

A conversation with Dilip Ratha and Sonia Plaza on July 24, 2013

Participants

- Dilip Ratha — Manager and Lead Economist, Migration and Remittances Unit, Development Economics Prospects Group, World Bank; CEO, Global Knowledge Partnership on Migration and Development (KNOMAD)
- Sonia Plaza — Senior Economist, Migration and Remittances Unit, Development Economics Prospect Group, World Bank
- Alexander Berger — Senior Research Analyst, GiveWell
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Note: This set of notes was compiled by GiveWell and gives an overview of the major points made by Dilip Ratha and Sonia Plaza.

Summary

GiveWell spoke with Dilip Ratha and Sonia Plaza as part of its investigation of migration and labor mobility. Conversation topics included: the World Bank's work on migration issues, the research goals of the newly-formed Global Knowledge Partnership on Migration and Development (KNOMAD), and other international organizations working on migration issues.

The Migration and Remittances Unit at the World Bank

Background

Dr. Ratha is the Manager of the Migration and Remittances Unit at the World Bank. This group has been the focal point for research on migration and development issues at the World Bank for the last 10 years.

Focus areas

- Migration policy and development. The Migration and Remittances Unit has highlighted the positive development impacts of increased migration, such as reductions in poverty, and the effects of development on migration patterns.
- South-South migration. The Migration and Remittance Unit has collected data from more than 210 countries that showed that South-South migration is more common than South-North migration. About two-thirds of international migration from African countries is to other African countries, while migration from sub-Saharan Africa to Europe is about 3% of all emigration from sub-Saharan African countries. Migration scholars had historically focused on South-North migration issues, but the Migration and Remittance Unit's findings encouraged many to study South-South migration more closely. Scholars have determined that most migration issues faced by global Northern countries are significant in global Southern countries as well.

- Diaspora. The Migration and Remittance Unit's research has found that even when people emigrate from their home countries for life, they often contribute to their home countries' economies through remittances, investment, skill transfers, technology transfers, trade promotion, and philanthropy.
- National security and migration
- National and cultural identities

Other migration-related work at the World Bank

Remittances

The World Bank Payment Systems & Remittances group analyzes regulations and major institutions in the remittance market and advises countries on streamlining regulations with the objective of reducing costs and improving transparency. They work with global forums like the G20, the G8, and the Global Forum on Migration and Development to address these issues. They work with regional development banks and bilateral aid agencies to develop global solutions for reducing the costs of remittances.

The World Bank also works to improve the link between remittances and financial products to encourage greater financial inclusion. If remittance flows are properly accounted for, they can improve credit ratings and reduce borrowing costs at the household and country levels.

Diaspora bonds

The World Bank helps countries to issue diaspora bonds in order to increase funding for development projects. It advises governments on matters such as how diaspora bonds should be structured and how they can be issued.

Working with governments

Operational work in the migration and development area at the World Bank is in its early stages. The Bank has worked with some Pacific Island countries to structure and implement temporary migration programs and then evaluate them.

Data

Dr. Ratha designed a global survey of central banks to collect data on remittances. The survey collected the size of remittances, costs of remittances, and other information. He worked with IMF analytics teams to improve collection of remittances data.

Global Knowledge Partnership on Migration and Development (KNOMAD)

Overview

KNOMAD brings together researchers, policymakers, and stakeholders from around the world to do research and collect evidence in order to influence migration and development policy.

Working groups

KNOMAD has 12 working groups to address different areas of research. Each working group has a chairperson who is a leading expert in the working group's focus area. Each group has a co-chair, which is typically a United Nations organization. Most of the members of the Global Migration Group, which includes 14 UN agencies, are working with KNOMAD. Together, the chair and co-chair hire 3 to 5 experts to form a network of experts. Then, the group submits a one-year work program to KNOMAD leadership and is funded subject to KNOMAD's resources.

KNOMAD will release its initial rounds of research in the next few months.

Goals

KNOMAD would like to see specific goals related to migration and development on the post-2015 international agenda. There are 200 to 300 million international migrants and about 700 million internal migrants in the world; 1 out of every 7 people is a migrant. Broad development goals, like the Millennium Development Goals, ought to include goals related to migration.

Three possible goals that the international community should consider are:

- 1) Reduce the costs of migration, e.g., the costs of passports, visas, recruitment, and citizen permits
- 2) Protect migrants' human rights
- 3) Recognize migration as a cross-cutting policy that can reduce poverty and help people adapt to climate change

Many countries support reducing the costs of migration. Two to three KNOMAD working groups are already collecting and analyzing data about the costs of migration.

Funding

KNOMAD has raised \$6 million of its \$30 million five-year projected budget; it has raised enough for one year of operations. KNOMAD plans to fundraise in late 2013 to early 2014. Current funders include the governments of Germany and Switzerland.

Influencing immigration quotas

A nation's immigration quotas are a matter of sovereignty, so the World Bank does not advise countries on quota policy. Some researchers study the positive effects of more migration, but no large organizations are currently trying to persuade governments to increase quotas.

As an economist, Dr. Ratha generally agrees with scholars like Michael Clemens and Lant Pritchett who argue that migration is an effective intervention for reducing global poverty.

One relatively uncontroversial way to increase migration is to do analytical work that improves global matching of supply and demand for labor. The ILO and IOM are interested in reducing labor shortages in different countries and sectors, so they are working on a better system for matching supply and demand.

Other international organizations working on migration issues

International Organization for Migration (IOM)

The IOM is an international organization with about 100 member countries that works on migration issues such as refugee re-settlement. It is not a UN organization. It serves member countries in the area of migration on a case-by-case basis. For example, it helped migrants return to their home countries in times of crisis such as the Arab Spring, and helped people to relocate after disasters such as the Haiti earthquake and the tsunami in Indonesia.

The IOM also puts together information and technical knowledge on migration. Its current focus is not on development issues, but it is exploring that area.

International Labor Organization (ILO)

The ILO works with unions, workers, and governments on issues related to the rights of migrants and working conditions.

Global Forum on Migration and Development (GFMD)

The GFMD is an annual meeting where about 160 countries share information and discuss migration and development issues. Countries are represented by ministries and agencies specializing in foreign affairs and migration. For example, the UK is represented by its Department for International Development (DFID) and the U.S. is represented by the Bureau of Population, Refugees, and Migration. Six global forums have been held thus far.

At the forums, one developed country and one developing country act jointly as chairs of a systematic research group. Researchers prepare papers and submit them to these groups. After papers are chosen, representatives comment on the papers and the GFMD archives papers on its website.

The GFMD does not have an operational role yet, but it may move toward operational engagement with member countries in the future.

Private organizations working on migration issues

Foundations

The Gates Foundation researches ways that savings and remittances can be mobilized in development efforts. A report that the Gates Foundation released 2 years ago showed interest in remittances and diaspora bonds. The Gates Foundation is also researching internal migration and financial access issues.

The MacArthur Foundation funds projects related to migration issues.

George Soros' foundation may be interested in working in this area in the future.

Several foundations have worked on migration issues but then exited, such as the Rockefeller Foundation.

NGOs

Some non-governmental organizations working on migration issues include:

- Migration Policy Institute (MPI)
- International Center for Migration Policy Development (ICMPD)
- International Catholic Migration Commission (ICMC)
- Scalabrini Migration Center (SMC)
- Comic Relief

There are several other associations and organizations working on diaspora issues.

Other ideas for development impact

- 1) Put a checkbox on remittance forms that enables the sender to give \$10 to fight malaria in the zip code of the receiver of the remittance. This could attract more contributions to global health causes.
- 2) Increase funding for diaspora bonds to fund education and health improvements.
- 3) Create a bridge city—a city between the borders of two countries that is a few hundred acres large. This city would be facilitated by international law and people from either bordering country could enter. These kinds of cities could be important destinations for migrants.

Other people to talk to about migration issues

- William Lacy Swing, Director General of the IOM
- Founders or directors of the Migration Policy Institute

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