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Managing Migration: Policy Options and Development Impacts
Contribution of the OECD Development Centre

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Few public policy issues command as much attention or generate as much passion among voters and tax payers than international migration. In the context of immigration countries, such debates frequently focus on determining how migration can best serve the nation's interests.[1] But how should migrant-sending countries – many of which from the group of low- and middle-income countries – manage migration to serve their own development goals?

Up until now, migration management in developing countries has not been subject to rigorous analytical scrutiny, though there are some important papers in the short bibliography on the topic, including Newland (2005) and Hatton (2007). To this end, the OECD Development Centre undertook three case studies in collaboration with leading international experts to assess concrete policy options available to developing countries to improve migration management. Two of the most important migration corridors involving both developing and OECD countries – namely, the corridor linking Mexico and the United States, and the migration flows to Europe from the Mediterranean basin (with a focus on Morocco, Egypt, Israel and Turkey) – are represented in the case studies. The third looks at migration flows in Indonesia, which provides evidence on regional flows to non-OECD countries.

The case studies explicitly consider emigration, immigration and transit migration as well as the relationship between internal and international migration. Furthermore the importance of circular and

[1] See Dayton-Johnson *et al.* (2007) for discussion of policy trade offs in migration policies in European OECD countries, and in developing countries.

return migration is assessed in detail. The migrant-sending countries in these studies will be collectively referred to as *developing countries*, though this is not entirely precise: they include OECD countries (Mexico, Turkey), OECD candidate and enhanced engagement countries (Indonesia, Israel), and non-OECD countries (Egypt, Morocco).[2]

Migration Management Tools in Developing Countries: A Typology

What kinds of policy tools are available to developing countries should they seek to increase the benefits and minimise the risks associated with migration? In general, policy options can be grouped into the following three categories: (i) migration policies narrowly conceived; (ii) international agreements; (ii) non-migration policies with an impact on migration and development.

Migration policies narrowly conceived include financial benefits to favour migrants abroad or to promote relations with diasporas, such as efforts to attract skilled emigrants back to their home, like those launched by Israel and Mexico. Such policies also include legislation, including bilateral and multilateral agreements, that aids migrants abroad. Mexico has traditionally attempted to protect its migrants through these instruments. Morocco, Egypt and Turkey tackle issues of border management in close collaboration with the European Union, helping to harmonise immigration and emigration policies. Policies to facilitate migrants' settlement and integration into their host countries, such as efforts by the para-statal *Fondation Hassan II* in Morocco to send imams and language teachers to work with Moroccan migrants abroad, or the promotion by Mexico of the *matrícula consular* – an identity card for its migrants abroad, can be seen as a third set of migration policies with an impact on development and well-being of migrants and their families. In this vein, Indonesia allows a growing involvement of civil society (e.g. NGOs, Migrant Worker Organisations) in questions related to migration management, in part to ease policy making capacity constraints within government. Finally, there are policies to facilitate and lower the cost of remittance transfers, such as increasing the geographic reach of financial institutions by Turkey and Morocco to increase their accessibility for migrants and their families, or the *Directo a México* initiative of the US Federal Reserve System and the Mexican central bank.

Among *international agreements* with an impact on migration, we can distinguish those that are concluded between two countries and those that involve multiple partners. Among bilateral agreements there are temporary or seasonal programmes, like the *Bracero Programme* between the United States and Mexico discussed below or similar agreements between Turkey and several European countries, but also more

[2] Unless explicitly noted otherwise, statements regarding Mexico, the Mediterranean Basin countries (Egypt, Israel, Morocco, Turkey) and Indonesia are based on the case-study papers listed in the Annex by Alba, Tovias and Tovias, and Hugo, respectively.

complicated readmission programmes, such as those observed between some Mediterranean countries. More recent migration policies in the Mexican context aim at establishing an administrative dialogue regarding the handling and management of returning migrants. Indonesia has concluded several *Memoranda of Understanding* with migrant receiving countries to improve the situation of migrant workers abroad (e.g. Malaysia, South Korea, Jordan, Kuwait, Syria, United Arab Emirates, Qatar, Australia, Chinese Taipei). Regional agreements like the Regional Migration Conference or Puebla Process, instituted among Canada, the United States, Mexico, all Central American countries and the Dominican Republic bring more players to the table. Genuinely multilateral agreements include initiatives such as the United Nations Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families or the GATS Mode IV agreement on the international movement of service providers.

Among *non-migration policies with an impact on migration and development* are macroeconomic policies that favour development, which might increase emigration in the medium term, only to reduce it in the long term.[3] Active labour market policies, such as the new Programme of First Employment adopted in Mexico in 2006, in which the State covers part of social security contributions, could in principle dampen emigration by easing employment among young and relatively less-skilled job seekers. Mexico's Border Industrialisation Programme, in which goods are imported from the United States, processed and then immediately shipped back, is another example of how non-migration flows can impact on migration flows. Rather than migrating to the United States, the programme has employed more than 1 million workers since 2000. Finally, regional trade policies, of which the North American Free Trade Agreement (NAFTA) is among the most celebrated, are often touted for their disincentivising effects upon emigration (as new jobs are created); in practice, they may lead to a net increase in emigration, as a result of upheavals of economic restructuring, and indeed the greater prosperity that provides more potential migrants with the resources to pay for their mobility. Indeed, since the adoption of NAFTA in 1994, emigration from Mexico to the United States has increased dramatically, even as trade flows have surged between the two countries.

Challenges to Migration Management

A 2005 report by the Global Commission for International Migration (GCIM) provides a useful taxonomy of challenges that beset migration management. The GCIM outlines four such challenges:

(i) A lack of coherence between host and home country policies;

[3] This so-called "migration hump" – according to which emigration rises as average income rises, only to fall as income rises further – is discussed in OECD (2007) and Katseli *et al.* (2006).

(ii) Insufficient coordination between internal and international policy-making and implementation;

(iii) A lack of general capacity (knowledge and information, institutional adaptability);

(iv) Insufficient co-operation among countries (livelihoods transcend borders - so should policies).

Fostering Coherence between Host and Home Country

Increased policy coherence is at the heart of the debate for better migration management. In a number of publications, the OECD has called for greater coherence within OECD countries between development co-operation policies and other policies (e.g., trade, agriculture, investment, security, migration).[4] Coherence among a single country's policies is only one dimension of policy coherence, however: coherence of policies between migrant-sending and migrant-receiving policies is another. Incoherence and inconsistency in this regard can arise because of different perceptions of the costs and benefits of international migration. In OECD countries marked by high rates of unemployment among unskilled people, policy makers may well look askance at inflows of low-skilled immigrants. Similarly, developing countries faced with high emigration rates among scarce highly-skilled people (doctors, teachers, engineers) may regret visa policies in OECD countries that make it easier for their compatriots to settle and work abroad. Reality is frequently more complex than this but the basic point is that incoherent policies can stem from opposed interests. Nevertheless, experiences from the early migration stages in Mexico and Turkey illustrate that migration can produce mutually beneficial results if both migrant-sending and -receiving countries co-operate closely. These experiences furthermore illustrate that policies have often times not sufficiently taken into consideration the long-term consequences of migration movements.

Migration from Mexico to the United States started in the 1940s when the United States government sent recruiters to rural Mexico to encourage young workers to "go north for opportunity" (PRB, 2008). Throughout the life of the so-called *Bracero Programme*, Mexican migrants successfully helped fill wartime labour shortages on U.S. farms and returned home with savings and new experiences. Migration was mostly circular and flexible, in line with U.S. requirements. At the same time, the positive experiences of returning migrants encouraged more people to try to get into the United States, increasing an increasingly difficult-to-control flow of undocumented migrants.

A similar pattern can be observed in Turkey, which saw the first waves of migrants towards Germany and other countries in Western Europe in response to a call for "guest workers" in the 1960s. In Germany, for example, poorly educated young men were issued special visas that allowed them entry for one or two

[4] OECD (2007) makes the case for coherence between migration and development policies – in both OECD and developing countries – and provides references to other OECD titles on policy coherence, many of which have been published in the series entitled *The Development Dimension*.

years to take unskilled jobs. As in Germany, the economic prosperity of France, the Netherlands, Denmark, Sweden, and other West European countries was partly made possible by immigrant labour, mainly from Turkey and North Africa. Despite efforts of receiving countries to discourage further migration, flows continued even after recruitment programmes had officially ended (as a result of family reunifications, for example).

Improving Coordination between Policy-making and Implementation

Lack of coordination, high levels of corruption and numerous administrative burdens prevent better development impacts of migration in many developing countries. Indonesia's plan to increase high-skill migration to foster remittances incomes has been criticised as being detached from realities on the ground. Although Indonesia now recognises the development potential of migration (and declares that migration should be increased), migration is not integrated into development plans. Despite a High Level Dialogue on Migration and Development in 2006, for example, the country still lacks programmes to provide investment opportunities in migrants' regions of origin.

Although offering a promising approach to improve migration management, many international agreements have equally suffered from a mismatch between policy-making and implementation. Among those we find the United Nations Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (which has so far only been ratified by 36 UN member countries), the Puebla Process (which stalled) and the Canadian Seasonal Agricultural Workers Programme with Mexico (which is not used widely due to Canadian reservations).

Addressing Capacity Constraints (knowledge, information, institutions)

Many migrant-sending countries lack the capacity, resources and institutional framework to record and maintain basic data on migration flows, data that could be used to monitor and evaluate the success or failure of different policy measures. Although migration has become a major policy issue, data and statistics on migrants (*e.g.* concerning their numbers, itineraries, intentions and skills) remain scarce. Rarely do countries invest in projects such as the "Integrated Migration Information System" in Egypt which helps make more informed policy decisions. There is thus a need for a much greater commitment of resources by both sending and receiving country governments on the issue. Moreover, migration cuts across ministerial competencies and transcends national borders. Because of this, capacity constraints are closely linked to a lack of coherence among ministries and across countries. Consultative processes on migration must also include technical capacity building, through the training of government official on strengthening migration management systems, but also a greater circulation of information of use to migrants themselves as well as their households.

Capacity constraints can also be overcome through initiatives on an individual level, with potential benefits for the State in terms of available information and knowledge. For example, programmes to improve the use of remittances (e.g. construction of homes with remittances or the "3 for 1" initiative in Mexico) and general return and settlement support improve the links of migrants to their home countries, which will facilitate the circulation of information and know-how.

Encouraging Co-operation among Countries

Co-operation among migrant-sending and migrant-receiving countries, such as the Canadian Seasonal Agricultural Workers Programme and Mexico's Border Industrialisation Programme discussed above, is but one example of international co-operation. Indeed, the growing importance of transit migration and immigration in traditional emigration countries like Mexico, Morocco, and Turkey suggests that the distinction between sending and receiving countries has ceased to be as useful as it once was to discussions of international co-operation. Regardless, there are important externalities of people flows that argue for international co-operation and co-ordination. In that connection, what is the appropriate framework for co-operation among states in a world of mobile workers?

One could entertain the idea of an international organisation designed in the same way as the World Trade Organisation, co-ordinating and regulating the international movement of labour. Another approach to this question is a revival of the "Bhagwati Tax" concept, according to which highly-skilled emigrants would compensate their home countries. However, labour, by its very nature is not "traded" the same way that goods or capital are. It has been argued that the WTO model works for matters of international trade regulation because countries engage in trade when they have a comparative advantage and not an absolute advantage, while the opposite holds for migration (Hatton, 2007).

Perhaps a more pragmatic idea, suggested in the GCIM (2005), is to establish an international body that co-ordinates *policies*, rather than the actual movement of people. As it stands, several organisations attempt to do just this (*e.g.* ILO, UNHCR and IOM). None, however, has emerged as the leading organisation to which country-level policy makers can turn. Moreover, the complexity of migration policies suggested in our lengthy typology of the previous section makes it unclear how far such an organisation's mandate would extend in practice. For example, could a World Migration Organisation co-ordinate macroeconomic development policy? Unlikely.

In the absence of truly global initiatives, the ground will be occupied by unilateral and bilateral measures, but also, perhaps, by emerging regional agreements – not all of which will be driven by migration concerns, as is illustrated by the example of NAFTA.[5] Such agreements, whether in Meso-America, the Mediterranean or Indonesia, merit closer evaluation. The lessons from one regional experience will likely have much to teach policy makers elsewhere, but the existence of regional specificities should caution us against crude "one size fits all" recommendations.

Developing countries have much to gain from improved migration management. As illustrated by our country case studies, the significant development impacts are only gradually being recognised and only imperfectly being realised.

Existing institutional set-ups must be overhauled for better migration management; regions must seek mechanisms to promote communication, negotiation and consensus-building among policy communities and their constituencies. Enhanced partnerships between sending and receiving regions may be an effective mechanism for assuring that interlinked and coherent policies are put in place and properly implemented. In addition, migration, employment, trade, investment and development assistance considerations must also be jointly addressed at the regional, national and global levels.

Conclusions and Recommendations

On the basis of the case studies and other recent work on migration and development, the following policy recommendations can be proposed.

Migration policies narrowly conceived

(i) At the national level, inter-ministerial and interdepartmental initiatives can promote co-ordination of development and migration policies
(ii) Migrant-sending countries can draw upon the capacity and credibility of migration organisations (*e.g.* ILO, IOM, UNHCR) even in the absence of a leading migration agency for international co-ordination.

[5] See the discussion of the costs and benefits of bilateral, regional and global agreements in Dayton-Johnson *et al.* (2007).

(iii) Governments can continue to reduce the cost of remittances and increase the range of consumption and investment options available to migrants and their families.

(iv) Governments of migrant-sending countries can draw upon the physical, social and human capital embodied in diaspora networks, in pursuit of both development and migration policy objectives. One approach to tab into this potential is through return migration facilitation programmes.

International agreements

(i) At the level of supranational entities (*e.g.* African Union; ASEAN) stronger systematic consultations regarding migration can be put in place across all relevant decision making bodies.

(ii) Regional initiatives among developing countries need to be strengthened; much low-skilled migration from the poorest regions is often to other nearby developing regions

(iii) Infrastructure investment decisions need to take into account mobility corridors; improved transport and communication capacity can help labour markets in developing countries to adjust to emigration.

(iv) A better assessment of labour supply and demand from both sides, migrant-sending and –receiving countries, can be the basis for fruitful collaboration (e.g. the US-Mexican Border Industrialisation Programme)

Non-migration policies.

(i) Macroeconomic policies, including taxation, expenditure and exchange rate policies, must be adapted to the outflow of workers. The investment climate of migrant-sending countries needs to be improved so as to strengthen homeward investment and increase return migration.

(ii) Sending regions must adapt their human resource policies, in both the public and private sectors, to emigration in order to facilitate adjustment and replenishment; at a minimum, such policies should not punish migrants who wish to return and re-enter the labour market.

(iii) Financing higher education, including financial assistance to needy students and the planning of curricula, must take into consideration the possibility that some, indeed many, students may migrate.

(iv) Reducing constraints on internal migration and ensuring social security portability could increase workers mobility and potentially improve labour market outcomes (e.g. necessary adjustment and replenishment)

Annex

Papers prepared for the Development Centre's contribution to the Horizontal Project

- Alba, F., "Mexico's Experience on Migration Management".
- Borodak, D., and A.Tichit, "Les migrations de retour: le cas de la Moldavie".
- Gagnon, J., and J. Dayton-Johnson, *Volver, volver, volver*: Return migration and development.
- Hugo, G., "International Migration and Development in Indonesia: Issues and Challenges".
- Mendoza, J.E., "Return Migration and Development: the case of Mexico".
- Piracha, M., and F. Vadean, "Determinants and Impact of Return Migration in Albania".
- Tovias, A., and Y. Tovias, "Emigration Policies in the Mediterranean Region: Egypt, Israel, Morocco and Turkey".

These papers were presented and discussed, in preliminary form, at a workshop held at the Development Centre on 10-11 July 2008.

Additional References

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