

# International migration flows: key data and trends

Migration is a huge phenomenon. The share of migrants in industrial countries' populations doubled over the past three decades, and remittances flows to developing countries are larger than foreign investment or overseas aid. In many developing countries the percentage of the population working abroad and the percentage of Global Domestic Product (GDP) represented by remittances run into double digits.

The United Nations (UN) estimates that migrants account for some three percent of the world's population, or about 175 million persons. The stock of immigrants to high income countries increased at about 3 percent per year from 1980 to 2000, up from the 2.4 percent pace in the 1970s.

At that rate of growth, the share of migrants in high-income countries' population almost doubled over the 30-year period, and population growth (excluding migration) fell from 0.7 percent per year in the 1970s to 0.5 percent in the 1990s. Immigration has had a particular impact on population growth in several high-income countries. By contrast, migration to developing countries rose by only 1.3 percent per year from 1970 to 2000. With rapid population growth, the share of migrants in developing countries' population (excluding the former Soviet Union) fell (World Bank, *Global Economic Prospects. Economic Implications of Remittances and Migration*, 2006).

At the country level, during 2000–2010, 33 of the 45 developed coun-

tries have been net receivers of international migrants. This group includes traditional countries of immigration such as Australia, Canada, New Zealand and the United States, most of the populous countries in Northern, Southern and Western Europe as well as the Russian Federation and Japan. The movement of people from less developed regions to more developed regions has dominated the world migration patterns for almost half a century, but flows among developing countries have also been important. Several developing countries or areas have been attracting migrants in large numbers, including Hong Kong SAR China, Israel, Kuwait, Malaysia, Qatar, Saudi Arabia, Singapore, South Africa, Thailand and the United Arab Emirates. Jordan and the Syrian Arab Republic have been the primary receivers of refugees from Iraq. Many African countries have been the destination of refugee flows from neighbouring countries (UN, *World Population Prospects*).

Most high-income countries saw immigration rise by at least two percent per year from 1980 to 2000. This increase reflected, in part, increased demand for services accompanying rising incomes, global competition for highly educated workers as technological advances boosted the premium for skills, the growth of networks of immigrants in high-income countries

that facilitated new immigration, and increased refugee movements.

New trends of international migration indicate shifting, from South-North to South-South. Although the top three receiving countries are members of the Organisation for Economic Co-operation and Development (OECD) – the United States, Germany, and France,



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## Isolina Boto

Technical Centre for Agricultural and Rural Development – CTA  
Brussels office  
Brussels, Belgium  
Boto@cta.int

in that order – Côte d'Ivoire, India, the Islamic Republic of Iran, Jordan, and Pakistan are now among the top 15 destinations. International migrants tend to stay within regional neighbourhoods, particularly in developing world regions, most notably in sub-Saharan Africa (World Bank, *World Development Report 2009*).

### ■ Migration is set to increase

According to a World Bank report, it is likely that the number of people who wish to migrate from developing to high-income countries will rise over the next two decades. About 31 percent of developing countries' population is below the age of 14, compared with 18 percent in high-income countries. We can thus anticipate a large influx in the age categories most suitable for emigration, as lifetime earnings from migration tend to be largest for those emigrating early in their working life.

The demand for immigrant services in high-income countries will also rise as the aging of the population shrinks the workforce and increases demand for services that immigrants can supply (such as nursing care).

### ■ Sharp increase in high-skilled migration

The increase in high-skilled migration is partly due to the growing importance of selective immigration policies first introduced in Australia and Canada in the 1980s and later in other OECD countries. Major recruiting countries have increased their intake of skilled migrants and relaxed their criteria relating to labour-market testing and job offers. Some countries (for example, Germany, Norway, and the United Kingdom) have introduced new programmes; others (such as Austria, the Netherlands, and Sweden) offer fiscal incentives to attract

talent to specific sectors. These programmes, and the migrants themselves, are responding to rising skill premiums in industrial countries that have tightened global competition for skilled workers.

Many Central American island nations in the Caribbean had more than half their university-educated citizens living abroad in 2000. And close to 20 percent of skilled workers have left sub-Saharan Africa. In 2007, the flows of remittances to many developing countries surpassed those of foreign direct investment and equity for the first time. And these are only the flows of remittances that governments and researchers can observe – just a fraction of what is actually sent through formal and informal channels.

### ■ Migration and rural areas

Increased numbers of people from the poorest countries are forced to move due to poor living conditions, deteriorating environment, land degradation and pressure over natural resources and conflict, including refugees. Farmers and rural communities have to move to find better agricultural areas, running away from droughts and floods which impact the distribution of the population, particularly in sub-Saharan Africa and South Asia. The lack of adequate public services (schools, health care centres and hospitals, social and recreative centres) explain the migration to areas with economic activities and infrastructure. The lack of investment in agriculture and the poor incentives for young farmers to stay in villages explain a substantial part of migration to towns or to foreign countries.

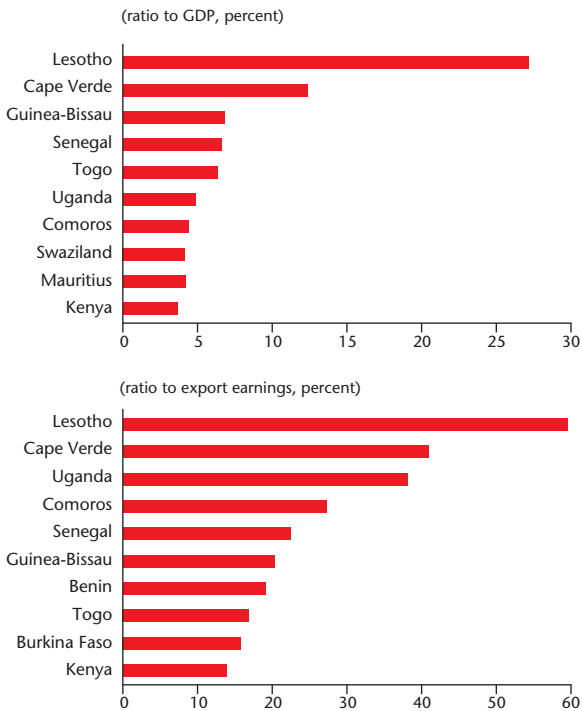
*While the number of people wishing to migrate from developing to high-income countries will surely increase in the coming decades, south-south migration is also becoming more and more relevant.*

Photo: J. Boethling



### Top African destinations of remittance flows

Lesotho and Cape Verde receive the largest remittance flows relative to their size.



Sources: IMF, Balance of Payments Yearbook (2006); IMF, World Economic Outlook database (2006); and World Bank Staff estimates.

Rankings are based on average remittance inflows for 2000–05.

### What about rural development?

It is increasingly recognised that migrants constitute an invaluable resource for development and poverty reduction in their home countries. For many developing countries, remittances from overseas migrants exceed development aid and foreign direct investment volumes. Moreover, remittances from migrant relatives, either internal or international, are often the main component of rural households' incomes. In some Caribbean countries, remittances constitute a major part of the national GDP.

For example, in 2007, the share of remittances was 43 percent of GDP in Guyana and 35 percent in Haiti. In terms of population receiving remittances, the Dominican Republic leads the statistics with 38 percent of the population, followed by Haiti with 31 percent. More than 60 percent, and in some countries even 80 per-

cent, of remittances are spent on daily necessities, which is sometimes incorrectly labelled an "unproductive use". However, remittances are perhaps the "most successful poverty reduction programme", because people use money to satisfy basic needs concerning food, clothing or shelter. The remaining 20–40 percent are mostly invested in human capital, such as health-care or education.

Besides contributing to household livelihoods, remittances can foster longer-term development through investment in education, land and small businesses. In some places, migrants' asso-

ciations channel part of the remittance inflows into community development projects, such as schools, health centres and wells.

At the same time, migration creates new challenges. First, in agriculture-based economies where a significant portion of the adult population is absent on migration, labour shortages may make the local economy highly dependent on remittances, raising concerns for its sustainability in the longer term. Secondly, migration may increase inequality, as households receiving remittances are able to buy land and other key resources, set up new businesses and improve their children's education.

Inflows of remittances may exacerbate competition and even conflict, as individuals and groups seek to buy scarce valuable resources such as residential land in urban areas, and may foster corrupt practices by central and

local government officials seeking to gain from that competition. Finally, in urban and peri-urban areas, substantial remittance inflows and lack of effective local planning may lead to unregulated urban expansion into previously agricultural lands without adequate service provision (FAO, *Till to tiller: Linkages between international remittances and access to land in West Africa*. 2004).

### Migrants and their families

Migration is diverse and complex, and therefore the various impacts at individual and group level are difficult to measure and depend on many circumstances – among them the skills and former employment of migrants, the history of migration (the existence and location of a large diaspora), the sectors affected, patterns of trade and production, the investment climate, and the size and geographical location of the country. For example, migration policies appropriate for a large developing country with substantial low-skilled emigration and effective institutions will differ from the policies for a small island economy with substantial high-skilled emigration and weak institutions (World Bank, *Global Economic Prospects*).

Migrants from developing to high-income countries generally enjoy large increases in earnings. A dataset compiled by the International Labour Organization (ILO) shows that workers in high income countries earn a median wage that is almost five times the level of that of workers in low income countries, adjusted for differences in purchasing power. These data may overstate the wages that migrants expect, because their earnings, at least initially, tend to be lower than those of natives. Moreover, many poor workers who lack local language skills and have minimal education may find limited employment prospects in high-income country job markets. The expectation of higher earnings is not the only eco-

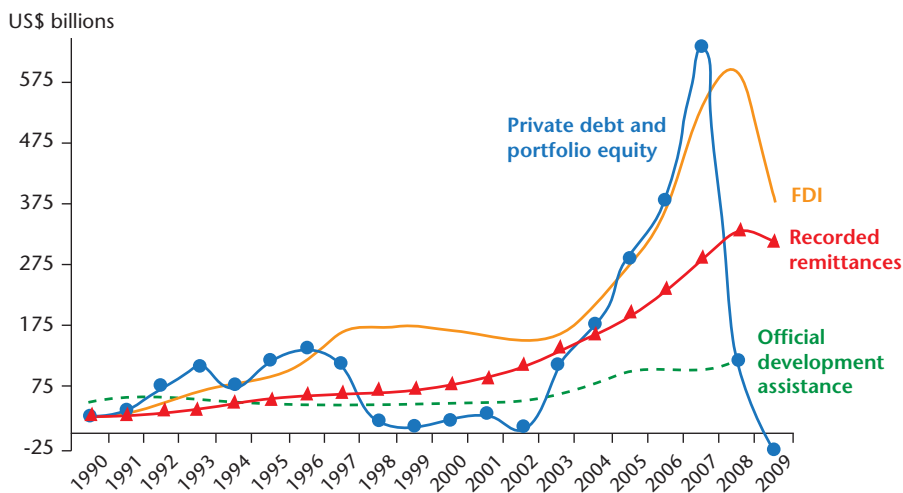
conomic incentive for migration. Households may decide to send some members abroad to diversify the family's source of income and thus reduce risk, as shocks affecting the level of wages and the probability of employment in the destination country may not be correlated with the shocks affecting domestic workers (OECD, *Effects of migration on sending countries: what do we know?* 2006).

International migration of the highly skilled from poor to rich countries – brain drain – can be an obstacle to development. In parts of sub-Saharan Africa and Central America, sometimes more than half of all university graduates migrate to OECD countries, with serious consequences for sectors such as education, health and research. Developing countries could benefit from high-skill migration through partnerships between sending and receiving countries encouraging a repatriation of skills and knowledge (brain circulation).

### ■ Social effects on sending countries

Migration may impact on social life in several ways, such as changes in family composition, in gender roles and

### Remittances, official development assistance (ODA) and foreign direct investment (FDI)



Source: World Bank Migration & Remittances team and Global Development Finance database.

in health and education, and cultural changes (see article on pages 25–27). Positive potential effects of migration include increases in household income, which can reduce child labour and increase attendance to school. On the other hand, migration also changes family composition and roles which may have adverse effects on educational results for children. These could have direct, positive, impacts on schooling outcomes and educational attainment. Migration may change traditional family roles and gender roles within the family and also amongst those who stay behind (in some cases

women migrate and men are left with the children without cultural preparation to assume this role). Various research (IOM, World Bank) suggests that migration can empower women by giving them more responsibilities in decision making within the family or community and increased financial means which allow them to make critical choices in the use of remittances – education for girls, health, social services etc. (OECD, 2006).

A full list of references can be obtained from the author.

### Zusammenfassung

Migration ist ein weit verbreitetes Phänomen. Der Anteil der Migranten an der Bevölkerung in den Industrienationen hat sich in den vergangenen drei Jahrzehnten verdoppelt, und die Geldüberweisungen von Migranten in Entwicklungsländer übersteigen den Betrag der Auslandsinvestitionen und der staatlichen Entwicklungshilfe. In vielen Entwicklungsländern liegt der prozentuale Anteil im Ausland arbeitender Staatsbürger und der Geldüberweisungen dieser Migranten am Bruttoinlandsprodukt (BIP) im zweistelligen Bereich.

Migration ist vielfältig und komplex, daher sind ihre Auswirkungen auf Einzelne und Gruppen schwer messbar und von zahlreichen Umständen abhängig, zum Beispiel von den Fähigkeiten und früheren

Tätigkeiten der Migranten, der Migrationshistorie – dem Vorhandensein und Standort einer großen Migrantengemeinde –, den betroffenen Sektoren, Handels- und Produktionsmustern, dem Investitionsklima und der Größe und geografischen Lage des Landes. Dass Migranten einen unschätzbaren Beitrag zu Entwicklung und Armutsminderung in ihren Heimatländern leisten, wird zunehmend anerkannt.

### Resumen

La migración es un fenómeno de dimensiones gigantes. La proporción de migrantes en las poblaciones de los países industrializados se ha duplicado a lo largo de las tres últimas décadas, y los flujos de remesas a los países en desarrollo son mayores que cualquier inversión extranjera o ayuda foránea. En muchos países en de-

sarrollo, el porcentaje de la población que trabaja en el extranjero y el porcentaje del Producto Interno Bruto (PIB) que representan las remesas ascienden a dos dígitos. La migración es diversa y compleja, y por lo tanto los diversos impactos a nivel individual y grupal son difíciles de medir y dependen de muchas circunstancias – incluyendo las destrezas y los empleos anteriores de los migrantes, la historia de la migración (la existencia y ubicación de un gran número de migrantes), los sectores afectados, los patrones del comercio y la producción, el ambiente de inversión y las dimensiones y la localización geográfica del país. Crecientemente, se viene reconociendo que los migrantes constituyen un recurso invaluable para el desarrollo y la reducción de la pobreza en sus países de origen.