

CHAPTER

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**The World Bank**



THE WORLD BANK



## The World Bank

The World Bank<sup>1</sup> is a vital source of financial and technical assistance to developing countries around the world. The overarching mission of the World Bank Group (WBG) is a world free of poverty. The WBG has established ambitious but achievable goals to anchor its overarching mission and galvanize international and national efforts in this endeavour. The first goal is to end extreme poverty. The target for this goal is to reduce the global extreme poverty rate to 3 per cent by 2030. The second goal is to promote shared prosperity, which entails fostering income growth of the bottom 40 per cent of the population in every country. Ending extreme poverty within a generation and promoting shared prosperity must be achieved in such a way as to be sustainable over time and across generations. This requires promoting environmental, social and fiscal sustainability.

The Bank approaches migration from a development perspective. Its migration work programme has grown rapidly in the last decade,<sup>2</sup> and focuses on the determinants of migration; the impact of migration and remittances on economic growth and development; brain drain; temporary movements of people; the link between trade, foreign direct investment (FDI) and migration; social protection and governance. The increasing commitment to international migration can be seen in the expanded research programme, international consultations on migration issues, regional studies on the impact of migration and support for improved handling of remittances by clients' financial systems.<sup>3</sup> The Bank is now considered the leader in the area of remittances. Its research on skilled migration is widely recognized. The Bank was also the first to highlight that South–South migration may be larger than South–North migration. The Bank is the main source of data on remittances, skilled migration and bilateral migration. The *Migration and Remittances Factbook* is a bestseller in the migration literature.<sup>4</sup> The Bank's migration blog also has a wide following.<sup>5</sup>

<sup>1</sup> The World Bank was founded in 1944 with the aim to facilitate the reconstruction process after World War II. The Bank has evolved from a single entity to a Group composed of five related institutions: the International Bank for Reconstruction and Development, the International Development Association, the International Financial Corporation, the Multilateral Investment Guarantee Agency and the International Center for Settlement of Investment Dispute. The primary goal of the Bank is reducing poverty and facilitating shared prosperity. For further details about the mandate and work of the World Bank, see <http://go.worldbank.org/3QT2P1GNH0>.

<sup>2</sup> The importance of international migrant remittances was first highlighted in Chapter 7 of the flagship report *Global Development Finance 2003*, with remittances estimated to be more than twice the size of official aid and more important relative to other sources of capital flows (and even exports) for many poor countries.

<sup>3</sup> The Bank's work programme on migration and remittances has expanded geographically and thematically, covering research, economic and sector work, advisory services and technical assistance, remittances, diaspora, advocacy and knowledge.

<sup>4</sup> The *Migration and Remittances Factbook* is available online at <http://econ.worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTDECPROSPECTS/0,,contentMDK:21352016~pagePK:64165401~piPK:64165026~theSitePK:476883,00.html>.

<sup>5</sup> The Bank's migration blog is found at <http://.blogs.worldbank.org/peoplemove>.

# 1. Migration and development activities since the 2006 High-level Dialogue

## Research

The World Bank research programme on migration aims to identify and analyse the development impact of migration, and to identify policies, regulations, and institutional reforms, in both receiving and sending countries, that will lead to superior development outcomes. Areas of research include host country and sending country migration policies; the impacts of migration, the brain drain and diaspora on human capital; fertility; productivity growth; provision of health-care services; and institutional development. Complementing this is an active work programme on remittances that aims to improve existing remittance data, reduce transaction costs and enhance the integrity of money transfer systems. For example, in partnership with the Commonwealth Secretariat, the World Bank organized a technical meeting in December 2012 to discuss the new definition of remittances under the *Balance of Payments Manual 6* for Caribbean countries.

International migration has figured prominently in several publications over the past few years,<sup>6</sup> including the *Global Economic Prospects* (GEP) and several regional flagship reports on migration. *GEP 2006: Economic Implications of Remittances and Migration* examined the benefits of migration for origin and destination countries, and provided a menu of options to reduce remittance costs and leverage the benefits of remittances at the household and country levels. A regional report entitled *Shaping the Future: A Long-Term Perspective of People and Job Mobility for the Middle East and North Africa* (2009) found that there would be large demographic and labour force imbalances, which may lead to a sharp acceleration of job and labour mobility. It developed a policy framework to help sending and receiving countries start preparing now to weather future imbalances. An edited volume entitled *Migration and Poverty: Toward Better Opportunities for the Poor* (2010) summarized recent research from Albania, Nepal, Nicaragua and Tanzania on the bidirectional linkages between international migration and poverty. Another volume, *Migration and Skills: The Experience of Migrant Workers from Albania, Egypt, Moldova, and Tunisia*, aims to unravel the complex relationship between migration and skills development based on case studies of potential and return migrants.

Surveys of migration and remittance behaviour at the household level have been undertaken in recent years in Brazil, Burkina Faso, Ghana, Kenya, Nigeria, the Pacific

<sup>6</sup> Examples of these publications include *Global Development Finance 2003*; *Global Economic Prospects 2006: Economic Implications of Remittances and Migration*; *International Migration, Remittances, and Brain Drain*; *Remittances: Development Impact and Future Prospects*; *The International Migration of Women*; *International Migration, Economic Development and Policy*, a chapter in the upcoming *World Development Report*; regional studies in East Asia and the Pacific, Europe and Central Asia, and Latin America and the Caribbean; and over 60 working papers, many of them published in leading academic journals. A complete list of publications is found at [www.scribd.com/collections/3454104/Migration-Remittances](http://www.scribd.com/collections/3454104/Migration-Remittances).

Islands, Senegal, South Africa, Uganda and Kerala, India. Resources have been devoted to general equilibrium modeling of the gains from migration, as well as the development of data sets covering high-skilled emigration, a separate data set on physicians, total migration stocks and bilateral migration and remittances. The ongoing research programme covers linkages between FDI, trade and migration; the role of networks and diasporas in international migration patterns and outcomes; the analysis of household surveys; the design of optimal temporary migration policies; remittance stability and stabilization impacts; brain drain and institutions; internal and international migration in several countries; brain drain and productivity; and the medical brain drain.

Research on the global financial crisis has resulted in a special issue of the journal *Migration Letters* entitled “Remittances and the Global Financial Crisis,” where a collection of cases from around the world is presented for an understanding of the immediately felt effects of the crisis. In 2011 the World Bank issued several books related to migration, including *Migration and Remittances during the Global Financial Crisis and Beyond*.

The Bank has recently conducted a global survey of 114 central banks worldwide (33 of which are in Africa) to better understand how central banks and other national institutions regulate and collect data and other information on cross-border remittance flows. The Bank has also conducted several bilateral remittance corridor analyses, most recently on remittance flows from the United Kingdom, United States of America and South Africa to Uganda, and the Qatar–Nepal remittance corridor.

The Bank undertook policy-oriented research on innovative financing instruments (for example, diaspora bonds) through which the developing world’s diasporas could invest their billions of dollars of savings in their homelands, published in *Foreign Policy* (24 May 2011). The edited volume *Innovative Financing for Development* outlines various recent innovations in international finance that allow developing countries to tap global capital markets, including by leveraging migration and remittances for development and infrastructure projects.

A major study of migration in Africa was conducted during FY 2009–2011, together with the African Development Bank. A number of surveys were conducted as part of this project – household surveys in six African countries (Burkina Faso, Kenya, Nigeria, Uganda, Senegal and South Africa),<sup>7</sup> surveys of remittance service providers in Africa and key destination countries, a global survey of central banks, and surveys of embassies and diaspora associations, among others. A regional flagship report, *Leveraging Migration for Africa: Remittances, Skills, and Investments*, and two companion volumes, *Diaspora for Development of Africa* and *Remittance Markets in Africa*, have been published.<sup>8</sup>

<sup>7</sup> A copy of the survey report is available at [http://siteresources.worldbank.org/EXTDECPROSPPECTS/Resources/476882-1157133580628/Plaza\\_Navarrete\\_Ratha\\_MethodologicalPaper.pdf](http://siteresources.worldbank.org/EXTDECPROSPPECTS/Resources/476882-1157133580628/Plaza_Navarrete_Ratha_MethodologicalPaper.pdf).

<sup>8</sup> The regional flagship report may be downloaded from <http://econ.worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTDECPROSPPECTS/0,,contentMDK:21681739~pagePK:64165401~piPK:64165026~theSitePK:476883,00.html>.

The data on the six household surveys conducted for the project are available publicly through the Bank's open micro-data platform.

In 2012 the WBG published the *Guidance Report for the Implementation of the CPSS–World Bank General Principles for International Remittance Services*. In addition to the aforementioned studies and reports, the World Bank has been producing the Migration and Development Brief, a series providing analysis and discussion of migration- and remittance-related issues across the globe.

## Economic and sector work

Economic and sector work on migration and remittances has been undertaken in several regions, including: (a) regional studies on Latin America and the Caribbean, Eastern Europe and Central Asia, the Middle East and North Africa, and East Asia and the Pacific; (b) prospective diagnostic studies on good practices and the capacities of governments to manage migration; and (c) country assistance strategies in Albania, Bangladesh, the Republic of Moldova, Nepal, the Philippines, South Africa and Tajikistan, among others.

Following up on the completion of the Europe and Central Asia region's flagship report on migration and remittances in 2007, the Bank is exploring ways to mainstream work on migration across the full suite of its advisory services and analytical products. Since 2005, migration has been integrated into the Republic of Moldova's country economic memoranda (CEMs). At present, migration and remittances are being included in the ongoing CEMs for Albania, the Republic of Moldova, and Tajikistan. Migration was also covered in a chapter of the report "Albania Poverty Assessment." The Bank has also produced two stand-alone analytical projects on migration: (a) a paper documenting migration patterns in Central and Eastern European countries; and (b) a separate report looking at the last 20 years of transition, analyzing the state of play of migration and migration policy in Western Europe, as well as Central and Eastern Europe and the CIS countries, and considering the demographic challenge that many of these countries face and some of the possible implications for growth.

The majority of the Bank's migration-related work in the Middle East and North Africa (MENA) region was undertaken in the context of an extensive European Commission Trust Fund agreement on migration from North Africa to Europe between 2007 and 2010.<sup>9</sup> The areas of research included: (a) remittance impact evaluation (utilizing household data), consisting of several studies on the impact of remittances on work incentives and labour supply, poverty, inequality and household decisions impacting

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<sup>9</sup> This was a three-year agreement with the overall objective of understanding "Euromed" migration and identifying and supporting policies which could maximize welfare gains for migrants and the countries involved. The programme of activities was substantial, entailing some 20 technical papers and reports, as well as two dissemination seminars, and involved substantial research, analysis and policy recommendations.

children; (b) return migration studies;<sup>10</sup> (c) European case studies to understand the institutional framework for migration and the consequences of this for migrants, their characteristics and their overall living conditions, conducted in three major receiving countries (France, the Netherlands and Spain) for migrants from the Maghreb; and (d) consequences of migration from the Maghreb to EU countries, quantifying the effect of ageing on European countries, discussing the potential impacts of immigration flows from MENA to the EU region on tax rates, productivity, GDP–GNP levels and demographic variables in both regions.

World Bank efforts to improve migration data include developing the most comprehensive database on skilled migration to date, based on census and survey data from OECD countries and, in collaboration with the UN Population Division (UN DESA), – a bilateral matrix of global migration stocks, including South–South migration and various extensions along gender and age dimensions. Migration and remittance-focused surveys of households, central banks, remittance service providers, embassies and diaspora organizations have been conducted as part of the project. The World Bank has also carried out evaluations of the development impact of seasonal worker programmes in the Pacific, and two major regional studies (in East Asia and the Pacific and in South Asia) of cross-border labour mobility, remittances and development from 2010 to 2012.

### **Advisory services and technical assistance**

Advisory services and technical assistance are being provided in different regions. The Bank’s African Diaspora Program supported African governments in developing policies to engage their diaspora communities, while its Future of African Remittances Program is designed to reduce the cost of remittances. The Bank launched a Migration and Remittances Peer-Assisted Learning Network (MiRPAL) in Central Asia to facilitate exchange of information between practitioners and provide technical assistance in data collection and policy support. As part of this initiative, the World Bank produced “Migration and Remittances in Europe and Central Asia” profiles in 2011.<sup>11</sup>

The Bank-supported Marseille Center for Mediterranean Integration is studying the experiences of migration management interventions and the portability of social benefits for migrants. In June 2010 the World Bank, in partnership with the European Commission, the African Development Bank and IOM, assisted the African Union Commission in creating an African Institute for Remittances. The World Bank has also launched the Future of African Remittances Program, designed to reduce the cost of remittances, increase the availability of financial products linked to remittances and increase the flow of remittances through formal channels. The International Finance

<sup>10</sup> Utilizing data from the European University Institute (EUI), the studies evaluated entrepreneurship among return migrants to Maghreb, and pre- and post-migration well-being of returned migrants, measured through financial and non-financial variables. EUI data covered Algeria, Morocco and Tunisia.

<sup>11</sup> The profiles are available from [www.worldbank.org/eca/mirpa](http://www.worldbank.org/eca/mirpa).



Corporation has provided USD 30 million debt financing for an innovative funding approach that leverages the significant remittances of El Salvadorans working abroad to increase lending to micro-entrepreneurs and low-income people in that country.

## Remittances

The Bank publishes a comprehensive data set on remittance flows across the world, as well as monthly remittances data for 22 countries and remittance prices for 200 remittance corridors (from 29 major remittance-sending countries to 86 receiving countries). The *Migration and Remittances Factbook 2011* updates the popular 2008 edition with additional data for 71 countries. The fact book provides a comprehensive picture of emigration, skilled emigration, immigration and remittance flows for 210 countries and 15 country groups, drawing on authoritative, publicly available data.

The work programme on remittances focuses on how to improve existing remittance data, reduce transaction costs, increase competition, enhance the integrity of money transfer systems and link remittances with savings and investment products, as well as on the securitization of future remittances and the issuance of diaspora bonds. The Bank worked with the African Union and the European Commission to create the African Institute for Remittances. General Principal Assessments of Remittances have been undertaken in Liberia, Malawi and Tanzania. The World Bank was an active participant in the second High-level Roundtable on Reducing the Cost of Remittances in the Pacific (July 2008).

Following the successful launch of the book *Innovative Financing for Development* in October 2008, the World Bank has been assisting countries in mobilizing resources from their diasporas via diaspora bonds. The Bank organized a session on remittances at the Small States Forum at the World Bank–IMF Annual Meetings in October 2009.

The World Bank's key initiatives and research programmes on migration and remittances focus on:

- (a) Assisting countries in improving the collection of data on migration and remittance flows;<sup>12</sup>
- (b) Strengthening the links between remittances and financial access for migrants and remittance recipients, and enhancing the integrity of money transfer systems;
- (c) Measuring the global average cost of remittances through its Remittance Prices Worldwide, a database that serves as a tool for monitoring progress towards the G20's "5x5 Objective."

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<sup>12</sup> The Bank publishes a comprehensive data set on annual remittances (inflows and outflows), monthly remittances to selected countries and estimates of bilateral migration and medical 'brain drain' for over 200 countries.



- (d) Chairing the Global Remittances Working Group formed in 2008 at the request of G8 countries in order to coordinate global activities on remittances;
- (e) Creating an enabling environment for the reduction of remittance prices by helping to improve the infrastructure for domestic and cross-border payments, remove legal barriers to the development of sound remittance markets and foster market competition;<sup>13</sup>
- (f) Advocating for reducing remittance costs, in collaboration with the G20. The Bank monitors remittance prices for 200 major remittance corridors via the World Bank Remittance Price Database.<sup>14</sup>

Some examples of World Bank activities include:

- (a) *Send Money Home to Asia*, a project collaboration with the International Fund for Agricultural Development (IFAD), which produced a report featuring 27 country profiles and 6 innovative cases of remittance services and technology in Asia (including Afghanistan, Bangladesh, Cambodia, Nepal and Tajikistan).
- (b) *Creation of the remittance price database "Send Money Africa,"* which allows migrants to compare the costs of remittances from 16 sending countries to 28 receiving countries (including the Democratic Republic of the Congo, Ethiopia, Kenya, Liberia, Malawi, Mali, Mozambique, Rwanda, Sierra Leone, Somalia, Tanzania, Uganda and Zimbabwe), for a total of 54 "country corridors," including intra-African ones. This database enhances the transparency in the market and provides migrants with reliable data on the cost of transferring money. It allows the identification of those corridors with higher costs, opening the opportunity to donors and governments to intervene more precisely in the most critical areas.
- (c) *Comprehensive reform of the national payments system* in Afghanistan, Bangladesh, the Democratic Republic of the Congo, Ethiopia, Nepal and Occupied Palestinian Territory.
- (d) *Technical assistance on large-value and retail payment systems* in Burundi, Kyrgyzstan and Sierra Leone.
- (e) *Technical assistance on the legal, regulatory and oversight frameworks* for payment and settlement systems in Mozambique, Sierra Leone and Tajikistan.
- (f) *Technical assistance in the area of credit reporting* in Haiti and Kenya.

<sup>13</sup> In FY 2013 the WBG assisted more than 20 countries worldwide, including Indonesia, Liberia, Nicaragua and Samoa, in implementing policy, technical and regulatory reforms aimed at improving the remittance market for consumers.

<sup>14</sup> The database can be accessed at <http://remittanceprices.worldbank.org>.

## Diaspora

Diasporas can be an important source of trade, capital, technology and knowledge for countries of origin and destination. To discuss these possibilities, the Bank hosted an international conference in Washington, D.C. in July 2009 which was attended by more than 200 participants. In September 2009 it hosted an international research conference in Washington, D.C. that brought together more than 100 academics and researchers to discuss the development impact of migration. The book *Diaspora for Development in Africa* aims to consolidate research and evidence on these issues, with a view to formulating policies in both sending and receiving countries.<sup>15</sup>

The G20 Cannes Declaration and the Gates Report in 2011 noted the role that diaspora bonds can play in mobilizing resources for development. The Bank is engaged with some developing country governments to implement diaspora bonds. A World Bank Group-wide Task Force on the Implementation of Diaspora Bonds has been formed. Such innovative financing instruments are attracting increased interest from developing countries in the financing of the post-2015 development goals.

## Advocacy

The World Bank has been actively engaged in efforts to develop global policy coherence on the treatment of migration via greater partnerships and coordination. It co-chaired with the Bank for International Settlements a task force for the international coordination of remittance payment systems. Along with several other international organizations, the World Bank is a member of the GMG. It has also provided technical inputs to the G20 Study Group on Labor Mobility and Demographics and contributed to a paper for the G20 meeting in September 2009 featuring remittances.

In July 2008 the G8 countries at the Hokkaido Toyako Summit invited the World Bank to facilitate and coordinate a Global Remittances Working Group (GRWG). GRWG is a multi-year platform aiming to facilitate the flow of remittances by providing guidance and policy options to the global community. The working group has set a goal of reducing the cost of remittances by five percentage points in five years. The working group's recommendation received strong support at the G8 Heads of State Summit in L'Aquila in June 2009. Going forward, the GRWG will also address other key areas, such as interactions with migration and development and access to finance.

The GRWG has built a work programme around four thematic areas: (a) data; (b) interconnections between migration and development, and policy; (c) payment and market infrastructure; and (d) remittance-linked financial products and access to finance.

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<sup>15</sup> *Diaspora for Development in Africa* may be downloaded from [http://siteresources.worldbank.org/EXTDECPROSPECTS/Resources/476882-1157133580628/DfD\\_FullReport.pdf](http://siteresources.worldbank.org/EXTDECPROSPECTS/Resources/476882-1157133580628/DfD_FullReport.pdf).

## Knowledge

The World Bank has established a multi-donor trust fund to implement the Global Knowledge Partnership on Migration and Development (KNOMAD).<sup>16</sup> This initiative will provide a space for analysing complex issues and some of the under-researched questions. It will strive to complement, but not replace or replicate, migration activities of existing institutional mechanisms. The multidisciplinary work of KNOMAD, drawing on global expertise, will supplement a growing agenda on migration and development within the World Bank, GMG agencies and international processes such as the Global Forum on Migration and Development (GFMD). KNOMAD will also build on and strengthen existing knowledge networks on migration to foster South–South knowledge exchanges and deepen collaboration with external think tanks, research centres, universities and professional networks.

KNOMAD aims to generate and synthesize knowledge on migration issues for countries, generating a menu of policy choices based on multidisciplinary knowledge and evidence, and providing technical assistance and capacity-building to sending and receiving countries for the implementation of pilot projects, evaluation of migration policies and data collection.

The WBG is closely involved in global partnerships to develop policy coherence on the treatment of migration, including active participation in the GMG and the GFMD. The World Bank is also committed to helping shape the post-2015 development agenda. The World Bank’s blog, “People Move,” remains a widely read blog on migration, remittances and development.

## 2. Support provided to the Global Forum on Migration and Development

The World Bank actively contributes to the work of the GFMD and is also an Observer of the Friends of the Forum. It was closely involved with the GFMD meetings in Brussels (2007), Manila (2008) and Athens (2009). It supported the Civil Society Days and the Government meetings in the fourth meeting in Mexico in November 2010. The Bank also contributed to the GFMD in Geneva in 2011 and in Mauritius in 2012. The World Bank is also contributing to the GFMD in 2013–14.

<sup>16</sup> KNOMAD was launched on 19 April 2013 and is supported with funding from the Swiss Agency for Development and Cooperation and the German Federal Ministry of Economic Cooperation and Development.

Some of the Bank's contributions to the GFMD include:

- (a) GFMD 2007
  - (i) Coordinating partner in the round table discussions on increasing the macro-impact of remittances on development, together with the Governments of El Salvador, Portugal, the Republic of Moldova and Turkey.
- (b) GFMD 2009
  - (i) Contributions to round table discussions with the World Bank's 2009 Migration and Development Brief 11: "Migration and Remittance Trends 2009"<sup>17</sup>.
- (c) GFMD 2010
  - (i) Background paper: "Impact of migration on economic and social development: A review of evidence and emerging issues".
  - (ii) Presentation of the *Migration and Remittances Factbook 2011* and a side event.
- (d) GFMD 2011
  - (i) Presentation of the KNOMAD project at the Civil Society Days.
  - (ii) Presentation of the latest remittance trends at the Government Days.
  - (iii) Participation at the Abuja preparatory meeting entitled "From Evidence to Action Facilitating South-South Labour Migration for Development".
  - (iv) Presentation at the Bern preparatory meeting on labour mobility of the book *Diaspora for Development in Africa*.
  - (v) Co-organization of a migration and development policy assessment workshop (with IOM and the Swiss Government) in June 2011.
  - (vi) Presentation at the Moldova meeting, "Mainstreaming Migration into Strategic Policy Development" of the World Bank approach to linking migration and development, the MiRPAL Program, the Country Economic Memorandum and the joint World Bank-IOM mapping of the Moldovan diaspora.
- (e) GFMD 2012
  - (i) Joint preparation with IOM and IFAD of the background paper for the round table entitled "Supporting Migrants and Diaspora as Agents of Socioeconomic Change"<sup>18</sup>.
  - (ii) GFMD preparatory workshop entitled "Factoring Migration into Development Planning" in June 2012.
  - (iii) Co-organization with the GFMD Chair of the second High-level Forum and GFMD preparatory meeting, "Harnessing Diaspora Resources for Development in Africa" in Mauritius in June 2012, with a consultation session at that meeting on KNOMAD.

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<sup>17</sup> The fact book may be downloaded from <http://siteresources.worldbank.org/INTLAC/Resources/Factbook2011-Ebook.pdf>.

<sup>18</sup> Background paper on Round table 1.2: "Supporting Migrants and Diaspora as Agents of Socioeconomic Change," World Bank, IOM, IFAD.

- (iv) Presentation entitled “Perspectives and Recommendations on Emerging Products and Tools – Session 1: Diaspora Bonds” at the GFMD preparatory meeting in June, 2012.
- (v) Presentation at a GFMD 2012 preparatory meeting in Brussels entitled “Promoting Policy Coherence for Development in International Migration Issues” in June 2012.
- (vi) Side event on migration and remittances outlook and KNOMAD during the GFMD 2012 in Mauritius.

### 3. Identified good practices

While international migration and remittances represent an important driver of social and economic development in labour-sending countries, pinpointing the impact of these phenomena on development is currently limited by the lack of standardized and comparable data on migration and remittances in many developing countries.

The World Bank team has learned the following lessons from its Africa Migration Project:

- (a) No one, including the leading international and national household survey experts, has ever developed a sampling framework that captures international migrants in a household survey in Africa. The national censuses in Africa only occur every 10 years, and the data on migrant households is usually unavailable.
- (b) Local research institutions have a greater knowledge of their country’s migration issues and patterns than international experts.
- (c) A combination of international household survey experts and local research institutions is the best formula for implementing household surveys on migration and remittances.

The survey tools piloted and developed under this project are now being used in household surveys in six countries in sub-Saharan Africa. They have been distributed to World Bank Country Teams in Bangladesh, India and Yemen. Outside the Bank, the survey tools have been used by universities and the Bureau of Statistics in Bangladesh and Sri Lanka.

## 4. Challenges identified in carrying out World Bank work

As part of the Africa Migration Project, the World Bank has identified the following challenges:

- (a) Designing a sampling frame that would include a sufficient number of migrant households. A major challenge in conducting a household survey on migration and remittances is the difficulty of knowing where migrant households are located. The national censuses are 10 years old and international experts on household surveys did not know at that time how to develop a sampling framework to include migrant households.
- (b) Capacity-building and quality control of local research institutions implementing the household surveys. Another challenge in conducting household surveys across six different countries in sub-Saharan Africa is quality control during the implementation phase of the survey, which proved to be time- and resource-consuming.<sup>19</sup>
- (c) Evaluation of the impacts of migration and remittances on development has been impaired by significant data gaps in sub-Saharan Africa and several developing countries. Data on international or intraregional migration are incomplete. Bilateral migration data are missing for several countries. Statistics on involuntary migration, believed to be widely prevalent in the Africa region, are even more unreliable. Data on remittances are also incomplete.

Some of the lessons from the Africa Migration Project are common to other regions.

## 5. Gaps evident within the migration and development sphere

With over 200 million international migrants and over 700 million internal migrants, migration is likely to continue being a critical issue for development. In the coming decades, demographic changes, persistent income disparities, declining communication and transportation costs and increasing access to information will strengthen the impetus towards migration. Climate change also has the potential to accentuate this. Although understanding the link between migration and development has attracted the interest of researchers and practitioners, there are substantial knowledge gaps that need to be filled, and policy-oriented information is missing. What exists today is a fragmented system of different networks and agencies in the economic, social and finance fields. There are big, open questions on international and internal migration

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<sup>19</sup> This involved training the local research institutions on how to implement the survey, sending the experts on household surveys to advise the local research institutions during the implementation phase, organizing two technical workshops on the household surveys and working day-to-day with the local research institutions on the implementation of the survey, quality control and sampling framework.

that affect all stakeholders and yet are not easily addressed by any one institution acting alone.

Remittances are one of the key channels through which migration affects development. Although various studies find that remittances reduce poverty and increase investment in human capital, there is also evidence that substantial remittance inflows can encourage dependency and may reduce the overall competitiveness of the economy through exchange rate appreciation.

The remittance landscape in the world is rapidly changing with the introduction of innovative, mobile money transfer and branchless banking technologies. While adoption of these technologies has been limited largely to domestic money transfers (in part because of concerns about money laundering and terrorist financing related to cross-border remittances), these technologies have the potential to vastly improve access to remittances and broader financial services, including low-cost savings and credit products for migrants and remittance recipients in developed and developing countries.

Skilled labour migration remains one of the most contentious and unsettled issues in the link between migration and development that needs serious policy-oriented work. There are other pressing gaps on migration and development that need to be addressed, chief among them are understanding: (a) the links between internal migration and its effects on destination communities, such as urban congestion; (b) the implications of migration on the household members and communities left behind; (c) the gendered differences of the impacts of migration (for example, remittance-sending behaviours, social impacts, human capital-building patterns, among others); and (d) the demographic patterns across developed and developing economies and the link with migration trends.

Governments can play a significant role in securing the benefits of migration by strengthening ties to diasporas, improving competition in remittance markets, designing educational policies in light of the challenges surrounding high-skilled emigration and providing information and protection for emigrant workers. However, limited fiscal and technical resources in origin countries constrain the effectiveness of such policies and reduce the gains from migration while exposing migrants to severe risks.



## 6. Recommendations for the 2013 High-level Dialogue

The outcomes of the High-level Dialogue (HLD) on International Migration and Development are expected to help set the global agenda on international migration for the rest of the decade, including defining the role of migration in the post-2015 development agenda. International migration has tremendous potential to improve development. Several governments are strengthening ties to diasporas, improving competition in remittance markets, and providing information and protection for emigrant workers. However, there is still a need for devising effective policymaking based on evidence on migration and development. Migration costs are still high for migrants and vary from country to country. Two concrete measures to enhance the benefits of migration are:

- (a) Strengthen the knowledge and evidence base and generate a menu of policy choices, ideally through multidisciplinary and collaborative evidence-based research.
- (b) Reduce the costs of migrating, including the costs of requisite documentation (visas, passports) and recruitment, both in sending and receiving countries.

Improving the gains from migration will require an understanding of where and how sending and receiving countries can intervene, given their different interests and policy constraints.

The Global Knowledge Partnership on Migration and Development (KNOMAD) initiative could contribute to achieving the recommendations of the HLD. For example, KNOMAD will draw on experts on migration and development from all parts of the world to synthesize existing knowledge and generate new knowledge for use by policymakers in sending and receiving countries. KNOMAD aims to generate a menu of policy options on different aspects of migration and development. Its outputs will include policy notes, data, research papers and books, conferences, capacity-building workshops, and pilot projects. The outputs will be widely disseminated as global public goods.