

## Overview

Consider Juan. Born into a poor family in rural Mexico, his family struggled to pay for his health care and education. At the age of 12, he dropped out of school to help support his family. Six years later, Juan followed his uncle to Canada in pursuit of higher wages and better opportunities.

Life expectancy in Canada is five years higher than in Mexico and incomes are three times greater. Juan was selected to work temporarily in Canada, earned the right to stay and eventually became an entrepreneur whose business now employs native-born Canadians. This is just one case out of millions of people every year who find new opportunities and freedoms by migrating, benefiting themselves as well as their areas of origin and destination.

Now consider Bhagyawati. She is a member of a lower caste and lives in rural Andhra Pradesh, India. She travels to Bangalore city with her children to work on construction sites for six months each year, earning Rs 60 (US\$1.20) per day. While away from home, her children do not attend school because it is too far from the construction site and they do not know the local language. Bhagyawati is not entitled to subsidized food or health care, nor does she vote, because she is living outside her registered district. Like millions of other internal migrants, she has few options for improving her life other than to move to a different city in search of better opportunities.

Our world is very unequal. The huge differences in human development across and within countries have been a recurring theme of the Human Development Report (HDR) since it was first published in 1990. In this year's report, we explore for the first time the topic of migration. For many people in developing countries moving away from their home town or village can be the best—sometimes the only—option open to improve their life chances. Human mobility can be hugely effective in raising a person's income, health and education prospects. But its value is more than that: being able to decide where to live is a key element of human freedom.

When people move they embark on a journey of hope and uncertainty whether within or across international borders. Most people move in search of better opportunities, hoping to combine their own talents with resources in the destination country so as to benefit themselves and their immediate family, who often accompany or follow them. If they succeed, their initiative and efforts can also benefit those left behind and the society in which they make their new home. But not all do succeed. Migrants who leave friends and family may face loneliness, may feel unwelcome among people who fear or resent newcomers, may lose their jobs or fall ill and thus be unable to access the support services they need in order to prosper.

The 2009 HDR explores how better policies towards human mobility can enhance human development. It lays out the case for governments to reduce restrictions on movement within and across their borders, so as to expand human choices and freedoms. It argues for practical measures that can improve prospects on arrival, which in turn will have large benefits both for destination communities and for places of origin.

### How and why people move

Discussions about migration typically start from the perspective of flows from developing countries into the rich countries of Europe, North America and Australasia. Yet most movement in the world does not take place between developing and developed countries; it does not even take place between countries. The overwhelming majority of people who move do so inside their own country. Using a conservative definition, we estimate that approximately 740 million people are internal migrants—almost four times as many as those who have moved internationally. Among people who have moved across national borders,

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just over a third moved from a developing to a developed country—fewer than 70 million people. Most of the world's 200 million international migrants moved from one developing country to another or between developed countries.

Most migrants, internal and international, reap gains in the form of higher incomes, better access to education and health, and improved prospects for their children. Surveys of migrants report that most are happy in their destination, despite the range of adjustments and obstacles typically involved in moving. Once established, migrants are often more likely than local residents to join unions or religious and other groups. Yet there are trade-offs and the gains from mobility are unequally distributed.

People displaced by insecurity and conflict face special challenges. There are an estimated 14 million refugees living outside their country of citizenship, representing about 7 percent of the world's migrants. Most remain near the country they fled, typically living in camps until conditions at home allow their return, but around half a million per year travel to developed countries and seek asylum there. A much larger number, some 26 million, have been internally displaced. They have crossed no frontiers, but may face special difficulties away from home in a country riven by conflict or racked by natural disasters. Another vulnerable group consists of people—mainly young women—who have been trafficked. Often duped with promises of a better life, their movement is not one of free will but of duress, sometimes accompanied by violence and sexual abuse.

In general, however, people move of their own volition, to better-off places. More than three quarters of international migrants go to a country with a higher level of human development than their country of origin. Yet they are significantly constrained, both by policies that impose barriers to entry and by the resources they have available to enable their move. People in poor countries are the least mobile: for example, fewer than 1 percent of Africans have moved to Europe. Indeed, history and contemporary evidence suggest that development and migration go hand in hand: the median emigration rate in a country with low human development is below 4 percent, compared to more than 8 percent from countries with high levels of human development.

## Barriers to movement

The share of international migrants in the world's population has remained remarkably stable at around 3 percent over the past 50 years, despite factors that could have been expected to increase flows. Demographic trends—an aging population in developed countries and young, still-rising populations in developing countries—and growing employment opportunities, combined with cheaper communications and transport, have increased the 'demand' for migration. However, those wishing to migrate have increasingly come up against government-imposed barriers to movement. Over the past century, the number of nation states has quadrupled to almost 200, creating more borders to cross, while policy changes have further limited the scale of migration even as barriers to trade fell.

Barriers to mobility are especially high for people with low skills, despite the demand for their labour in many rich countries. Policies generally favour the admission of the better educated, for instance by allowing students to stay after graduation and inviting professionals to settle with their families. But governments tend to be far more ambivalent with respect to low-skilled workers, whose status and treatment often leave much to be desired. In many countries, agriculture, construction, manufacturing and service sectors have jobs that are filled by such migrants. Yet governments often try to rotate less educated people in and out of the country, sometimes treating temporary and irregular workers like water from a tap that can be turned on and off at will. An estimated 50 million people today are living and working abroad with irregular status. Some countries, such as Thailand and the United States, tolerate large numbers of unauthorized workers. This may allow those individuals to access better paying jobs than at home, but although they often do the same work and pay the same taxes as local residents, they may lack access to basic services and face the risk of being deported. Some governments, such as those of Italy and Spain, have recognized that unskilled migrants contribute to their societies and have regularized the status of those in work, while other countries, such as Canada and New Zealand, have well designed seasonal migrant programmes for sectors such as agriculture.

While there is broad consensus about the value of skilled migration to destination countries, low-skilled migrant workers generate much controversy. It is widely believed that, while these migrants fill vacant jobs, they also displace local workers and reduce wages. Other concerns posed by migrant inflows include heightened risk of crime, added burdens on local services and the fear of losing social and cultural cohesion. But these concerns are often exaggerated. While research has found that migration can, in certain circumstances, have negative effects on locally born workers with comparable skills, the body of evidence suggests that these effects are generally small and may, in some contexts, be entirely absent.

### The case for mobility

This report argues that migrants boost economic output, at little or no cost to locals. Indeed, there may be broader positive effects, for instance when the availability of migrants for childcare allows resident mothers to work outside the home. As migrants acquire the language and other skills needed to move up the income ladder, many integrate quite naturally, making fears about inassimilable foreigners—similar to those expressed early in the 20th century in America about the Irish, for example—seem equally unwarranted with respect to newcomers today. Yet it is also true that many migrants face systemic disadvantages, making it difficult or impossible for them to access local services on equal terms with local people. And these problems are especially severe for temporary and irregular workers.

In migrants' countries of origin, the impacts of movement are felt in higher incomes and consumption, better education and improved health, as well as at a broader cultural and social level. Moving generally brings benefits, most directly in the form of remittances sent to immediate family members. However, the benefits are also spread more broadly as remittances are spent—thereby generating jobs for local workers—and as behaviour changes in response to ideas from abroad. Women, in particular, may be liberated from traditional roles.

The nature and extent of these impacts depend on who moves, how they fare abroad and whether they stay connected to their roots

through flows of money, knowledge and ideas. Because migrants tend to come in large numbers from specific places—for example, Kerala in India or Fujian Province in China—community-level effects can typically be larger than national ones. However, over the longer term, the flow of ideas from human movement can have far-reaching effects on social norms and class structures across a whole country. The outflow of skills is sometimes seen as negative, particularly for the delivery of services such as education or health. Yet, even when this is the case, the best response is policies that address underlying structural problems, such as low pay, inadequate financing and weak institutions. Blaming the loss of skilled workers on the workers themselves largely misses the point, and restraints on their mobility are likely to be counter-productive—not to mention the fact that they deny the basic human right to leave one's own country.

However, international migration, even if well managed, does not amount to a national human development strategy. With few exceptions (mainly small island states where more than 40 percent of inhabitants move abroad), emigration is unlikely to shape the development prospects of an entire nation. Migration is at best an avenue that complements broader local and national efforts to reduce poverty and improve human development. These efforts remain as critical as ever.

At the time of writing, the world is undergoing the most severe economic crisis in over half a century. Shrinking economies and layoffs are affecting millions of workers, including migrants. We believe that the current downturn should be seized as an opportunity to institute a new deal for migrants—one that will benefit workers at home and abroad while guarding against a protectionist backlash. With recovery, many of the same underlying trends that have been driving movement during the past half-century will resurface, attracting more people to move. It is vital that governments put in place the necessary measures to prepare for this.

### Our proposal

Large gains to human development can be achieved by lowering the barriers to movement and improving the treatment of movers. A bold vision is needed to realize these gains. This

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report sets out a case for a comprehensive set of reforms that can provide major benefits to migrants, communities and countries.

Our proposal addresses the two most important dimensions of the mobility agenda that offer scope for better policies: admissions and treatment. The reforms laid out in our proposed core package have medium- to long-term pay-offs. They speak not only to destination governments but also to governments of origin, to other key actors—in particular the private sector, unions and non-governmental organizations—and to individual migrants themselves. While policy makers face common challenges, they will of course need to design and implement different migration policies in their respective countries, according to national and local circumstances. Certain good practices nevertheless stand out and can be more widely adopted.

We highlight six major directions for reform that can be adopted individually but that, if used together in an integrated approach, can magnify their positive effects on human development. Opening up existing entry channels so that more workers can emigrate, ensuring basic rights for migrants, lowering the transaction costs of migration, finding solutions that benefit both destination communities and the migrants they receive, making it easier for people to move within their own countries, and mainstreaming migration into national development strategies—all have important and complementary contributions to make to human development.

The core package highlights two avenues for opening up regular existing entry channels:

- We recommend expanding schemes for truly seasonal work in sectors such as agriculture and tourism. Such schemes have already proved successful in various countries. Good practice suggests that this intervention should involve unions and employers, together with the destination and source country governments, particularly in designing and implementing basic wage guarantees, health and safety standards and provisions for repeat visits as in the case of New Zealand, for example.
- We also propose increasing the number of visas for low-skilled people, making this

conditional on local demand. Experience suggests that good practices here include: ensuring immigrants have the right to change employers (known as *employer portability*), offering immigrants the right to apply to extend their stay and outlining pathways to eventual permanent residence, making provisions that facilitate return trips during the visa period, and allowing the transfer of accumulated social security benefits, as adopted in Sweden's recent reform.

Destination countries should decide on the desired numbers of entrants through political processes that permit public discussion and the balancing of different interests. Transparent mechanisms to determine the number of entrants should be based on employer demand, with quotas according to economic conditions.

At destination, immigrants are often treated in ways that infringe on their basic human rights. Even if governments do not ratify the international conventions that protect migrant workers, they should ensure that migrants have full rights in the workplace—to equal pay for equal work, decent working conditions and collective organization, for example. They may need to act quickly to stamp out discrimination. Governments at origin and destination can collaborate to ease the recognition of credentials earned abroad.

The current recession has made migrants particularly vulnerable. Some destination country governments have stepped up the enforcement of migration laws in ways that can infringe on migrants' rights. Giving laid-off migrants the opportunity to search for another employer (or at least time to wrap up their affairs before departing), publicizing employment outlooks—including downturns in source countries—are all measures that can mitigate the disproportionate costs of the recession borne by both current and prospective migrants.

For international movement, the transaction costs of acquiring the necessary papers and meeting the administrative requirements to cross national borders are often high, tend to be regressive (proportionately higher for unskilled people and those on short-term contracts) and can also have the unintended effect of encouraging irregular movement and smuggling. One in ten countries have passport costs that exceed 10 percent of per

capita income; not surprisingly, these costs are negatively correlated with emigration rates. Both origin and destination governments can simplify procedures and reduce document costs, while the two sides can also work together to improve and regulate intermediation services.

It is vital to ensure that individual migrants settle in well on arrival, but it is also vital that the communities they join should not feel unfairly burdened by the additional demands they place on key services. Where this poses challenges to local authorities, additional fiscal transfers may be needed. Ensuring that migrant children have equal access to education and, where needed, support to catch up and integrate, can improve their prospects and avoid a future underclass. Language training is key—for children at schools, but also for adults, both through the workplace and through special efforts to reach women who do not work outside the home. Some situations will need more active efforts than others to combat discrimination, address social tensions and, where relevant, prevent outbreaks of violence against immigrants. Civil society and governments have a wide range of positive experience in tackling discrimination through, for example, awareness-raising campaigns.

Despite the demise of most centrally planned systems around the world, a surprising number of governments—around a third—maintain *de facto* barriers to internal movement. Restrictions typically take the form of reduced basic service provisions and entitlements for those not registered in the local area, thereby discriminating against internal migrants, as is still the case in China. Ensuring equity of basic service provision is a key recommendation of the report as regards internal migrants. Equal treatment is important for temporary and seasonal workers and their families, for the regions where they go to work, and also to ensure decent service provision back home so that they are not compelled to move in order to access schools and health care.

While not a substitute for broader development efforts, migration can be a vital strategy for households and families seeking to diversify and improve their livelihoods, especially in developing countries. Governments need to recognize

this potential and to integrate migration with other aspects of national development policy. A critical point that emerges from experience is the importance of national economic conditions and strong public-sector institutions in enabling the broader benefits of mobility to be reaped.

### The way forward

Advancing this agenda will require strong, enlightened leadership coupled with a more determined effort to engage with the public and raise their awareness about the facts around migration.

For origin countries, more systematic consideration of the profile of migration and its benefits, costs and risks would provide a better basis for integrating movement into national development strategies. Emigration is not an alternative to accelerated development efforts at home, but mobility can facilitate access to ideas, knowledge and resources that can complement and in some cases enhance progress.

For destination countries, the ‘how and when’ of reforms will depend on a realistic look at economic and social conditions, taking into account public opinion and political constraints at local and national levels.

International cooperation, especially through bilateral or regional agreements, can lead to better migration management, improved protection of migrants’ rights and enhanced contributions of migrants to both origin and destination countries. Some regions are creating free-movement zones to promote freer trade while enhancing the benefits of migration—such as West Africa and the Southern Cone of Latin America. The expanded labour markets created in these regions can deliver substantial benefits to migrants, their families and their communities.

There are calls to create a new global regime to improve the management of migration: over 150 countries now participate in the Global Forum on Migration and Development. Governments, faced with common challenges, develop common responses—a trend we saw emerge while preparing this report.

*Overcoming Barriers* fixes human development firmly on the agenda of policy makers who seek the best outcomes from increasingly complex patterns of human movement worldwide.

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