IOM approaches the migration-development-integration nexus from the perspective that international migration can contribute to the growth and prosperity of countries of origin and destination. Migrants can be a potential development support for their new host communities and their home communities; and their effective integration in host countries can play an important role in this.

The international migration landscape is changing constantly: today more than half of the world’s 175 million migrants live in developing countries, with migration often occurring within the same continent. Over the next two decades, Least Developed Countries (LDCs) will continue to experience large-scale population movements, especially outward-bound. Migration frequently provides the only means to escape poverty or other forms of hardship at home, but in a globalised economic environment, it is also a means for educated, skilled and qualified persons to expand their career potential. There is also a growing participation and leadership of women in labor migration today stimulated by enhanced education options for women. This has served to dispel the myth that all migrant workers are men. Today, some 47.5 per cent of all migrants today are women - mostly in employment abroad.

Just as the causes and effects of migration are complex, the linkages between migration and development are not as simple as they may appear. Large cross-border movements can be a response to the ever-increasing gaps in living standards and income between countries; and this often means a loss of human capital where it is most needed for development. At the same time, emigration from LDCs can help alleviate internal imbalances, including population pressures; and the mobilization of human and financial resources abroad can become an additional force for origin country development.

**Impact of Migration on Development**

Migration may have both positive and negative effects on development in areas of origin. Depending on the income earning opportunities available to migrants in countries of destination, migrants’ contributions to development in the countries of origin can be significant. At the *family level*, migrant remittances can improve household earnings, giving people better food, health, housing and educational standards. Positive effects may spread to the wider community and society, preventing the decline of rural communities or collapse of national economies. At the *community level*, migrants’ home-town associations may serve as platforms resulting in significant development, such as improvements in local health, education, sanitation, and infrastructure conditions, benefiting migrant- and non-migrant households alike. On the other hand, migration may be detrimental to the community of origin if the labour force is depleted by the departure of its most productive and/or qualified members. The infusion of money from migrants may have an inflationary influence on the local economy, especially on land and real estate prices.

The issue of the relationship between migration and development has been the subject of considerable study and debate, much of it inconclusive. For instance, in their efforts to create specialized skills for utilization in their development programmes, governments of the South have, for many decades, encouraged their nationals to seek education and training in countries of the North. The North has, in turn, often encouraged this process for a number of reasons, including the possible beneficial impact on the economy of the host country. As a result, sending countries have lost much of their qualified manpower to destination countries.

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1 Sørensen, N., Van Hear, N., Engberg-Pedersen, P., The Migration-Development Nexus: Evidence and Policy Options, Centre for Development Research, Copenhagen, April 2002
Migrants as Development Agents

The most direct effect of skilled emigration has been to reduce the number of people critical for the productivity and economic growth of a developing country. It could, however, also set in motion forces to increase economic growth. Returning migrants could bring back their skills and work experience from abroad, thereby boosting productivity. Expatriates who remain abroad may contribute money via remittances, and many claim that their transfer of knowledge or technology to developing countries can increase productivity and economic development. By facilitating information exchange, technology transfer and business expansion, migration has become an important means to link the country of origin to the global economic system.

A number of factors has prompted a reassessment of the development role of migrants. First, the remittances by migrants can be double the size of aid to the country of origin; and may just as effectively target the poor in both conflict-ridden and stable developing countries. Second, migrant diasporas are engaged in a variety of transnational practices (such as relief, investments, cultural exchange, political advocacy) with direct effects on international development cooperation. Third, both private and public sectors in developed countries recognize their immediate and long-term dependence on immigrant labour with an ever more complex skills mixture. Fourth, an increasing number of migrant-sending states recognize that migrant diasporas can advance national development from abroad and endow their migrants with special rights, protections and recognitions. Viewing migrant diasporas as a development resource and seeking links between aid and migrants’ transnational practices could address some of these trends and concerns².

Integration and Development

The link between development and integration is not always immediately obvious. The successful integration of migrants is often considered to be of benefit primarily to the individuals concerned and the societies of host countries. The migration process nevertheless operates along a continuum; and countries of origin can also benefit from the successful integration of their nationals in the host country, e.g. through remittances, technology transfer, cultural exchanges and access to new ideas and practices. The effectiveness of integration is enhanced, when the process already begins in the country of origin prior to emigration. Countries of origin and destination should strengthen their co-operation to pave the way for a smoother integration of migrants. To this effect, it may be useful for host countries to support, among others, education schemes in countries of origin, thereby investing both in their own future labour force and potential development of those countries.

This approach to integration is becoming an increasingly critical aspect of effective migration management. It compels countries of origin and destination to cooperate with each other, and to adopt integrated policy approaches that link migration to development cooperation, trade and investment, as well as demographic and social development at the national, regional and international level. It can be most effective at the regional level where countries frequently share common borders and similar migration challenges.

The success of integration strategies depends on the one hand on the willingness and commitment of foreigners to integrate and on the other on the preparedness of the host communities to accept migrants and their families. The support of countries of origin in this process is important particularly in relation to second and third generations of migrants who often are in search of an original culture. The devastating terrorist attacks of 11 September seem also to have brought a growing awareness of the importance of integration for social stability, as social alienation and disaffection among minority groups in search of ‘cultural identity’ can increase their susceptibility to recruitment into extremist activities against their own host society. Community education and awareness raising are useful means to promote

inter-cultural relations and combat racism, social exclusion and the alienation of ethnic communities from their host society.

Remittances

A stable and supportive host environment for migrants is ultimately also conducive to migrants becoming productive economic forces for their home community.

One of the most promising outcomes of labour migration as well as brain migration for countries of origin is migrant remittances. Remittances from diasporas have a significant economic and social impact in many countries of origin and can be an effective tool for accelerating the development process there. The flow of remittances is estimated to exceed USD 100 billion per year world-wide, with more than 60 per cent going to developing countries. By the end of the 1980s, Western Europe was the most important source region for remittances to countries in the developing world. Asia has now assumed this role.

Remittances are important to the economies of the countries of origin and to the individual households receiving them. They can help reduce poverty, and close the trade gap, facilitate debt servicing, produce foreign exchange and ease credit constraints. Household expenditure of remittances for consumption has multiplier effects on the wider local, regional and national economies, but the potential for remittances to contribute to sustainable development can be magnified even further by policies, which support productive investment. However, there are some dangers: if remittances stimulate imports, they may affect the balance of payments, and if the flows are suddenly disrupted, remittance-dependent economies can be severely affected.

Overall, remittances seem to be a more constant source of income than other private flows and foreign direct investments (FDI). Apart from benefiting migrant families, remittances also benefit non-migrants by fostering trade and services between emigrants and non-migrants. The effects on income distribution depend on factors such as the degree to which migration opportunities are spread across households, communities and regions, the magnitude of remittances compared to income from other sources, and the distribution of potentially remittance-enhancing skills and education.

Migrants send money to their families to sustain livelihoods and social relations. Remittance recipients allocate the funds for various social and economic purposes. Recipients become agents of development when the money received creates new markets or improves the welfare of the household through education and welfare. The transfer of remittances attracts new businesses such as money transmission companies. The competition in remittance transfer markets has resulted in decreased transaction costs and the channelling of more remittances through formal institutional mechanisms, eventually leading to more money available for migrant sending communities, and, correspondingly increasing the multiplier effect of remittances on the migrant sending economy.

Increasingly, sending governments are developing new practices for leveraging remittances. These practices include:

- Setting aside a portion of each remittance into development funds
- Creating formal financial instruments to capture a share of individual remittances
- Capitalizing on migrant remittances or investments and enterprise of return migrants through investment breaks or training
- Establishing joint ventures with migrants towards community development.

Programmes to enhance Migration's contribution to Development

IOM actively supports governments at both ends of the migration spectrum in promoting and managing legal labor migration. This includes strategies to enhance migrants’ integration into host societies, but also to strengthen their contribution to the development of countries of
origin. IOM's activities include targeted research on specific diaspora communities (MIDA) and the creation of diaspora databases to strengthen labor export/import policies and productive ties between émigrés and their home communities. Possible future approaches being explored by IOM include the establishment of mechanisms to enhance the role of remittances in meeting national development objectives in countries of origin, while also increasing dividends for the diaspora investor; and the creation of practical linkages between human resources in the diaspora and the specific needs of the country of origin.

IOM's “Return and Reintegration of Qualified Nationals” programmes have for many years supported social and economic development of origin countries within the LDC community. Programmes in Africa, Asia and Latin America have sought to foster national human resource development and counter the negative effects of brain drain. In collaboration with governments of the country of origin, IOM identifies and selects suitable candidates, finances their return, and ensures their reintegration into both professional and personal environments, thus contributing to re-building a depleted human resource base and capacity.

IOM also helps promote sustainable partnerships between LDCs and their respective migrants in the diaspora. While many migrants in the diaspora maintain close links with their countries of origin, and contribute to their development through financial, social and cultural resources, other do not have the knowledge, opportunity or contacts to do so. This can be addressed through outreach campaigns and information about investment priorities and partners interested in contributing towards development in LDCs.

Information is also indispensable for the active inclusion of migrants in host societies. Information centres are, for example, one way to provide concise, practical, up-to-date information on all aspects of daily life, rights and obligations as well as useful contacts for services provided to migrants and minority groups, including language training and cultural orientation, psycho-social assistance, and referral services towards available job opportunities. At the same time, awareness raising and sensitization activities targeting the public of host countries can stimulate their awareness of difficulties migrants face, migrants’ rights and obligations, and the contributions they can and do make to old and new home communities.