bank is supporting a rural competitiveness project to increase productivity among organized small-scale producers.

To develop the capabilities of workers and entrepreneurs, the WBG is supporting a wide range of training and skills programs with better linkages to market demand, using delivery systems that offer incentives to train providers to work with disadvantaged youth and women and to place the trainees in jobs. IDA projects in Benin, Ghana, and Niger offer young people specialized technical training and a sequence of
activities promoting financial inclusion, skills training, and access to finance. The Ghana Jobs and Skills Project provides financial and technical assistance for (i) apprenticeships and business training, including start-up cash grants to individuals; (ii) cash grants to private enterprises for workforce expansion; and (iii) a labor-market information system and local public employment centers to assist individuals and enterprises with intermediation. The Niger Youth Employment and Productive Inclusion project expands income-generating activities for vulnerable youth through financial inclusion, skills training, and a start-up grant. A difficult but promising area for improving labor-market outcomes is support for job matching, which requires market analysis and projections, combined with appropriate skill building and certification.  

The WBG has focused particularly strongly on supporting better labor-market outcomes for women. New projects in Cape Verde, Côte d’Ivoire, Ethiopia, Guinea-Bissau, Nepal, Niger, Pakistan, and Rwanda address gaps between men and women, focusing on improving life skills, providing entrepreneurship training for women, and supporting formal vocational training. Projects to provide access to credit for female entrepreneurs have been launched in Afghanistan, Burundi, Cape Verde, Djibouti, Kenya, Madagascar, and Pakistan. The International Finance Corporation has developed a regional risk-sharing facility for small and medium-sized enterprises owned by women in Burkina Faso, Ghana, Madagascar, Mali, Niger, Senegal, Tanzania, and Togo. The Bank Group also started the Women Entrepreneurs Finance Initiative (We-Fi), which focuses on removing financial and nonfinancial constraints facing female small-business owners.

Another driver of migration is climate change. The World Bank Group is working on both the mitigation of climate change and adaptation to its impacts (including its effect on migratory pressure). On the mitigation agenda, to help countries meet their nationally defined contributions to limit global warming, the Bank offers knowledge and financing for renewable energy, energy efficiency, sustainable mobility, sustainable and resilient cities, climate-smart land use, water and food security, and green competitiveness. It helps mitigate disaster risk by encouraging countries to include migration in national adaptation plans, to put in place early-warning systems, and to design programs to reduce the vulnerability of the poor.

Support has been delivered through the Global Facility for Disaster Reduction and Recovery. In Africa, work during fiscal year 2018 focused on disaster-risk financing, resilient recovery, and coastal resilience. In East Asia, grants were given to support activities in financial planning for disaster recovery, city resilience, resilient infrastructure, and post-disaster recovery. In Latin America and the Caribbean, the World Bank assisted governments in the development of national strategies to manage disaster risks. Some recent examples include a project on local economic resilience in El Salvador (FY19), Guatemala Cat-DDO project (FY19), the Honduras Water project (FY19), and resilience work in the Caribbean and Haiti. In Afghanistan, climate risk is being mainstreamed.
into planning and decision making. The World Bank’s Adaptive Social Protection Program in the Sahel will enable new and existing social protection systems to act at scale before extreme climate events become disasters.

IDA operations approved by the Board between July 1, 2017, and March 31, 2019, have been screened for climate and disaster risks. The WBG has also been supporting operations to build resilience. For example, IDA’s West Africa Coastal Areas Resilience Investment Project (FY18, $210 million) aims to build the resilience of coastal communities in Benin, Côte d’Ivoire, Mauritania, São Tomé and Príncipe, Senegal, and Togo. Catastrophe-Deferred Drawdown Options were approved for Kenya and Samoa.52

The Bank Group continues to support investment in quality infrastructure. Millions of poor people still lack access to basic infrastructure services, limiting their ability to raise their earnings. IDA19 commitments will focus on rural, urban, and air connectivity, as well as on regional corridors. They will emphasize cleaner environments through hydro-power and greater access to other forms of clean and renewable energy.

The IMF–WB Debt Sustainability Framework for low-income countries now includes remittances in its analysis (complementing the existing components of country growth performance, reserve coverage, and the Country Policy and Institutional Assessment index). In countries where remittances are large, a thorough accounting can enhance sovereign credit ratings and reduce borrowing costs. Recent debt sustainability assessments for Bangladesh, Benin, Cameroon, and the Central Africa Republic incorporated remittances.

The World Bank could also strengthen its work on regional integration to promote growth in Sub-Saharan Africa and in Central America. Countries that have integrated regionally benefit from growth spillovers, larger markets, and scale economies in production—benefiting producers, investors, and consumers. Regional integration could also serve as stepping stone to global value chains.

The World Bank could continue to support national and sub-national governments in their efforts to design and implement large-scale programs aimed at: (i) improving the local business environment, (ii) tackling crime and violence, (iii) increasing resilience, and (iv) supporting the capacity of local governments.

**Migration-oriented lending projects**

Projects focused on migration tend to be minor subcomponents of a larger overall project. Some client countries would like to gain access to concessional financing to address migration drivers. Donor contributions could be mobilized in such cases to generate resources that could then be allocated as grants or subsidized loans.
During FY2017–19, seven lending projects have been approved with migration activities as a component or subcomponent.

Somalia: Supporting Remittance Flows (SRSF; P158235), $3.13 million. The project aims to support the Central Bank of Somalia in improving its supervisory role in remittance markets and to develop its financial system. The World Bank, with assistance from the Financial Institutional Reform Advisor, has provided support to the Central Bank to strengthen the process of assessing and licensing money transfer businesses. In addition, the Bank has helped to prepare a manual on the supervision of mobile money service providers and to recommend ways to regulate mobile money. According to the latest report on implementation status and results, the two key project ratings—progress toward the achievement of the objective and toward overall implementation—are satisfactory.

Pakistan: Economic Revitalization of Khyber Pakhtunkhwa, Federally Administered Tribal Areas (ERKF; P160445), additional financing of $20 million to benefit small and medium enterprises in the region. The original ERKF project had three components: (i) developing small and medium enterprise; (ii) attracting investment from the diaspora; and (iii) building institutional capacity to foster investment and implement regulatory reforms. The Government of Pakistan was following up on the prospects of formalizing investments promised by the diaspora during an Investment Road Show in Dubai (held in 2015). An implementation report in January 2019 reported that no investments from the diaspora had yet materialized. However, two other activities (web tools for the diaspora and diaspora outreach programs) are almost completed.

Tonga: Skills and Employment for Tongans (IDA grant; P161541). The migration component of $1.8 million to benefit Tongan migrants is a part of the larger program of $20.9 million. This recently approved project aims to improve secondary school progress and certifications of skills that will be accepted in Australia and New Zealand. It is expected that 8,000 beneficiaries will receive predeparture training.

Bangladesh: Jobs Programmatic DPC (P167190), $250 million. Beneficiaries are overseas migrants and returning migrants. Jointly managed by Social Protection and Jobs; Macroeconomics, Trade, and Investment; and Fragility, Conflict, and Violence, the project will support the government’s efforts to address the country’s job challenges through three pillars: (i) modernizing the environment for trade and investment, (ii) strengthening systems that protect workers and build resilience, and (iii) improving policies and programs that enhance access to jobs for vulnerable populations. The last pillar includes an action item to expand services to overseas migrants through the Wage Earners Welfare Board. The project was approved in December 2018; the first status report has not yet been issued.
Comoros: Integrated Development and Competitiveness Project (P164584), $25 million. Beneficiaries are producers, cooperatives, and associations in agriculture, tourism, and associated sectors. Some of the components will develop economic ties with the Comorian diaspora and facilitate their investments and involvement in Comoros (financial, skills, mentoring, networking) through: (i) a review of the business environment and binding constraints on diaspora investments; (ii) a new public-private dialogue to identify priority areas for reform; and (iii) capacity building to enable the national investment promotion agency to facilitate market access and investment opportunities.

Colombia: Second Fiscal, Competitiveness, and Migration DPF (P162858), $750 million. Beneficiaries are Venezuelan migrants in Colombia. The operation includes the approval of a national policy for migration response, as well as the regularization of migrants registered by the Government in the registry of Venezuelan migrants known as RAMV. This operation received $31.5 million in co-financing through the Global Concessional Financial Facility (GCFF).

India: First Resilient Kerala Program Development Policy Loan (P169907). The World Bank is supporting a subnational operation in Kerala to finance reconstruction after major floods in 2018. A key component is to maximize financing for development by issuing a diaspora bond in the amount of approximately $140 million.53
Section 5. The way forward

Viewing migration through a development lens can suggest promising ways to deploy the World Bank Group’s knowledge, finance, and convening power to catalyze collective action by relevant actors to address migration at the global, regional, and national levels. In the absence of an independent evaluation of World Bank Group migration activities (by the Independent Evaluation Group), consultations with various units in the Bank Group have yielded suggestions of objectives that the World Bank Group could pursue. These include reducing barriers to migration within low-and middle-income countries, as well as between low-and middle-income countries and high-income countries, ensuring that criteria for restrictions on migration are rationalized, and creating frameworks that allow for improved monitoring of transitory movements across countries and regions.

Based on these internal discussions and external consultations with clients, partners, and stakeholders, management has identified four broad areas for World Bank Group involvement in programs—related to international migration driven by economic and climate factors—(beyond its other activities that may affect migration). The four areas are (i) supporting safe and regular (legal) labor mobility, (ii) supporting the migration-related indicators for several of the Sustainable Development Goals (SDGs), (iii) generating knowledge for policy making, and (iv) supporting global partnerships (table 5.1).

These areas are sufficiently broad, as discussed below, to cover most of the objectives of the Global Compact on Migration described in section 3. The Board’s guidance is requested on these activities.

Supporting safe and regular (legal) labor mobility

Migration is not a substitute for development at home, but it can be leveraged for development. It can generate substantial welfare gains for sending and receiving countries, but it also brings challenges. Migration is set to increase, driven by income disparities, demographic imbalances, and climate change. The World Bank Group can support global efforts to promote safe, orderly, regular migration and maximize returns
for sending and receiving countries. This section discusses a menu of activities for which countries may wish to seek support in the usual selective, country-driven engagement frameworks, which can be supported by “migration diagnostics,” for which a template and pilot experiences have already been developed (see Annex 1).

Labor mobility can be supported through predeparture training for migrant workers (including language training, financial education, and cultural preparation) and access to information about job opportunities abroad and about financing of migration costs. In the case of managed migration programs, these essential steps can be complemented by rigorous monitoring and evaluation systems, grievance mechanisms, and portability of social benefits and other measures to support families left behind (such as microenterprise development, financial literacy, and relevant social services). Also essential are steps to ensure that migrant women receive equitable access to services and resources related to basic rights (e.g., housing, health, and education) and are not subject to exploitation, trafficking, or violence in their new environment. IFC and IBRD can support entrepreneurs and firms in developing countries by identifying policies that restrict recruitment of skilled workers and managerial talent from other countries and bridging skills gaps.

**TABLE 5.1. Proposed World Bank Group engagement on migration: Priority areas and activities**

<table>
<thead>
<tr>
<th>Priority area</th>
<th>Activities</th>
<th>Instrument</th>
<th>Target</th>
</tr>
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<tbody>
<tr>
<td>(i) Supporting safe and regular (legal) labor mobility</td>
<td>Improve infrastructure for access to information and finance, pre-departure training (including language and cultural training), protection of migrant workers (especially women)</td>
<td>TA, ASA, lending</td>
<td>Origin and destination</td>
</tr>
<tr>
<td></td>
<td>Provide technical advice on bilateral/regional labor mobility agreements, mutual recognition of skills, and portability of social benefits</td>
<td>TA, lending</td>
<td>Origin and destination</td>
</tr>
<tr>
<td></td>
<td>Support modernization of government systems for issuance of passports (also relates to SDG 16.9)</td>
<td>Lending</td>
<td>Origin</td>
</tr>
<tr>
<td></td>
<td>Support programs for families left behind (social services, microenterprise development)</td>
<td>TA, lending</td>
<td>Origin</td>
</tr>
<tr>
<td></td>
<td>Support host populations’ and migrants’ access to jobs, education, health and housing services; provide language and skills training to migrants to facilitate integration</td>
<td>Lending</td>
<td>Destination</td>
</tr>
<tr>
<td></td>
<td>Collect data on and analyze the impact of slow-onset climate-driven migration</td>
<td>ASA</td>
<td>Origin</td>
</tr>
</tbody>
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(Continued)
## SECTION 5. THE WAY FORWARD

<table>
<thead>
<tr>
<th>Priority area</th>
<th>Activities</th>
<th>Instrument</th>
<th>Target</th>
</tr>
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</table>
| (ii) Supporting migration-related SDGs: reducing recruitment costs (SDG 10.7.1), reducing remittance costs (SDG 10.c.1), leveraging remittances for development (SDG 17.3.2), and mobilizing diaspora resources | - Build the capacity of national statistical offices to conduct surveys of recruitment costs incurred by migrant workers  
- Improve the regulatory framework surrounding (i) recruitment agencies and (ii), bilateral labor agreements  
- Support legal, regulatory, and policy reforms related to retail payments including remittances (e.g., licensing and supervision of money transfer operators)  
- Strengthen regulations that affect remittance markets (e.g., taxes, fintech, competition)  
- Monitor, project, and analyze remittance volume by corridor and channel, for debt-sustainability analysis  
- Develop capital market access for countries, companies; financial access for households, small businesses; retail payment systems  
- Improve regulatory framework and institutions to engage the diaspora (investment-promotion agencies and consulates)  
- Assist governments in the implementation of diaspora bonds and remittance-backed bonds to maximize finance for development | TA         | Origin and destination          |
|                                                                              |                                                                                                                                                                                                                                                                                                                                               | TA         | Origin and destination          |
|                                                                              |                                                                                                                                                                                                                                                                                                                                               | Lending, TA| Origin                          |
|                                                                              |                                                                                                                                                                                                                                                                                                                                               | ASA        | Origin and destination          |
|                                                                              |                                                                                                                                                                                                                                                                                                                                               | TA         | Origin and destination          |
|                                                                              |                                                                                                                                                                                                                                                                                                                                               | Lending, TA| Origin                          |
|                                                                              |                                                                                                                                                                                                                                                                                                                                               | TA, lending| Origin                          |
| (iii) Generating knowledge for policy making                                  | Support preparation of forward-looking migration profiles, collection of data on outward and inward migration and remittance flows  
- Strengthen national statistical capacity through data tools and training  
- Evaluate migration programs and policies  
- Develop and maintain database of integration measures | TA         | Origin and destination          |
|                                                                              |                                                                                                                                                                                                                                                                                                                                               | TA         | Origin and destination          |
|                                                                              |                                                                                                                                                                                                                                                                                                                                               | ASA        | Origin and destination          |
|                                                                              |                                                                                                                                                                                                                                                                                                                                               | ASA        | Destination                     |
| (iv) Supporting global partnerships                                           | Support countries in preparing reports for the Regional and International Review Forums of Global Compact of Migration  
- Support G20, G7, UN Migration Network, Global Forum on Migration and Development, Regional Economic Communities, European Commission, African Union  
- Support multilateral development banks | TA         | Origin, destination, and global |
|                                                                              |                                                                                                                                                                                                                                                                                                                                               | Global engagement | Global |

Source: Authors’ compilation.  
Note: TA = technical assistance; ASA = advisory services and analytics; SDG = Sustainable Development Goal.
Client countries often need to improve the efficiency of their systems for issuing passports to nationals at home and, especially, to those living abroad. Modernization of passport systems goes beyond the issuance of the document—it involves reform and integration of population registries and criminal verification systems. In many developing countries, the issuance of identification documents can involve delays and cumbersome bureaucratic processes. It is critical to ensure that legal identification systems are effective—and available to nationals living abroad. This line of work will support SDG target 16.9: “By 2030, provide legal identity for all.”

Female migrants are at greater risk of exploitation and abuse, including trafficking. Gender-based violence or conflict-related sexual violence may force women and girls to migrate, and they may be subject to violence during transit or at their destination (e.g. at the hands of an employer). Low-skilled women migrants end up as low-paid factory workers and, more importantly, domestic workers. Domestic workers comprise a significant part of the global workforce in informal employment. They work for private households, often without clear terms of employment, and are generally excluded from labor legislation. World Bank activities could help client countries to devise programs that ensure safe migration for women through information, language training, skill development and job placement services.

Host governments can leverage the skills and potential of economic migrants by lowering barriers and facilitating integration processes. Significant progress has been achieved in the past two years to develop a database under the current Migration and the Law project (box 5.2) which can guide this process.

Orderly and voluntary migration schemes will reduce environmental pressures, increase wealth, and reduce poverty. Most importantly, such mechanisms will prevent mass migration of an even larger share of the population when climate or weather disasters strike. The World Bank is supporting countries in developing national adaptation plans that cover climate-driven migration. Some included activities help to reduce the impacts of climate shocks on poverty, productive assets, and human capital by supporting programs to help communities “adapt in place” wherever local adaptation options are viable and sensible. Other activities will support people seeking to relocate internally and internationally (for example, in the case of small island nations), and also support local communities through access to jobs, skills training, and social services.

The World Bank’s Disaster Risk Financing and Insurance Program, Famine Action Mechanism, and Global Index Insurance Facility address issues of internally displaced populations and migration. Through this work, the Bank supports clients by identifying their strategic priorities for financing shock response and developing a range of financial tools, including for example the Development Policy Loan with Catastrophe Deferred Drawdown (Cat-DDO), which is designed to rapidly mobilize resources in the event of a shock. Activities in this area include improving knowledge and data to
better measure, map, understand, predict, and address climate-driven migration, such as movements resulting from sudden- and slow-onset natural events, from the adverse effects of climate change, and from environmental degradation. IFC can support low-carbon, high-impact development projects where returns may be low and uncertain, by catalyzing private sector investment.

Supporting migration-related SDGs and mobilizing diaspora resources

This sub-section highlights two specific migration-related SDG indicators. However, many SDG targets can be fully achieved only if migration and migrants are considered. Prominent examples are, SDG target 8.8 to protect labor rights and promote safe and
secure working environments for all workers, including migrant workers and women migrants, and SDG 16.9 to provide legal identity for all (as mentioned above).

**Reducing recruitment costs paid by migrant workers (SDG indicator 10.7.1)**

The World Bank is a custodian, together with the International Labour Organization, of SDG indicator 10.7.1 on reducing the recruitment costs paid by migrant workers. The Bank is providing capacity building and technical assistance to national statistical offices to monitor those costs. Guidelines have been developed for the collection of data, and a virtual network of statistical experts has been formed with the participation of statistical offices. Efforts are underway to develop model questionnaires for gathering cost data, together with an operation manual to support national statistical offices in conducting migration cost surveys as part of their SDG-monitoring efforts.

The Bank can provide knowledge resources and data helpful to governments as they (i) develop bilateral agreements to establish legal channels of labor migration; (ii) support reasoned migration decisions by providing information to prospective and current migrant workers about job opportunities abroad; and (iii) provide support for safe migration by improving the licensing and regulatory framework surrounding recruitment agencies. Also, it can support schemes to help migrants finance eligible costs. Also, IFC can support firms in complying with international standards for recruitment and employment of migrant workers.

**Reducing remittance costs (SDG indicator 10.c.1) and leveraging remittances for development (SDG 17.3.2)**

The World Bank Group continues to play a leading role in global efforts to reduce remittance costs. Its activities in this area include support for enhanced interoperability of retail payment systems, efforts to reduce entry barriers for new players offering efficient technologies, measures to reduce the burdens of complying with regulations designed to combat money laundering and terrorist financing, and monitoring of remittance costs and volumes through the quarterly Remittance Prices Worldwide database and semi-annual Migration and Development Briefs. The Bank also provides technical assistance to countries on improving data collection on remittance flows through formal and informal channels.

The World Bank is supporting countries in improving their regulatory framework for compliance with international regulations to combat money laundering and the financing of terrorism. These regulations have made it difficult for smaller remittance-service providers to open accounts with correspondent banks. The latter, for their part, treat remittance transactions as high-risk and, instead of managing the risks, have been denying correspondent banking services to money transfer operators (World Bank 2015; FSB 2018).
**FIGURE 5.1.** Global agenda for leveraging remittances for development

| Capital market access for countries, companies | Sovereign credit rating  |
|                                            | Bonds backed by future remittances as collateral  |
|                                            | Diaspora bonds  |
| Financial access for households, small businesses | Deposit and saving products  |
|                                            | Mortgages, consumer loans, microfinance  |
|                                            | Credit history for clients of microfinance institutions  |
|                                            | Insurance products  |
| Retail payment system | Payment platforms/instruments (mobile money, cryptocurrency)  |
|                                            | Clearing/settlement, capital adequacy, disclosure, cross-border arbitration  |
|                                            | De-risking, measures to fight money laundering and the financing of terrorism  |
| Monitoring, analysis, projection | Size, corridors, channels  |
|                                            | Countercyclicality  |
|                                            | Effects on poverty, education, health, investment  |
|                                            | Policy (costs, competition, exchange controls)  |

Source: Authors’ compilation.

Reducing remittance costs is also a component of the World Bank’s efforts in other areas, including promoting financial inclusion, providing support to small and medium-sized enterprises, the Identity for Development (ID4D) initiative, and the Digital Economy for Africa (DE4A).\(^8\) Figure 5.1 summarizes a comprehensive agenda for leveraging remittances for development. Besides reducing remittance costs, the global community can help deploy remittance channels to increase financial access to poor households in low- and middle-income countries. Remittance channels can also be used to mobilize diaspora savings and investments at a macroeconomic level through diaspora bonds (see box 5.3) and securitization of future flows of remittances. Remittances are already being used to assess credit ratings.

**Mobilizing diaspora resources**

The World Bank Group is helping countries mobilize diaspora investments to finance development programs. For example, it assists in the implementation of diaspora bonds (box 5.3) by helping to prepare enabling legislation and supporting key institutions such as investment promotion agencies. Diaspora bonds can be used to mobilize financing for post-disaster reconstruction or even to refinance higher-cost debt. Securitization of future flows of remittances can be used to finance microenterprises.
BOX 5.3. Diaspora bonds

Diaspora bonds can be a useful instrument for longer-term financing of development programs, especially during economically hard times, and for rehabilitation and rebuilding after a natural disaster. Migrants tend to save a significant share of their income, with the global savings estimated at more than $500 billion annually. They keep much of these savings in low- to no-interest bank accounts, generating very little additional income. Diaspora bonds offer countries of origin a unique opportunity to maximize returns for the diaspora while also securing much-needed long-term funding for development projects at home. For the origin country, diaspora bonds can provide cheaper funding than sovereign bonds sold in international capital markets. This is because diaspora populations are often more willing to invest in their home countries than are foreign investors. In many countries where diaspora populations do not have legal pathways to permanent residence, diaspora bonds could be issued in the local currency of the origin country, thus reducing currency conversion risks.

Diaspora bonds have had varying success depending on the country. They have done particularly well in low- to middle-income countries with a sizable first-generation diaspora in middle- to high-income countries. Countries such as Israel, India, and Nigeria have had success with such bonds, while others, including Ethiopia and Nepal, were not so fortunate. Finding investment projects with the right combination of risk and reward can make a big difference in terms of the viability of the bond, particularly when diaspora members trust that their money is being managed effectively and will be used to stimulate development back home. To avoid market segmentation, some countries (for example, Nigeria) have offered the same rate of interest on diaspora bonds as on sovereign euro bonds and allowed institutional investors to purchase diaspora bonds. These bonds should be registered under appropriate securities and exchange regulations in the countries where the diaspora members reside. For long-term sustainability, diaspora bonds should be consistent with government debt market policies and financial development objectives. The challenges raised by diaspora bonds, similar to those found in government bonds sold to retail investors, include cost-effective distribution channels.

Preliminary estimates indicate that the following countries have more than $1 billion in annual diaspora savings (in descending order): Mexico, China, India, the Philippines, Russia, Vietnam, Pakistan, Ukraine, Romania, Turkey, Morocco, Colombia, Cuba, Kazakhstan, Malaysia, Brazil, Islamic Republic of Iran, El Salvador, Jamaica, Arab Republic of Egypt, Bangladesh, Haiti, Afghanistan, Ethiopia, Myanmar, Ghana, Kenya, Somalia, Cambodia, Lao People’s Democratic Republic, Nepal, Zimbabwe, Kyrgyz Republic, and Democratic Republic of Congo.

Besides diaspora bonds, other instruments to mobilize diaspora resources to support entrepreneurship and private sector development include crowdfunding platforms and equity investments. Other financial instruments that have been used by countries to mobilize bond financing are future-flow securitization of remittances and diversified payment rights.

Source: Ratha 2019.
Finally, the World Bank supports governments’ efforts to promote the transfer of technology, knowledge, and skills from the diaspora.

Generating knowledge for policy making: more and better data, forward-looking migration profiles, and impact evaluations

The World Bank (and KNOMAD) continue to support capacity-building activities to create new data and improve the quality of existing data on migration and remittances, and especially the migration-related SDGs for which it is a custodian. Irregular migration and informal flows of remittances are significant in many countries, which affects the reliability of data on these variables. The lack of data on migration in many low- and middle-income countries is especially acute, hindering efforts to mainstream migration into development plans and to assess the impacts of migration on origin, transit, and destination countries. There is also a great need for rigorous evaluation of migration programs and policies.59

A major goal for the Bank’s migration program will be to respond to requests from countries to develop forward-looking migration profiles.60 These profiles will include disaggregated data on all migration-relevant subjects in the national context, including migrant stocks and flows, trends and projections, characteristics of migrants, labor-market needs by sector, remittance transfer costs, and economic and social drivers and impacts of migration. In particular, the Bank will offer support in evaluating the impact and outcome of specific policies and programs.

The World Bank Group, if requested by clients, could also support efforts to provide accurate and unbiased information on migrants (and refugees) entering the country and on costs and benefits of migration to help counter anti-immigrant sentiments in destination countries.61 There is a need to better align public perceptions with facts, and to reinforce social safety nets for native-born workers including retraining, relocation assistance, and unemployment insurance.

Supporting global partnerships

The World Bank Group can leverage its knowledge, its financial resources, and its convening power to support global partnerships to harness the benefits of migration. Besides supporting the implementation of migration-related SDGs, the Bank can facilitate international dialogues through the Global Forum on Migration and Development (GFMD) and the newly adopted Global Compact on Migration (GCM). In particular, as
countries begin preparations for the quadrennial Regional and International Review Forums in 2020 and 2022 respectively, the Bank could offer relevant data, evidence, and analytical support. It also could support the forums by preparing a report on policy priorities. A possible format for such support could be a review framework, similar to the G20 Mutual Assessment Process, in which countries voluntarily outline policy initiatives relating to migration. Their outlines, compiled and checked for consistency, would be used as input for a report to be discussed at the forums (World Bank 2018c).

In conclusion

The Bank Group will continue to support operational work on migration in accordance with evolving demand and the Group’s capabilities. At the IDA18 mid-term review and the launch of IDA19 in Zambia in November 2018, participants suggested “strengthening interlinkages across themes, paying attention to challenges of migration and issues of demographics” (World Bank 2018c). Because the migration agenda cuts across many global practices, it is well-suited for “OneBank” projects (World Bank 2016a).62

The complexity of migration issues will require partnerships both within the World Bank Group and externally with the UN system, other multilateral development banks, civil society, and the private sector, which is critical for generating jobs and providing financial services. To address the drivers of migration, the International Finance Corporation could support small and medium-size enterprises through investments and capacity building in origin countries. It could also work with the private sector in destination countries to provide services (health, education, housing, remittance channels). The World Bank Group can play a role in addressing information asymmetries in international job markets, which cause welfare losses to migrants and even hardships in the form of exploitative recruitment costs or harsh working conditions. This can be achieved through facilitating bilateral labor agreements, skill matching and international portability of social benefits.

Once again, viewing migration through the lens of reducing poverty and sharing prosperity can provide a unifying framework for pursuit of a common set of “minimum policy packages” such as those listed in table 5.1, and thus realize the synergies inherent in current global engagements.
Proposed template for migration diagnostics

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

Origin countries

Step 1. Migration in the country context
- Migration profile on emigration and immigration (Factbook 2016)
- Future trends
- Diagnostic tool on governance structure, regulations, SDGs (remittance and recruitment costs)

Step 2. Analysis of challenges and opportunities
- Fundamental drivers: poverty, inequality, lack of security, demography, climate change
- SDGs (remittance and recruitment costs)
• Reducing costs to family members left behind

**Step 3. Solutions**

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

**Destination and transit countries**

**Step 1. Migration in the country context**

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

**Step 2. Analysis of challenges and opportunities**

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

**Step 3(a) Solutions for native-born workers**

• Social protection
• Job search
• Skill development

**Step 3(b) Solutions for migrants**

• Managing admission systems and lowering costs of entry
• Integration of migrants
• Skill development
• Job search
• Access to social benefits and protection of migrant rights
An illustrative list of “migration countries”

This list, updated since the previous Board paper of 2016, includes countries and economies where the Bank’s Systematic Country Diagnostics and Country Partnership Frameworks should be viewed through a migration lens. Criteria include the size of outward or inward migration at the national, sectoral, or subnational level, and the importance of remittances in the economy.63

**Emigration**

Afghanistan, Albania, Armenia, Azerbaijan, Bangladesh, Belarus, Bosnia and Herzegovina, Bulgaria, Cabo Verde, Central African Republic, China, Comoros, Congo, Cuba, Dominica, Dominican Rep., Egypt, El Salvador, Fiji, Georgia, Guyana, Haiti, Honduras, India, Indonesia, Jamaica, Kazakhstan, Kosovo, Kyrgyz Republic, Lao PDR, Lebanon, Lesotho, Macedonia, Mauritius, Mexico, Micronesia, Moldova, Montenegro, Morocco, Nicaragua, Pakistan, Palau, Paraguay, Philippines, Romania, Russian Federation, Samoa, Sao Tome and Principe, Serbia, Seychelles, Sierra Leone, Somalia, South Sudan, St. Lucia, Suriname, Syria, Tonga, Tuvalu, Ukraine, West Bank and Gaza, Zimbabwe.

**Immigration/transit***

Ethiopia*, Jordan, India, Kazakhstan, Lebanon, Libya*, Malaysia, Mexico*, Morocco, Niger*, Russia, South Africa, Sudan*, Thailand, Turkey*, Ukraine. (*Indicates transit country.)

**Remittances**


**High-income countries**

Argentina, Australia, Bahrain, Canada, France, Germany, Kuwait, Hong Kong SAR, China, Italy, Luxembourg, Oman, Poland, Portugal, Qatar, Saudi Arabia, Singapore, Spain, United Arab Emirates, United Kingdom, United States.
TABLE A2.1. Selected World Bank Group Advisory Services and analytical products on international migration during FY 2017–19: Active and delivered

<table>
<thead>
<tr>
<th>ACTIVE</th>
<th>East Asia</th>
<th>Europe and Central Asia</th>
<th>Latin America</th>
<th>Middle East and North Africa</th>
<th>South Asia</th>
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| Migrants rights protection | | | | | | |
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| - Vulnerable and Excluded Workers | | | | | | |
| Migration | | | | | | |
| Migration of Turkey’s Top Students: Brain Drain and Brain Gain | | | | | | |
| Diaspora Bonds | | | | | | |
| Jamaica TA | | | | | | |
| Kyrgyz: Labor Migration Module | | | | | | |
| Remittances | | | | | | |
| - Somalia | | | | | | |
| Supporting remittance flows | | | | | | |
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| Migrants rights protection | | | | | | |
| - Jobs and worker protection in Indonesia | | | | | | |
| - Vulnerable and Excluded Workers | | | | | | |
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| Diaspora Bonds | | | | | | |
| Jamaica TA | | | | | | |
| Kyrgyz: Labor Migration Module | | | | | | |

(Continued)
## SELECTED WORLD BANK GROUP ACTIVITIES DURING FY2017-19

### DELIVERED

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<th>Regional</th>
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<th>Europe and Central Asia</th>
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<td>Impact Analysis of Venezuelan Migration</td>
<td>Strengthening Migration Systems and Outcomes</td>
<td>Bangladesh Safe Migration Impact Evaluation</td>
<td>Mixed Migration, Forced Displacement and Job outcomes in Sub-Saharan Africa</td>
<td>Gains from Migration</td>
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<td>Central America: Migration and Shared Prosperity</td>
<td>Bangladesh: Migration</td>
<td>Afghanistan: Poverty and Migration</td>
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### Labor migration

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<th>Migration</th>
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<td>Indonesia: International Labor Migration</td>
<td>Turkey: Skilled Migration and FDI</td>
<td>Economic Impacts of Global Uncertainty</td>
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### Remittances

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<tr>
<td>Remittances &amp; Cap Market Access</td>
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<td>Project Greenback</td>
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**Source:** Authors’ compilation. This list may not be exhaustive as not all migration-related activities are labelled as such.

**Note:** ASEAN = Association of Southeast Asian Nations; ASA = advisory services and analytics; DFID = UK Department for International Development; G20 = Group of Twenty; HiFi = Harnessing Innovation for Financial Inclusion; MTO = money transfer operator; TA = technical assistance.
**TABLE A2.2.** Migration-relevant portions in completed country partnership frameworks for countries affected by migration, FY 2017–FY 2019

<table>
<thead>
<tr>
<th>Country</th>
<th>FY</th>
<th>Region</th>
<th>Remarks</th>
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<tbody>
<tr>
<td>Lebanon</td>
<td>2017</td>
<td>MENA</td>
<td>Mentions only brain drain and previous CPF TA on labor and migration.</td>
</tr>
<tr>
<td>Jordan</td>
<td>2017</td>
<td>MENA</td>
<td>Mentions only remittances as part of macroeconomic risk.</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>2017</td>
<td>SAR</td>
<td>CPF Objective 2.1: Improved business regulatory environment and access to finance; Lending Pipeline for International Labor Migration TA.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>CPF Objective 3.1: Improved human development; AAA: International Labor Mobility Study.</td>
</tr>
<tr>
<td>Guatemala</td>
<td>2017</td>
<td>LAC</td>
<td>Mentions AAA carried out on migration in previous years. No program on migration or remittances.</td>
</tr>
<tr>
<td>Pacific Islands</td>
<td>2017</td>
<td>EAP</td>
<td>Objective 2.1: Broadened opportunities for access to labor markets. Ongoing TA on labor mobility; Pacific Labor Mobility Programmatic ASA; SWP Impact Evaluation; SWP Productivity Study and Skilled Migration; Pathways in ANZ/USA.</td>
</tr>
<tr>
<td>Cameroon</td>
<td>2017</td>
<td>SSA</td>
<td>ASA on the contribution of rural-urban migration to poverty reduction.</td>
</tr>
<tr>
<td>Lao PDR</td>
<td>2017</td>
<td>EAP</td>
<td>Migration mentioned as pathway to economic integration for rural areas.</td>
</tr>
<tr>
<td>Mozambique</td>
<td>2017</td>
<td>SSA</td>
<td>Mentions only the prominent level of rural-urban migration.</td>
</tr>
<tr>
<td>Peru</td>
<td>2017</td>
<td>LAC</td>
<td>Indicates that a lack of water is driving emigration from ancestral lands.</td>
</tr>
<tr>
<td>Togo</td>
<td>2017</td>
<td>SSA</td>
<td>Coastal erosion is causing rural migration. Remittances represented as 8.7 percent of GDP in 2014.</td>
</tr>
<tr>
<td>Kosovo</td>
<td>2017</td>
<td>ECA</td>
<td>Support channeling remittances into investments through partial credit guarantees. Enhance social inclusion and employment opportunities for youth and women to avoid emigration.</td>
</tr>
<tr>
<td>Vietnam</td>
<td>2017</td>
<td>EAP</td>
<td>Migration to cities mentioned.</td>
</tr>
<tr>
<td>Belize</td>
<td>2017</td>
<td>LAC</td>
<td>Migration in and out of the country noted as a common phenomenon that can affect labor market outcomes at different stages of the business cycle.</td>
</tr>
<tr>
<td>Ukraine</td>
<td>2017</td>
<td>ECA</td>
<td>Migration noted as an important source of remittances. IDPs and ex-combatants mentioned.</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>2017</td>
<td>AFR</td>
<td>Internal migration/secondary cities. Lending for well-managed urbanization to enhance regional growth centers and secondary cities.</td>
</tr>
<tr>
<td>Madagascar</td>
<td>2017</td>
<td>AFR</td>
<td>Mentions a strong rural-urban migration and urban-urban migration.</td>
</tr>
</tbody>
</table>

(Continued)
<table>
<thead>
<tr>
<th>Country</th>
<th>FY</th>
<th>Region</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moldova</td>
<td>2018</td>
<td>ECA</td>
<td>Employment declined because of emigration. Remittances are important. No program.</td>
</tr>
<tr>
<td>Turkey</td>
<td>2018</td>
<td>ECA</td>
<td>Mentions transit of irregular migration to Europe. AAA: Poverty analysis and migration management.</td>
</tr>
<tr>
<td>Tanzania</td>
<td>2018</td>
<td>AFR</td>
<td>Rural to urban migration.</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>2018</td>
<td>LCR</td>
<td>ASA on migration effects in midsize cities and small towns as collateral product of disasters and climate change. Remittances are a large percentage of GDP.</td>
</tr>
<tr>
<td>Niger</td>
<td>2018</td>
<td>AFR</td>
<td>Only mentions internal migration. Potential risk of return of Nigerians from Libya. Program focuses on FCV and IDPs.</td>
</tr>
<tr>
<td>Georgia</td>
<td>2018</td>
<td>ECA</td>
<td>Outmigration. Potential new ASA/TA: The role of remittances and interhousehold transfers to supplement household income.</td>
</tr>
<tr>
<td>Poland</td>
<td>2018</td>
<td>ECA</td>
<td>Immigration from Ukraine has helped to mitigate growing wage pressures. Persistent emigration.</td>
</tr>
<tr>
<td>Guinea</td>
<td>2018</td>
<td>AFR</td>
<td>High level of rural-urban migration. Creating economic opportunities in the agriculture sector for youth would reduce migration.</td>
</tr>
<tr>
<td>Romania</td>
<td>2018</td>
<td>ECA</td>
<td>A need to mitigate the effects of aging and emigration is mentioned.</td>
</tr>
<tr>
<td>Burkina Faso</td>
<td>2019</td>
<td>AFR</td>
<td>Impact of migrants on the economy, including the impact of brain drain and of their remittances was identified as a gap in the SCD. Only projects on internal migration.</td>
</tr>
<tr>
<td>Benin</td>
<td>2019</td>
<td>AFR</td>
<td>Mentions that the government has created a series of agencies staffed by highly competent teams, some from the Beninese diaspora, which have been recruited to accelerate implementation.</td>
</tr>
<tr>
<td>Mauritania</td>
<td>2019</td>
<td>AFR</td>
<td>The Mauritania Growth and Shared Prosperity Strategy (SCAPP 2016–30), adopted by the Council of Ministers on October 19, 2017, forms the basis of economic and social policies. It consulted for the first time with members of the diaspora.</td>
</tr>
<tr>
<td>Solomon Islands</td>
<td>2019</td>
<td>EAP</td>
<td>Migration and remittances offer a potentially important avenue for achieving sustained improvements in well-being in the Solomon Islands. Use of temporary migration programs. Rural to urban migration.</td>
</tr>
<tr>
<td>Nepal</td>
<td>2019</td>
<td>SAR</td>
<td>Poverty reduction resulted from the massive outmigration of labor. Consultation requested the World Bank to create jobs and retain youth in Nepal and reduce migration to unlock productivity. High level of remittances.</td>
</tr>
</tbody>
</table>

Total CPFs 30

Source: Authors’ compilation
Note: ASA = advisory services and analytics; CPF = Country Partnership Framework; EAP = East Asia and Pacific; ECA = Europe and Central Asia; GDP = gross domestic product; IDPs = internally displaced persons; LAC = Latin America and the Caribbean; MENA = Middle East and South Africa; SAR = South Asia; SCD = Systematic Country Diagnostic; TA = technical assistance.
References


REFERENCES


https://publications.iom.int/system/files/how_the_world_gallup.pdf
REFERENCES


REFERENCES


1. The Bank was a founding member of the Global Migration Group, which, during 2006–18, played a coordinating role on migration. The Bank chaired the group in 2015 (Global Migration Group Report 2019).

2. IOM was founded in 1951 as the Provisional Intergovernmental Committee for the Movement of Migrants from Europe (PICMME). It assumed its current name in 1989, reflecting its transition from a logistics agency to a migration agency. In 2016 it was accepted by the UN as a “related agency.”

3. This classification was suggested by a portfolio review of activities related to migration, remittances, and diasporas in country strategies, ASAs, and financing projects undertaken in FY2016–19.

4. The global practices involved are: Agriculture; Climate Change; Digital Development; Education; Environment and Natural Resources; Finance and Competitiveness; Fragility, Conflict, and Violence; Gender; Governance; Health, Nutrition, and Population; Macroeconomics, Trade, and Investment; Poverty and Equity; Social Protection and Jobs; and Social, Urban, Rural, and Resilience.

5. Data on international migrants are taken from UN DESA, while those on refugees are taken from UNHCR and UNRWA. Data on international migrants are subject to many pitfalls, including underestimation of irregular or undocumented migrants—see Global Migration Group (2017). Country level data include both international migrants and refugees in some cases, but not in others, making it difficult to compute regional disaggregation for migrants and refugees separately.

6. North–North migration is also significant, accounting for about 16 percent of total international migration. Prominent characteristics of North–North migration are lower mobility barriers and greater economic connectivity among the rich nations. See Gould (2018) for a discussion of various dimensions of connectivity in Europe and Central Asia.

7. Wage differentials or demographic imbalances are not as stark in the case of South-South migration as in the case of South-North migration. Income gains from South-South migration are, therefore, smaller, and the challenges of providing services to migrants can be more burdensome. Prevalence of irregularity and informality may be higher in S-S migration. Even small increases in income can have substantial welfare implications for the poor. The costs of South-South remittances are even higher than those of North-South remittances. These findings suggest that policymakers should pay attention to the complex challenges that developing countries face not only as countries of origin, but also as countries of destination (Ratha and Shaw 2007). S-S migration may include transit migration, which has limited positive impacts. In the transit country, this type of migration puts pressure on already limited public resources (World Bank 2018b).

8. The share of immigrants in the global population increased from 2.8 percent in 2000 to 3.5 percent in 2018, a much smaller increase than the share of international trade (51.2 percent of GDP to 57.9 percent). Migration data since 1990 are artificially inflated by the creation of many new countries from the territory of the former Soviet Union and former Yugoslavia, which caused many people to be classified as migrants even if they did not move. For instance, more than two million Russians living in Kazakhstan, formerly classified as Soviet citizens, are now classified as international migrants.


10. Between October and November 2018, five caravans consisting of about 16,000 people, left the Northern Triangle for Mexico and the United States. Forty-eight percent of the travelers were Hondurans; 39 percent Salvadoreans. A new, smaller, caravan left Honduras on January 14, 2019. Migration from Nicaragua into neighboring Costa Rica has been sizable; some 26,000 new asylum requests were received from Nicaraguans during the four months after the Nicaragua political crisis.

11. Diasporas provide information on job opportunities in destination countries and support to new migrants. For 19 OECD countries, a one percent increase in the total of migrants from a developing country is associated with a subsequent 0.23 percent rise in immigration from that country, according to Ruyssen, Everaert and Rapp (2014).
12. Over the past two decades, the share of workers reliant on nonroutine cognitive and socio-behavioral skills increased from 19 to 23 percent in developing economies and from 33 to 41 percent in advanced economies (World Bank 2019b).

13. Because populations in Central and Eastern Europe are aging, a smaller working-age population emigrates from the countries of the region (Gould 2018). Many middle-income countries—such as China, Mexico, Turkey, Malaysia and Morocco—might become old before becoming rich.

14. Brown et al. (2018) project that, without immigration, the U.S. dependency ratio will rise from 28 percent in 2015 to 49 percent by 2040.

15. Another study anticipates a projected shortfall of nearly 400,000 doctors in 32 OECD countries and shortage of nearly 2.5 million nurses across 23 OECD countries in 2030 (Scheffler and Arnold 2019).


17. Hydro-meteorological and geographic vulnerabilities pose a risk to Pacific Island Countries and the Northern Triangle, including Samoa, Vanuatu, Tonga, the Philippines, Guatemala, Costa Rica, El Salvador, and Honduras.

18. These country differences likely account for the lack of relationship between international migration and either natural disasters or long-term climate factors found in a panel dataset covering the period 1960 to 2000 (although there were indirect effects operating through the impact on wages—Beine and Parsons 2014).


20. See box 1.3 in Ratha et al. (2011) for the social costs and benefits of migration.


22. Being apart from one’s culture, food and even home weather can impose an emotional cost. The cost is likely to be higher in case of migration from developing to developed countries because of differing norms and social orders. Similarly, the increasing nationalistic and restrictive attitude in many developed countries towards immigration renders migration a potentially risky undertaking with high emotional cost.

23. For instance, the estimated death rate of Bangladeshi migrant workers in 2018 was approximately 5 for every 10,000 workers, compared to an age-specific death rate from the World Health Organization in 2016 for native Bangladeshis between the ages of 20 and 64 of between 1 and 3. In Qatar in 2016, the death rate for workplace accidents for immigrants (19–44 years) was 30 for every 10,000 persons, three times higher than that of nationals (numbers are based on staff estimates using data from the Bangladesh Wage Earners Welfare Board and Qatar’s Ministry of Development, Planning and Statistics).

24. One cause of death among migrant workers is suicide. For example, suicide rates among expatriate workers in Qatar in 2016 were over 3 times higher than for natives, and among Nepalese workers in Malaysia 10 times higher than the overall population.

25. In Central Asian countries, remittances originating from Russia are vulnerable to cyclical fluctuations in oil prices.

26. Earlier literature includes a cross-country study of 71 developing countries, which found that a 10 percent increase in per capita international remittances produced a 3.5 percent decline in the share of people living in poverty (Adams and Page 2005). Evidence from Latin America, Africa, South Asia, and other regions suggests that remittances reduce the depth and severity of poverty, while indirectly stimulating economic activity (Adams 1991; Lachaud 1999; Fajnzylber and Lopez 2007; Adams 2006b; Gupta, Pattillo, and Wagh 2009; Anyanwu and Erhijakpor 2010; Ajayi et al. 2009).

27. For example, El Hamma (2017) examines the effect of remittances on economic growth in Middle East and North Africa (MENA) and the results show that remittances are pro-growth in countries with a developed financial infrastructure and a strong institutional environment.

28. Several earlier studies found that migration facilitates FDI, including Kugler and Rapoport (2007), Docquier and Lodigiani (2010), Javorcik, Ozden, Spatareanu, and Neagu (2011), Murat, Pizotesi, and Rinaldi (2008), and Leblang (2010).

29. Ortega and Peri (2009) find that immigration increases employment one for one in the destination countries in the North, implying no crowding out of native-born workers.
30. In 2018, foreign-born workers continued to be more likely than native-born workers to be employed in service occupations (23.3 percent versus 15.9 percent); natural resources, construction, and maintenance occupations (14.0 percent versus 8.3 percent); and production, transportation, and material moving occupations (15.0 percent versus 11.3 percent). https://www.bls.gov/news.release/forbrn.nr0.htm/Labor-Force-Characteristics-of-Foreign-Born-Workers-Summary.

31. The fact that immigrants to developed countries have self-employment ratio higher than that of locals with similar education levels has been supported by empirical evidence dating back to as early as Borjas (1986). This finding has been supported using more recent data (Hunt 2011; Fairlie and Lofstrom 2015; Kerr and Kerr 2016; Andersson and Hammarsteaet 2015).

32. Immigration Founders of the Fortune 500, 2017 study by the Center for American Entrepreneurship using Fortune 500 data (see http://startupsusa.org/fortune500/).

33. Von Haaren-Giebel and Sandner (2016) find that greater on-the-job training (OJT) was provided to naturalized immigrants in Germany, suggesting that OJT may be a channel by which naturalization leads to higher wages.

34. This section benefits from a discussion of the literature in World Bank (2018a).

35. Any adverse effects of large and relatively rapid migration on employment or wages of native-born workers tend to become the basis for adverse political and public sentiment against migration.

36. The 2018 survey was administered to over 2,200 people aged 18-75 in Great Britain. It was undertaken by The Policy Institute at King's College London in partnership with Ipsos MORI and UK in a Changing Europe with the aim of gauging public misperceptions about immigration.


38. Surveys measuring public opinion on migration include the Gallup World Poll, Pew Global Attitudes Survey, World Values Survey, Ipsos Global Trends, Eurobarometer, and Afrobarometer. Individual country polls also provide evidence that attitudes toward immigrants have deteriorated in recent years. Countries that had been major transit or destination countries for irregular migrants or refugees during 2015–16 had large majorities who wished to reduce immigration (Greece, 82 percent; Hungary, 72 percent; Italy, 71 percent; and Germany, 58 percent). A longitudinal study on attitudes toward immigrants (Ipsos MORI 2017) finds that anti-immigrant feelings, along with concerns regarding sovereignty, were important drivers of the Brexit vote, although there is some evidence that attitudes toward immigration have become more positive in the United Kingdom in the past few years.

39. These countries include Canada, Australia, the UK, Sweden, Japan, the USA, Germany, Mexico, Spain, France, Netherlands, South Africa, Israel, Poland, Russia, Italy, Greece, Hungary.

40. About 68 percent of Americans and a similar share of Canadians think that immigrants largely work in jobs that citizens do not want, and only 21 percent view immigrants as rivals to native-born workers for jobs (Esipova et al. 2015). Though support for increasing immigration has decreased slightly in recent years, Americans still widely view their country as a nation of immigrants. Just 26 percent of Americans believe that admitting too many immigrants poses a threat to national identity, with strong divisions along political party lines (Pew Research Center 2018). A 2015 survey finds that over half of Americans think that immigrants “strengthen our country because of their hard work and talents,” while 41 percent say immigrants “are a burden on our country because they take our jobs, housing and health care” (Kosho 2016). A study commissioned by the Canadian government finds that most Canadians think immigrants have a positive impact on the country’s economic outlook and help shape Canada’s cultural mosaic (CBC 2018).

41. Similar conclusions were reached by Alesina, Miano, and Stantcheva (2018) and by the German Marshall Fund of the United States (2014).

42. Voting against the GCM were the Czech Republic, Hungary, Israel, Poland, and the United States. Twelve countries – Algeria, Australia, Austria, Bulgaria, Chile, Italy, Latvia, Libya, Liechtenstein, Romania, Singapore and Switzerland – abstained. In addition, 24 Member States were not present to take part in the vote at the UN General Assembly. The GCM’s fuller legal and normative implications are still emerging.

43. The Bank was a founding member of the Global Migration Group, which, during 2006–18, played a coordinating role on migration. The Bank chaired the group in 2015 (Global Migration Group Report 2019).

44. IOM was founded in 1951 as the Provisional Intergovernmental Committee for the Movement of Migrants from Europe (PICMME). It assumed its current name in 1989, reflecting its transition from a logistics agency to a migration agency. In 2016 it was accepted by the UN as a “related agency.”
45. Section 4 is based on a portfolio review of activities related to migration, remittances, and diasporas in country strategies, advisory and analytical services, and financing projects during FY2016–19.

46. The sequencing of SCDs and CPFs does not always match. The selection of priorities for the CPF depends on availability of resources.


48. In addition, the “Payment Aspects of Financial Inclusion Framework” (PAFI) also includes access to and usage of transaction accounts as an important enabler of financial inclusion for remittance senders and recipients. WBG Programs to improve digitalization of remittance services and financial inclusion include Universal Financial Access, Digital Economy for Africa (DE4A), and the Bali Fintech agenda, as well as region-focused programs such as MNA Tech 3.0 and the Remittances and Payments Program in the Western Balkans.

49. A Tier 2 indicator has an established methodology, but data are not regularly produced by countries. Data for a Tier 1 indicator are regularly produced by more than half of countries where the indicator is relevant.

50. Eight HCP countries are on the top 20 list of emigration countries and 12 are in the top 30 list.

51. The World Bank has a pilot initiative in the MENA region on corridors involving Morocco-Germany.

52. Cat-DDO is a type of development policy financing designed specifically to address disaster risk management.

53. The 2016 Board paper also proposed leveraging diaspora resources for innovative financing including diaspora bon alo. The World Bank Group’s involvement in such projects could help mitigate the lack of trust that many diasporas have in the governments back home. The Bank has received requests for technical assistance on diaspora bon alo from Comoros, El Salvador, Georgia, Jamaica, Kenya, Moldova, Nigeria, Philippines, Sri Lanka, Suriname, and Trinidad and Tobago.

54. For instance, the legally prescribed timeframe to obtain a passport is 15 days in Ghana, 3 days in India, and 8 days in Vietnam (Perotti et al. 2018). But, in practice, applicants may have to wait much longer because of the need to verify records, including those pertaining to birth, identity, schooling, health, and criminal charges. The process can be especially difficult for citizens living abroad, and even more so for those in undocumented status. In some cases, the situation has become more difficult with the adoption of biometric passports requiring fingerprints and iris scans. Consulates and embassies of LMICs are often poorly equipped to provide such services to their citizens. As a result, migrants (and members of the diaspora) needing a new passport may have no option but to incur the cost of returning home. According to the Embassy of Kenya, the prescribed delay for members of the Kenyan diaspora to obtain an e-passport is 8–10 weeks, and all passport applications are forwarded to Nairobi for issuance. According to the Embassy of Côte d’Ivoire in France, the official waiting period is between 30 and 45 days, while for the Indian diaspora in the United States, the wait for an ID can be as much as 50 working days. On the other hand, according to the Embassy of Benin in Germany, it takes only 72 hours to deliver a new passport.

55. For example, the World Bank’s Groundswell report points to the importance of driving economic transitions away from climate sensitive sectors, in the face of increasing climate impacts and demographic trajectories that will bolster a youth bulge, while harnessing urbanization trends through a focus on anticipatory climate friendly development strategies. These shifts could be driven through deeper diagnostics, advisory services, and policy dialogue by the Bank (or other actors) as part of a larger package of solutions of which international migration is one.

56. According to the United Nations, the global community’s pledge to leave no one behind requires more than 24 SDG indicators to be disaggregated by migratory status.

57. IFC has supported efforts to facilitate remittances and reduce remittance costs by investing in companies with disruptive technology/Fintech.

58. The use of cryptocurrency for purposes of remittance transactions is at an experimental stage.

59. Rigorous evidence on the effectiveness of migration policies has been lacking (McKenzie and Yang, 2015). We do know that bilateral labor agreements between countries (e.g. New Zealand-Pacific Islands) where workers have limited foreign job opportunities elsewhere can lead to new migration and increased income (Gibson and McKenzie, 2014) and financial education offered to workers and their families can stimulate savings and investments when offered at predeparture (Doi et al., 2014) or at destination (Seshan and Yang, 2014). On the other hand, higher passport costs may deter migration (McKenzie, 2007) and the Bank’s own work has shown that poorly conceived policies or a lack of policy coherence may induce more irregular migration at the expense of formal migration or prefer holiday makers for seasonal employment to temporary migrants participating in a seasonal workers program (World Bank 2017d, 2017e).
60. The World Bank and the European Commission have signed an agreement under the KNOMAD MDTF to develop forward-looking migration profiles for selected countries in Africa and Europe.

61. A large-scale experiment conducted in Japan found that exposing citizens to information on the potential social and economic benefits of immigration led to an increased support for more open immigration policy (Facchini et al 2016). See Chatham House –Royal Institute for International Affairs. 2017. Public Perceptions of refugee and migrants: the role of politicians, the media and civil society.

62. The global practices involved are: Agriculture; Climate Change; Digital Development; Education; Environment and Natural Resources; Finance and Competitiveness; Fragility, Conflict, and Violence; Gender; Governance; Health, Nutrition, and Population; Macroeconomics, Trade, and Investment; Poverty and Equity; Social Protection and Jobs; and Social, Urban, Rural, and Resilience.

63. Remittances: (1) remittances > 5 percent of gross domestic product (GDP); (2) remittances > 50 percent of current account deficit (CAD); (3) remittances larger than largest export item or tourism receipts; and (4) top recipients by volume. Immigration/transit: (1) top recipients by number of immigrants; (2) immigrants > 10 percent of population; (3) countries on major transit routes. Emigration: (1) top 10 senders by number of emigrants; (2) emigrants > 10 percent of population; (3) more than 30 percent of tertiary educated are migrants; and (4) economic sectors with large proportion of emigrants.