

Introduction and Overview

Few dimensions of globalisation excite controversy like international migration. There may be less consensus – among citizens, migrants, trade unions, employers and governments – about the movement of people across international borders than there is about any other aspect of globalisation. Indeed, by any measure, the liberalisation of the movement of goods or capital across borders, though controversial as well, is substantially more advanced than the freedom of people to move.

While much ink has been spilled debating the consequences of this phenomenon for immigrant-receiving economies – particularly the high-income countries of the OECD – comparatively less attention has been paid to the consequences, whether good or bad, for the migrants' home countries. This *Development Centre Perspective*, the first in an annual OECD series devoted to policy coherence, development and human security, addresses the impact on the migrants' countries of origin: if developing countries want to promote growth and poverty reduction, what kind of policy measures should be put in place?

In this *Development Centre Perspective* we argue two things. First, migration can bring gains – often considerable – to the migrants' countries of origin, over and above the gains realised by the migrants themselves. Second, migration flows respond – if imperfectly – to policies in sending and receiving countries. Taken together, these findings suggest that decision makers in migrant-sending and migrant-receiving countries alike can choose policies and measures to maximise the benefits and minimise the risks associated with migration. Indeed, we conclude that partnerships between sending and receiving countries will provide a means for more effectively organised migratory flows from which all parties – sending countries, receiving countries and migrants – stand to gain.

This *Perspective* is based on an exhaustive critical evaluation of the existing research literature on the topic, and draws on a host of regional and country case studies carried out by the OECD Development Centre together with a global network of experts. We show that migration can be a powerful motor for economic and social progress in migrants' home countries; but the contribution of migration to development varies over time, and from country to country. Migration contributes to growth and poverty reduction through various channels – through its effects on the labour supply, on productivity changes and the transfer home of remittances by migrants. The relative contribution of these channels varies at different points in a country's experience with migration. More effective management is needed to maximise the gains and minimise the risks associated with the phenomenon, and the proper policies depend on where a sending country sits in the migration cycle.

The book opens by characterising the main flows of migrants to the OECD area. Where do they come from? A substantial proportion (nearly half) come from other OECD countries. The other half come from developing regions, but not the poorest countries; many middle income countries in North Africa, south-eastern Europe and Latin America are among the top sending countries.

The skill level of migrants – a critical concern for observers interested in the impact of immigration on OECD-country labour markets – matters as well for development in the sending countries. Surprisingly perhaps, the mobility of the low skilled contributes more to poverty reduction (for many reasons explained in this *Perspective*) than the mobility of the highly skilled. Furthermore, the low skilled who migrate to OECD countries are far more likely to come from middle-income countries. At the same time, low-income countries are disproportionately affected by the brain drain (the mobility of the highly skilled). In a sense, the poorest countries are underrepresented among the “winners” from migration, while they are overrepresented among the “losers”.

OECD countries should look at their migration policies through a “development lens” – i.e. how do their immigration policies affect development in sending countries? This does not mean that the objectives of migration policies should be subordinated to those of development co-operation. Instead, we argue that interlinking migration and development policies offers opportunities to pursue the objectives of both sets of policies more effectively.

Conversely, developing countries must also look at their development policies through a “migration lens”. That is, those countries that are players in the global mobility system must mainstream migration and remittances in their national development strategies – in their poverty reduction strategy papers, for example.

For OECD countries, policies other than those directly related to immigration also have consequences for migration and development. Aid, trade and security policies all have an impact on migration behaviour and development outcomes, and more co-ordination among ministries is needed to increase the effectiveness of migration and development policies alike. Aid in particular can enhance the development impact of migration by investing in physical and human capacity – infrastructure, training and institution building. This capacity, in turn, increases a society’s ability to respond and restructure in response to emigration on a large scale.

New partnerships between sending and receiving countries promise more effective management of the emerging global labour mobility system. What we mean by “partnerships” is a new deal for developing countries along the following lines: OECD countries bring to the table the commitment to look at their migration policies through the lens of development, expand options for legal migration and provide development assistance to finance capacity building. Developing countries commit themselves to become credible partners in mobility management and to mainstream migration and remittances into their national growth and development strategies. The chapters that follow seek to show why partnerships that interlink migration, development co-operation and other policies promise to increase the gains from migration; they also show how much work remains to be done.

An Overview of the Book

The possibility of gains for migrants' countries of origin is the central question of this book. The answer, to be discussed in more detail below, is that international migration is both a powerful motor for economic progress in migrants' home countries and a source of risks.

Part One of this volume sets the stage for a discussion of migration, from the point of view of both sending and receiving countries. **Part Two** discusses the effects of both low-skill and high-skill migration on sending countries. **Part Three** of this book looks at various possibilities for more coherence and the integration of policies dealing with trade, aid and migration that could help both the poorest in middle income countries and the poorest countries currently suffering from migration of the highly skilled. It also suggests integration of national policies, more effective regional policies and actions that can be taken on a global level to aid national growth of developing countries and to make migration a more effective tool for both OECD and developing countries.

The Policy Coherence Series

The Policy Coherence for Development series, of which this volume is the first publication, is based on two premises. The first is that economic and social development in the low- and middle-income countries of the world is affected by the interaction of a variety of policy decisions. Consider policies of OECD countries: OECD countries' development-assistance policies certainly impact development outcomes, but so do their migration, trade and security policies. Thus, the Policy Coherence series will look closely at the interaction of decisions from different policy domains. In this first publication, we exhaustively analyse the interaction of migration and development policies, in migrant-receiving and migrant-sending countries. What are the social and economic costs of incoherent policy making, and what practical policy proposals could improve the prospects for growth and poverty reduction?

The second fundamental premise underlying the Policy Coherence series is that development policies interact with informal institutions – norms, practices, codes of conduct – that coherent policies must recognise and acknowledge in order to meet their objectives. In this volume, a critical and challenging example is diaspora networks, transnational migrants' organisations that can be powerful vectors of trade, investment, integration and development-assistance policies if properly encouraged and engaged.

Future editions of the Policy Coherence series will analyse other critical issues of development today, with the same attention to the role of policy interactions and social institutions.