



# MIGRATION AND DEVELOPMENT: OPPORTUNITIES AND CHALLENGES

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## **ABSTRACT:**

*Human Migration is a very age-old phenomenon touching almost every society around the world. While increased number of people migrate across borders, great amount of migration is within countries. In the present decade migration has become a regular phenomenon. International migration is generally motivated by disparities in the economic development of source countries and destination countries. Migration can have considerable impacts on economic development, especially on relatively poorer countries experiencing significant outflows of migrants. Migration can change the life of people who move, the society they leave behind and the society to which they migrate. This paper synthesises some of the findings of the growing literature on the role of migration in achieving sustainable development.*

**Keywords:** *Migration, Origin Countries, Destination Countries, Development Implications, Sustainable Development.*

## **1. Introduction:**

Migration has been part of the human experience since the earliest days of civilization. Homo sapiens left Africa's Omo Valley some 200,000 years ago, and since then humans continue to move, producing distinct cultures, languages, and ethnicities. International migration has played a significant role in shaping the world we know. An increasing number of people move from their countries of birth or ethnic origin and migrate to another country in search of better opportunities or safety from persecution or violence.

It is estimated that in 2020, almost 281 million people lived outside their countries of birth or citizenship, while many others are not counted as international migrants because they live and work in another country illegally. International migration has become a universal phenomenon involving a large number of sending countries, destination countries, and transit countries and a diverse group of migrants. The number of international migrants in 2020 (281 million) is estimated as more than three times higher than the number of international migrants in 1970 (84 million). The proportion of international migrants as a share of the total global population has also increased from 2.3% in 1970 to 3.6% in 2020. It is also estimated that, had there not been COVID-19, the number of international migrants in 2020 would have likely been around 283 million.

**Table 1: International migrants, 1970–2020**

Year	Number of international migrants	Migrants as a % of world's population
1970	84 460 125	2.3
1975	90 368 010	2.2
1980	101 983 149	2.3
1985	113 206 691	2.3
1990	152 986 157	2.9
1995	161 289 976	2.8
2000	173 230 585	2.8
2005	191 446 828	2.9
2010	220 983 187	3.2
2015	247 958 644	3.4
2020	280 598 105	3.6

Source: IOM, World Migration Report 2022, UN DESA, 2008; UN DESA, 2021

Migration has proved to be a powerful force for development, improving the lives of hundreds of millions of migrants, their families, the societies they came from and the societies in which they live across the world. But there are challenges also, for migrants, their countries of origin, and their countries of destination.

## 2. Why people migrate?

International migrants are people who reside in a foreign country. International migrants do not include the tourists, business travelers, religious pilgrims, or persons seeking medical treatment who make millions of visits to foreign countries each year. Rather, only those foreigners who remain for an extended stay in a new country are counted as international migrants. At present, more than 180 million migrants came to their new countries to work, study, join family members, or escape persecution or violence in their home countries. Most of them are legal residents in their new countries, but a small minority are without legal authorization. They do not include the additional millions of tourists who visit foreign countries but return home in a few days, weeks or at most months.

International migrants are of two broad groups, voluntary migrants and forced migrants. Voluntary migrants are people who move to another country for the purposes of employment, study, family reunification, or other personal factors. Forced migrants leave their country of birth or citizenship in order to escape persecution, conflict, repression, natural disasters and human-made disasters, or any other situations that endanger their lives, livelihood or freedom. It also include individuals compelled to move by government or other authorities, often referred as “ethnic cleansing.

Four economic theories are there while examining factors that encourage voluntary migration. *Neoclassical economics* focuses migration as an individual decision for income maximization in terms of supply-push and demand-pull factors. Unemployment and underemployment, low wages, poor working conditions, and the absence of economic opportunities that motivate migration are the supply push factors. The demand pull factors include the employment, wage and other attractive economic opportunities available in destination countries.

The *new economics* of migration views migration as a household decision taken to minimize risks to family income or to overcome capital constraints on family production activities. This theory helps to explain why those who may be most affected by the supply-push factors, the poorest within the community, often are the least likely to migrate, whereas those with some opportunities at home may well consider relocating. Those with some income to lose are more likely to want to minimize their risks and they also have the capital to use in financing the relocation.

*Dual labour market theory* does not focus migration as an individual or household decision. It focusses on forces operating at higher level of aggregation. The theory links immigration to the structural requirements of modern industrial economies. According to this theory, due to four reasons, modern economies have a permanent demand for immigrant labour. *First*, employers are generally unwilling to raise wages for jobs at the bottom of the skill hierarchy. *Second*, there are problems in motivating native workers to take jobs at the bottom of the hierarchy. *Third*, an inherent duality in the labour market creates stable, permanent, well-paid jobs in the primary economy and unstable, temporary, poorly-paid jobs in the secondary sector. Natives tend to be attracted to the stable jobs, whereas immigrants are willing to take the less secure ones. *Fourth*, demographic shifts have affected the participation of two segments of the native workforce, women and teenagers, who traditionally had taken the secondary sector jobs. Women have shifted from being intermittent to permanent participants in the labour force, and declining birth rates have reduced the number of teenagers available for these jobs.

*World systems theory* considers migration as a natural consequence of economic globalization and market penetration. According to the theory, modern capitalism has penetrated economies throughout the world and created a mobile workforce able to migrate for better job opportunities. Economic development also gives people new skills. People may move first to urban and manufacturing sectors in their own countries, but increased earnings potential may attract them to more developed economies. Moreover, trade and political agreements between countries create new linkages that permit migration to take place.

### 3. World Migration Report:

United Nations migration agency, International Organization for Migration (IOM) has released the first world migration report in 2000. The first report has highlighted the fact that migration was accelerating as part of broader globalization that were enabling greater movement of labour, as well as goods and capital. IOM has released the latest World Migration Report 2022 (WMR 2022) at the 12<sup>th</sup> session of IOM Council in December 2021. IOM in the WMR 2022 has acknowledged its continuing obligation to protect fundamental rights and its mission to extend support to those migrants who are most in need. IOM works to provide humanitarian assistance to people who have been displaced for various reasons, including by weather events, conflict and persecution, or to those who have become stranded during crises, such as COVID-19. Table 2 provides a summary of key statistics reported in the first report (World Migration Report 2000), as compared to the latest report (World Migration Report 2022).

Table 2: World Migration Reports 2000 and 2022: Comparison of key aspects

	2000 report	2022 report
Estimated number of international migrants	173 million	281 million
Estimated proportion of world population who are migrants	2.8%	3.6%
Estimated proportion of female international migrants	49.4%	48.9%
Estimated proportion of international migrants who are children	16.0%	14.6%
Region with the highest proportion of international migrants Oceania	Oceania	Oceania
Country having the highest proportion of international migrants	United Arab Emirates	United Arab Emirates
Number of migrant workers	-	169 million
Global international remittances (USD)	128 billion	702 billion
Number of refugees	14 million	26.4 million
Number of persons displaced internationally	21 million	55 million

Sources: IOM, World Migration Report 2000 & 2022

Most of the aspects of migration changed dramatically during the period from 2000 to 2022. Table 2 shows the key aspects of world migration report 2022. Number of international migrants increased from 173 million to 281 million. United Arab Emirates remained as the country with the highest proportion of international migrants while Oceania remained the region with the highest proportion of international migrants. International remittance increased from 128 billion in 2000 to 702 billion in 2022, underscoring the importance of international migration as a driver of development.

Table 3. Immigrants by United Nations region, 1995 and 2020

Region	Year	Number of international migrants (millions)	Immigrant share of population (%)
Africa	1995	10.1	1.4
	2020	15.8	1.2
Asia	1995	39.2	1.1
	2020	71.1	1.5
Europe	1995	50.8	7.0
	2020	81.7	10.9
Latin America and the Caribbean	1995	6.2	1.3
	2020	13.3	2.0
North America	1995	30.7	10.4
	2020	53.3	14.5
Oceania	1995	4.9	16.8
	2020	9.0	21.2

Source: IOM, World Migration Report 2022

Table 3 compares the number of international migrants and the percentage of immigrants in the total population between 1995 and 2022 in United Nations region. The absolute number of international migrants increased in all UN regions. However, the share of international as percentage of total population declined in African region

#### 4. Impact of Migration on Destination Countries:

The impact of migration on destination countries is determined partly by the characteristics of the migrants, their purpose in migrating, their reception in the new country, the duration of their stay, and various other factors. The impact of migration on a locality with large numbers of migrants may differ significantly from localities with small numbers of migrants. Similarly, short-term effects of migration may differ significantly from the long-term effects of migration.

##### 4.1. Economic impacts:

The economic impact of international migration is determined largely by the involvement of migrants in the economy of the destination country. When international migrants are employed, generally they contribute to the national economy of the new country. The size of this contribution is determined by the extent to which the international migrants are complements or substitutes for local workers. They are complements and improve productivity if their level of education, knowledge, skill and abilities fill the gap in the composition of the overall labour force. They are substitutes and hold the potential for competition with native workers if they have similar skills and education as natives. Hence, in countries where the characteristics of foreign workers differ substantially from the native workers, international migration is a net benefit to the country.

Table 4: Top 10 countries sending international remittances, 2005 to 2020 (billion USD in current value)

2005		2010		2015		2020	
United States	47.75	United States	50.53	United States	60.72	United States	68.00
Saudi Arabia	14.30	Saudi Arabia	27.07	United Arab Emirates	40.70	United Arab Emirates	43.24
Germany	12.71	Russian Federation	21.45	Saudi Arabia	38.79	Saudi Arabia	34.60
Switzerland	10.86	Switzerland	18.51	Switzerland	26.03	Switzerland	27.96
United Kingdom	9.64	Germany	14.68	Russian Federation	19.69	Germany	22.02
France	9.47	Italy	12.88	Germany	18.25	China	18.12
Republic of Korea	6.90	France	12.03	Kuwait	15.20	Russian Federation	16.89
Russian Federation	6.83	Kuwait	11.86	France	12.79	France	15.04
Luxembourg	6.74	Luxembourg	10.66	Qatar	12.19	Luxembourg	14.20
Malaysia	5.68	United Arab Emirates	10.57	Luxembourg	11.19	Netherlands	13.92

Source: IOM, World Migration Report 2022

Table 4 shows top ten countries sending international remittance during the period from 2005 to 2020. United States has consistently been the top remittance-sending country in the world, with a total outflow of USD 68 billion in 2020, followed by the United Arab Emirates (USD 43.24 billion), Saudi Arabia (USD 34.60 billion) and Switzerland (USD 27.96 billion). Germany was the third highest remittance-sending country in 2005. Its position came down to fifth in 2020, even though the outflow of remittance increased from 12.71 billion USD to 22.02 billion USD. In addition to its role as a top recipient, China has also been a significant source of international remittances, with USD 15.14 billion in 2019 and USD 18.12 billion reported in 2020.

## 4.2. Demographic impacts:

In countries having low native birth rates, international migration may cause population to increase or at least the slowing of the population to decrease. International migration contributes in two ways; first, the international migrants themselves are added to the base population; second, international migrants coming from developing countries generally have higher fertility rates and, because of their relative youth, lower mortality rates than natives. International migration also affect racial, ethnic, and religious composition of the destination country. Since people from all parts of the world seek admission, particularly to the industrialized countries, host populations begin to reflect the new origins of the population. Moreover, the new immigrant populations create new communities as well as new cultural, religious, and social institutions reflecting their diverse ethnic origins.

## 4.3. Social Impacts:

Social impacts include both positive and negative effects. International migration contributes towards greater cultural diversity, translating into a wider range of cuisine, performing arts, and sporting events. But repercussions may arise when the migrants are unable to communicate effectively with the natives because of language differences or different social values. Residential segregation of natives and migrants may limit social interaction which may lead to further misunderstandings.

## 5. Impact of migration on Source Countries:

Similar to the case of destination countries, the impacts of international migration on countries of origin are complex and its effects are both positive and negative.

### 5.1. Economic Impacts:

A study prepared for the World Bank concluded that among the pressures for increased international migration are government decisions to actively promote labour export as a matter of economic policy. Remittances, or migrant workers' earnings sent back from the country of employment to the country of origin, are one reason why these countries have promoted international migration. Remittances may be as important to national economies as exports, which traditionally have been the greatest contributor to gross national product.

At the household level, most remittances are used for domestic expenses, health care, for improving housing and purchasing major consumer items. A smaller proportion goes into savings and investments, such as purchasing land or starting businesses. The portion of remittance spent on consumption can have multiplier effects on economic development, stimulating economic activity by creating increased demand for goods and services.

Table 5: Top 10 countries receiving international remittances, 2005 to 2020 (billion USD in current value)

2005		2010		2015		2020	
China	23.63	India	53.48	India	68.91	India	83.15
Mexico	22.74	China	52.46	China	63.94	China	59.51
India	22.13	Mexico	22.08	Philippines	29.80	Mexico	42.88
Nigeria	14.64	Philippines	21.56	Mexico	26.23	Philippines	34.91
France	14.21	France	19.90	France	24.07	Egypt	29.60
Philippines	13.73	Nigeria	19.74	Nigeria	20.63	Pakistan	26.11
Belgium	6.88	Germany	12.79	Pakistan	19.31	France	24.48
Germany	6.86	Egypt	12.45	Egypt	18.33	Bangladesh	21.75
Spain	6.66	Belgium	10.99	Germany	15.58	Germany	17.90
Poland	6.47	Bangladesh	10.85	Bangladesh	15.30	Nigeria	17.21

Source: Sources: IOM, World Migration Report 2022

Table 5 shows top ten countries receiving international remittance during the period from 2005 to 2020. In 2020, among the top 5 international remittance recipient countries, India was the highest with 83.15 billion US Dollars followed by China (59.51 billion USD), Mexico (42.88 billion USD), Philippines (34.91 billion USD) and Egypt (29.60 billion USD). Among G7 countries, France and Germany remained in the top 10 of international remittance receiving countries both in 2005 and in 2020.

International migration can represent both a gain and loss in terms of human capital formation in the source country. International migration may cause a brain drain for the home country. Brain drain refers to the situations where migration of skilled workers has adverse economic impacts on the source country. The risk of brain drain from developing countries is certainly so intense and visible.

## 5.2. Demographic Impacts:

Many of the principal countries of emigration such as China, India, Mexico, and the Philippines, have large and growing populations. The number of migrants relative to total population size is small. Hence international migration generally has little effect on their overall population. There are exceptions to this. A number of countries have experienced the emigration of a sizeable portion of their populations, particularly when conflict precipitated mass migration.

## 5.3. Social Impact :

Migration poses many challenges to the social structures of communities with large numbers of emigrants. Migrants' families left behind may face dislocations, with one or more members of the family absent for a longer period. Relations between spouses and between parents and children may suffer from these absences. Migration can also cause major changes in traditional gender roles and in family and society. When men migrate, their wives fulfil new duties and in times when their husbands return, they may be unwilling to give up the new authority. . Return migration can pose not only problems but also opportunities also. Migrants return with knowledge of democratic practices and an unwillingness to yield to official corruption. These migrants can be an effective force for positive social change in their communities.

## 6. Development Impact of Migration:

Migration brings both favorable and unfavorable outcome for the migrants, the origin countries, and the destination countries. Positive outcomes depend on migrants' individual characteristics, the circumstances led to their migration and the policies they face both in origin country and in the destination country. Most origin countries have little sway in regulating movements of their population. But, destination countries define and regulate who crosses their borders, who is legally allowed to stay, and with what rights. They encourage some movements and discourage others. Policies of the destination countries largely affect the impacts of cross-border movements. The impacts of migration can be positive or negative. The impacts will vary according to the country context, its economic and social characteristics, the scale and characteristics of migration and behaviour of individual migrants.

Possible Positive Development Effects of Migration	Possible Negative Development Effects of Migration
<ol style="list-style-type: none"> <li>1. Good for the individual, where no new opportunities for workers available in the home country.</li> <li>2. Good for the economy because of the inflow of remittances and foreign exchange.</li> <li>3. Emigration may reduce unemployment in some sectors in sending countries.</li> <li>4. Return of skilled workers may increase local human capital and transfer of skills.</li> <li>5. Technology, investments and venture capital from Diasporas.</li> <li>6. Increased trade flows between sending and receiving countries.</li> <li>7. Possibility of emigration may stimulate investment in education and individual human capital investments.</li> <li>8. Charitable activities of Diasporas can assist in relief and local community development.</li> </ol>	<ol style="list-style-type: none"> <li>1. Possibility of loss of highly skilled workers in the sending country</li> <li>2. Reduced growth and productivity because of the reduced stock of highly skilled workers in the sending country</li> <li>3. Lower return from public investments in public education.</li> <li>4. Selective migration may cause increasing income disparities in sending country.</li> <li>5. Sending country loses potential tax revenue.</li> <li>6. Risk of creating a "remittance economy" as remittances may diminish over time.</li> <li>7. Inflationary potential of remittances, especially on real estate, in some areas.</li> <li>8. Reduces the size of "political classes"</li> </ol>

Source: adapted by author from UN DESA and other sources.

## 7. Conclusion:

About 281 million people, 3.6 percent of the world's population, live outside of their country of nationality. As the national economies struggles to cope with global economic imbalances international migration will become a necessity in the forthcoming decades. If managed well with adequate policies, migration can help developing communities to achieve the Sustainable Development Goals, adopted United Nations, as a global



action to end poverty, protect the planet and to make sure that people all over the world enjoy peace and prosperity by 2030.

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