



Overseas Development
Institute

Sector sessions

Movement of natural persons

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Overview

- ❑ Migration and development debates
- ❑ Effects of migration on sending countries
- ❑ Is *temporary* migration different?
- ❑ Policies



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Effects of migration

- ❑ Domestic capabilities (predominantly skilled, drain?)
- ❑ Remittances
 - Volumes
 - Effects of poverty reduction (direct, insurance), but depends on how funds are being used.
- ❑ Incentives for human capital formation
- ❑ Effects on trade and FDI (networks, diaspora)
- ❑ Return migration (brain gain)

Is *temporary* migration different?

- ❑ Definition not clear;
- ❑ Winters study: large gains from liberalising OECD labour markets;
- ❑ Fewer potentially negative effects on domestic capabilities;
- ❑ Remittances: contrasting effects, some say more and some say fewer effects;
- ❑ Fewer diaspora effects (on trade and FDI), but these effects might become less over time.

Policies to make (temp) migration work for development

Source country

- Incentives to stay (pay and working conditions, normal development policies such as a good investment climate)
- Return migration programmes
- Increased domestic capacity (e.g. Philippines)
- Efficiency and volumes of remittances

Policies to make (temp) migration work for development *Destination country*

- ❑ Use diaspora organisations

- ❑ Enable remittances

- ❑ Make temporary migration easier
 - Lift mode 4 constraints (H1B)
 - Begin process towards MRAs (decades)
 - Clarify ENT (e.g. nurses in UK)

Finally, importing skills is important

- ❑ Comparative advantages also differ within Africa (e.g. Zambia vs Malawi)
- ❑ Building service industries for the future is likely to need a mix of domestic and foreign skills (e.g. Mauritius). An efficient import substitution takes time but can be done (accountancy Botswana).
- ❑ And also in less skilled sectors (health in Botswana)
- ❑ Remarkably little on mode 4 in African RTAs itself.