MOVING TOWARD OPPORTUNITY: MANAGING MIGRATION FOR DEVELOPMENT

JOHN PAGE

Population mobility has been a permanent feature of African history and it is very likely to increase. Growing demographic imbalances between Africa, Europe and North America, combined with large income gaps, will lead to strong migration pressures toward industrialized countries. As Europe's population ages, it is projected that the European Union will need 1.6 million immigrants entering the job market every year between 2010 and 2050. Africa has the demographic potential to close the gap. The majority of African migrants, however, will remain within the continent, where growing intra-regional income differences will contribute to substantially greater mobility of workers.

The major impacts of increased migration on African economies are likely to come through migrant remittances and highly skilled migration. Globally, remittances are a leading source of development finance and in Africa they are of growing significance. There is little agreement but great emotion about the impact of highly skilled migration on Africa's development. On the positive side, skilled migration results in a reflow of remittances and may provide incentives for skill formation. It may also encourage flows of commerce, investment and knowledge through diaspora communities. Set against these gains are possible reductions in institutional capacity, declines in the productivity of networked professions—such as health care—and adverse distributional consequences from public financing of skill formation.

MANAGING MIGRATION

Of course the most intriguing question arising from increasing migration is whether some economies in Africa might be able to manage migration for development. Africa has a large number of landlocked, resource-scarce countries. These economies face the dimmest prospects of growing to middle-income status and their economic future is likely to require that they specialize in the export of goods and services that have high value to transport costs—mainly those that embody high levels of human skills.

Not surprisingly, the policies and investments needed to export goods and services that embody human skills are complementary to exporting the skills themselves. Investments in education and training are required and the limited evidence suggests that the opportunity to migrate raises the demand for skills. Falling transportation costs and corresponding investments in transport infrastructure can benefit both trade and migration. Aggressively investing to create the skills needed for e-commerce, as Rwanda has done, can have the beneficial, if unintended, consequence of providing the language and communication skills needed to equip nationals to compete in third country labor markets.

For countries at either end of the migration chain, viewing migration as part of the solution to the development problem—rather than as a symptom—offers considerable promise. To grasp the opportunity offered by increasing migration, governments will need a migration strategy and a clearer understanding of the costs and benefits.

TOWARD MIGRATION POLICY

With very few exceptions, governments in Africa and in destination countries have approached migration in institutional and policy terms from a control perspective. Managing migration will require a different policy perspective: one that attempts to maximize the benefits of migration while minimizing its economic and social costs.

For African countries of origin, some policy interventions are reasonably straightforward and have an ample evidence base to support them. For example, financial sector reforms to extend formal banking to rural areas and to provide a broader array of financial instruments to small savers can increase the share of remittances that flow into the formal financial system and increase financial depth. Active policies to encourage the physical or virtual return of skilled migrants—as have recently begun in Ghana and Nigeria—offer the potential for using the diaspora as a development resource.

Other aspects of migration policy are highly contentious, such as the appropriate response to the migration of highly skilled professionals. At present, we have very little evidence on whether the brain drain's net impact is positive or negative. Nevertheless, a number of policy lessons drawn from the experience of countries outside of Africa—many of them concerning what not to do—are relevant.

Existing evidence suggests that policies restricting the mobility of highly skilled individuals directly or through educational restrictions are not likely to work. Brain drain is rarely the root problem. Challenges in education, health care and public finance combined with the magnitude of income differentials between sending and receiving countries provide powerful incentives for individuals to move. It is however possible to recover some of the publicly financed costs of skilled migration. Careers in medicine, engineering and other technical subjects are fast becoming global and tend to be the most costly fields in terms of training. Requiring students to pay for a portion of the cost of their training seems both fair and efficient.

A shift in perspective from control to management would also benefit the destination countries. Demographic pressure, persistent income differentials, spreading networks of migrants, increasingly intense communications, and the growing ability to afford the cost of migration mean that the rich countries of Europe, North America and Asia will face rising migration pressures. Integrating migration into the development agenda and seeking mutually beneficial arrangements with the countries of origin in Africa offer a greater prospect of long-term success than increasing controls. Multilateral approaches are also needed. Therefore, strengthening global institutions that can establish and enforce rules governing migration, as is the case for trade and finance, should be a high priority.

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