

# The Africa Migration Project



Conference: Labour Migration and its Development Potential in the Age of Mobility  
Malmo, October 2009

Sonia Plaza  
The World Bank

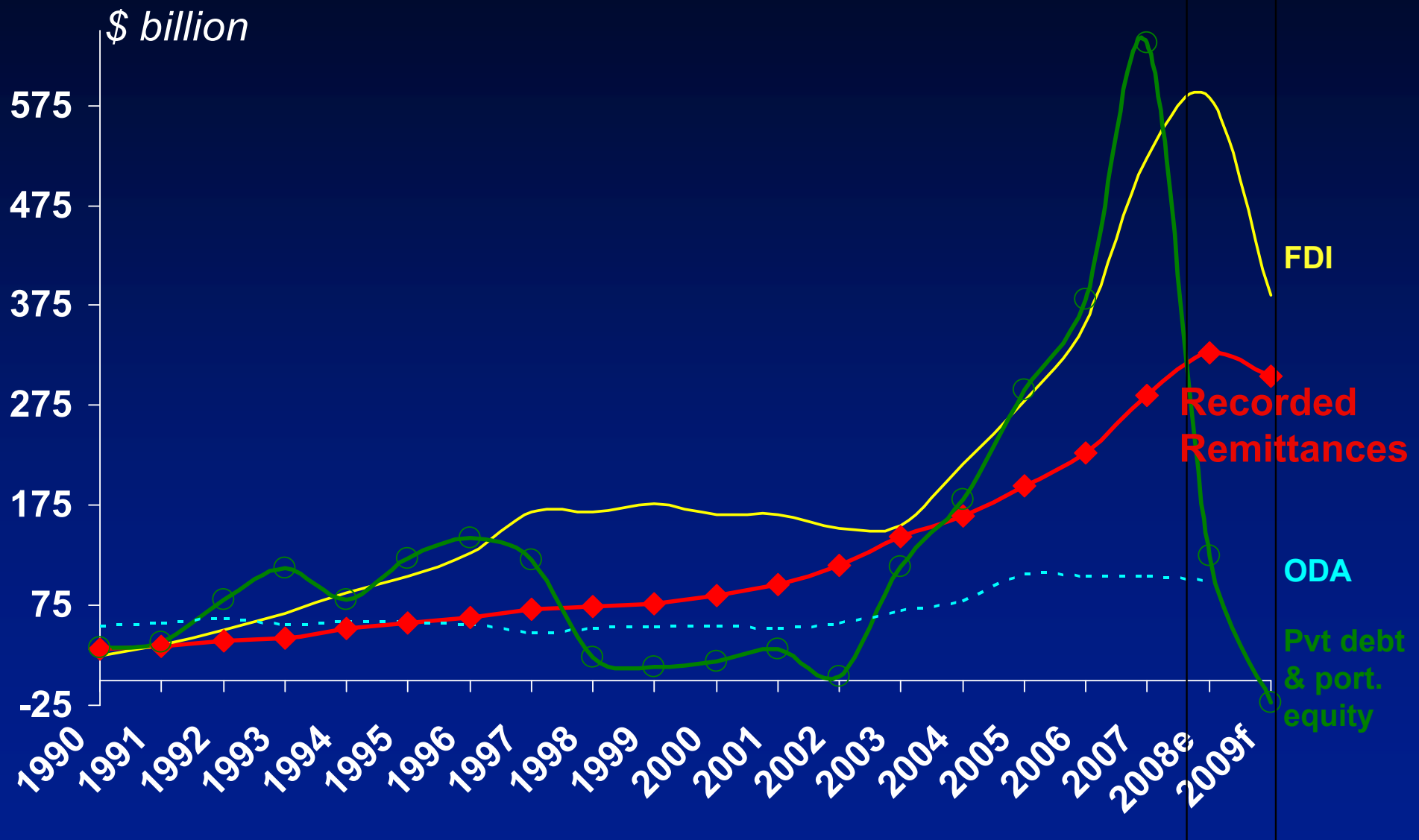
# Outline

1. CrisisGlobal trends in migration and remittances
2. Africa Migration Project
3. World Bank Activities

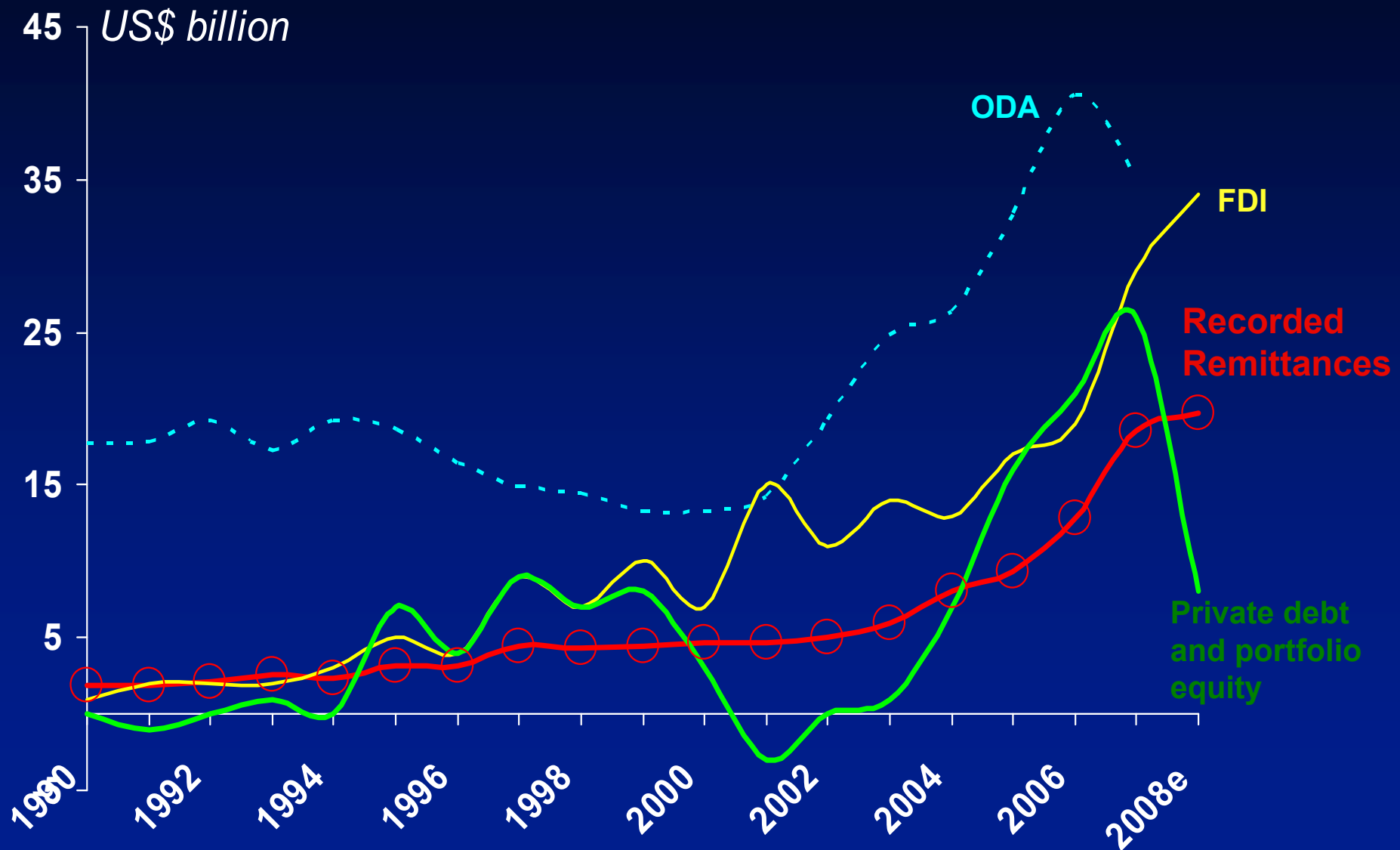
# Messages

- Flows were robust in 2007 and 2008 until Q4 when they started slowing down
- Remittances expected to decline by 7-10% in 2009, but remittances will become more important as a source of external financing in many countries
- Remittances to Latin America are recovering, but there are risks of a peaking in flows to Asia
- Rising protectionism poses a risk to the outlook

# Global remittances exceeded \$320 billion in 2008



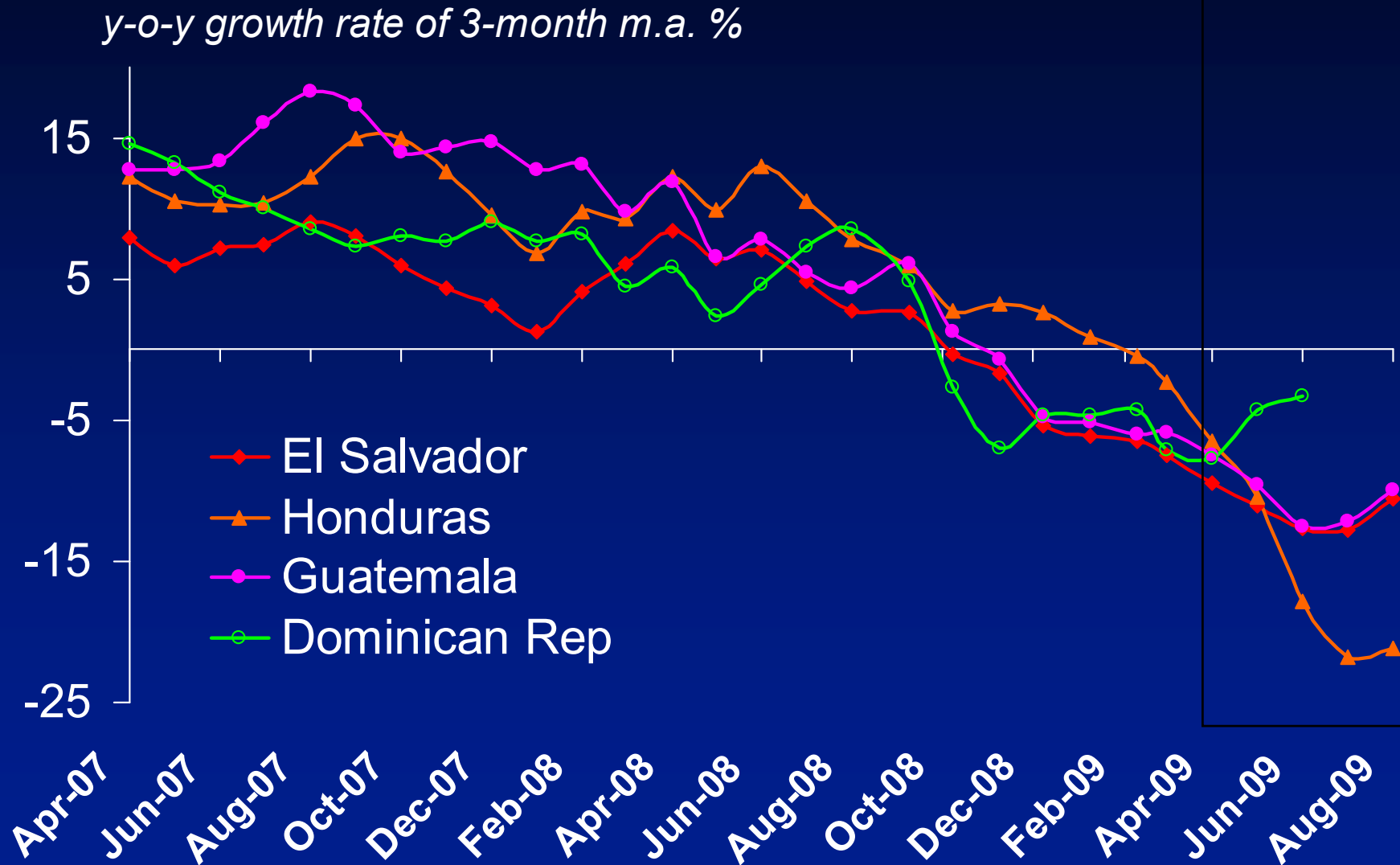
# Remittances and other resource flows to Sub-Saharan Africa



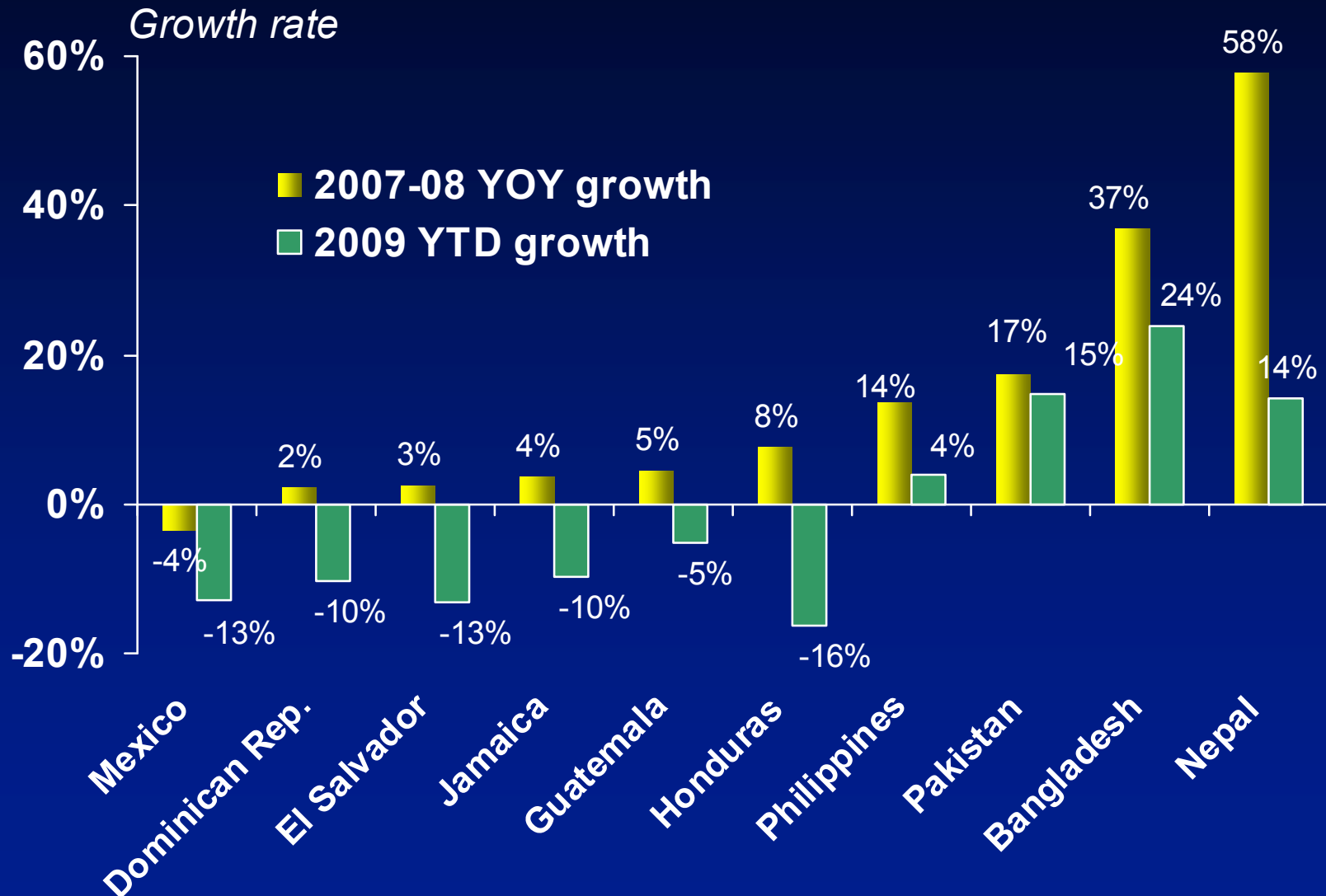
# Remittances - recent trends and outlook for 2009

<i>\$ billion</i>	2006	2007	2008e	2009f Base case	2009f Low case
<b>Developing countries</b>	<b>228</b>	<b>285</b>	<b>328</b>	<b>304</b>	<b>295</b>
East Asia and Pacific	53	65	78	74	71
Europe and Central Asia	37	51	57	49	47
Latin America and Caribbean	59	63	64	60	58
Middle-East and North Africa	26	32	34	32	31
South Asia	40	55	74	71	69
Sub-Saharan Africa	13	19	20	18	18
<b><u>Growth rate (%)</u></b>					
<b>Developing countries</b>	<b>17%</b>	<b>25%</b>	<b>15%</b>	<b>-7.3%</b>	<b>-10.1%</b>
East Asia and Pacific	13%	23%	20%	-5.7%	-8.8%
Europe and Central Asia	24%	37%	12%	-14.9%	-17.2%
Latin America and Caribbean	18%	7%	2%	-6.9%	-9.4%
Middle-East and North Africa	5%	21%	9%	-6.2%	-9.8%
South Asia	20%	40%	33%	-3.6%	-6.4%
Sub-Saharan Africa	35%	47%	7%	-8.3%	-11.6%

# There are signs of recovery in remittances to Latin America

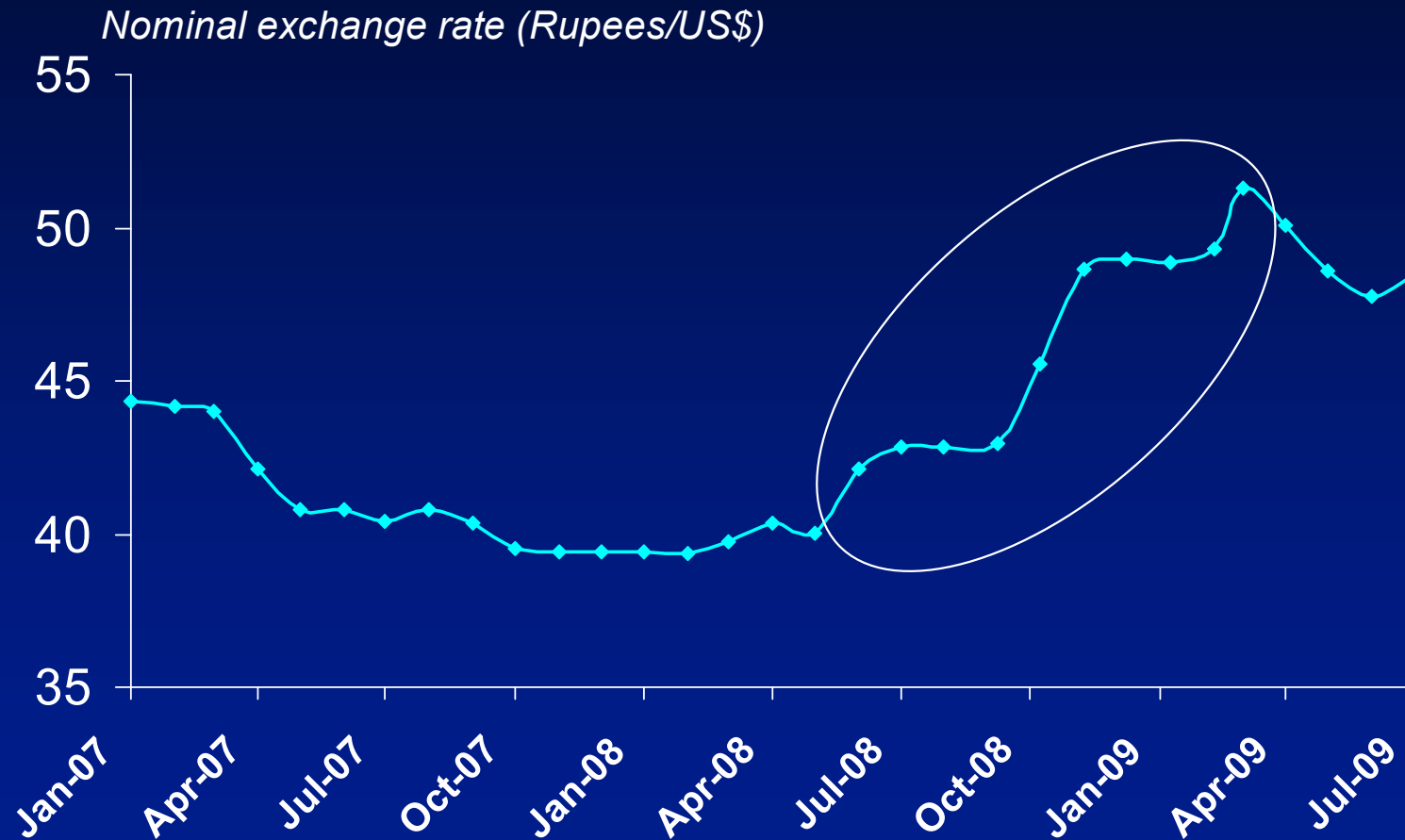


# Remittances are still growing in South and East Asia, but their growth is decelerating



Note: 2009 remittance figures are for January–July for El Salvador, Honduras, Guatemala, and Pakistan; January–July for Jamaica, Bangladesh, and Nepal; and January – June for Dominican Republic and Philippines.

# “Sale effect” - Exchange rate effects encouraged investment-related remittances to India



# Remittances remain resilient during downturns in host countries

- Remittances are sent by the stock (cumulated flows) of migrants
- Remittances are a small part of migrants' incomes that can be cushioned against income shocks by migrants
- Duration of migration may increase in response to tighter border controls
- “Safe haven” factor or “home-bias” -- returnees will take back accumulated savings
- Sectoral shifts – and fiscal stimulus packages – may help some migrants

# Risks to the outlook

- Crisis may be deeper and last longer – there may be lagged effects on South Asia
- Exchange rate movements highly unpredictable
- Rising protectionism may lead to tighter immigration controls

# Policy Implications

- Protectionism related to hiring of immigrant workers should be avoided
- Business facilitation for returnees should be a priority
- Intra-regional remittance flows through formal channels should be facilitated

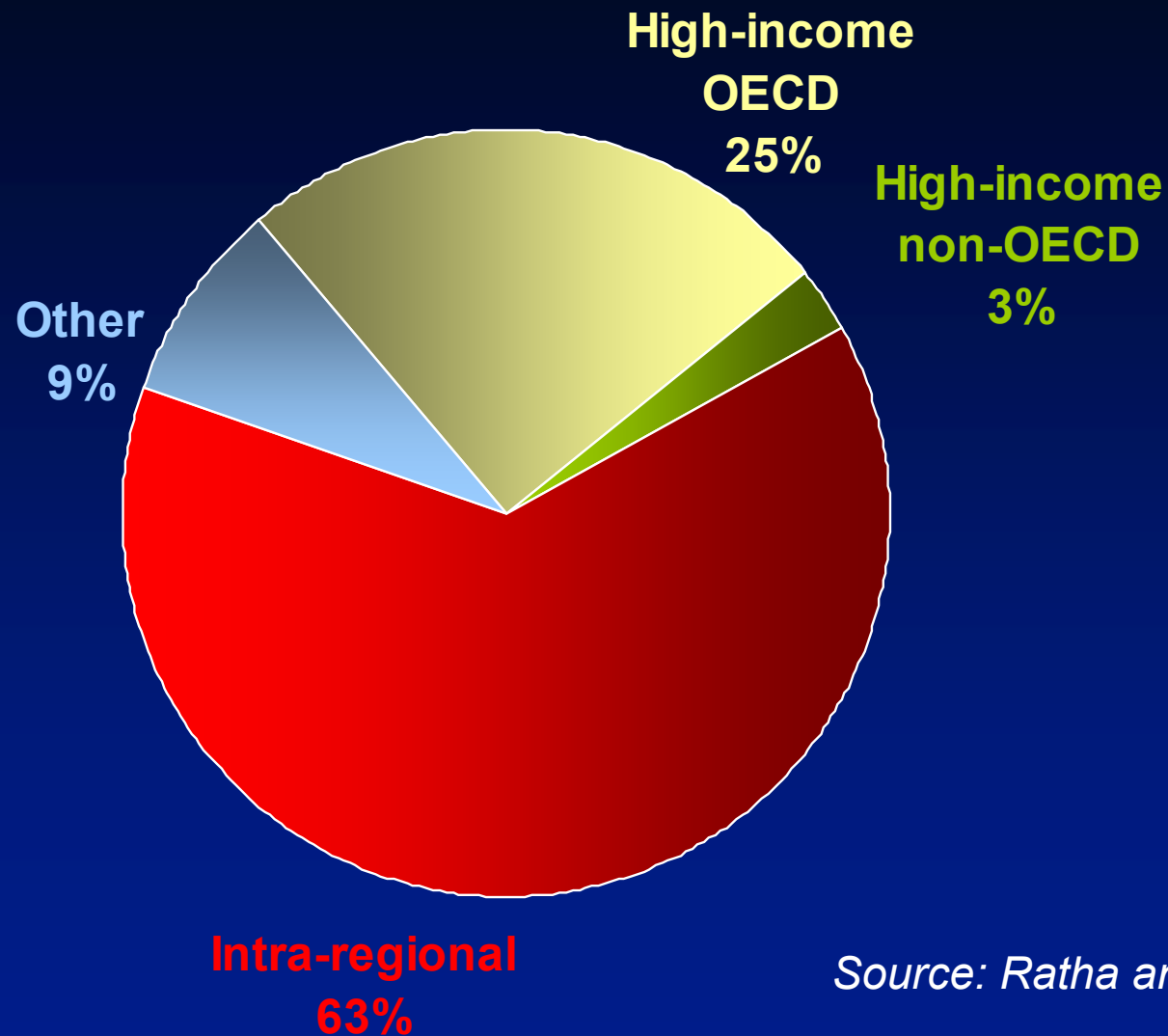
# Outline

1. Global trends in migration and remittances
2. Africa Migration Project
  - Instruments
  - Preliminary Findings
3. World Bank Activities

# Instruments

- Central Bank Surveys
- Remittance Service Providers
- Household Surveys
- Diaspora Associations/Embassy Surveys
- Brain drain surveys

# Destination of migrants from Sub-Saharan Africa

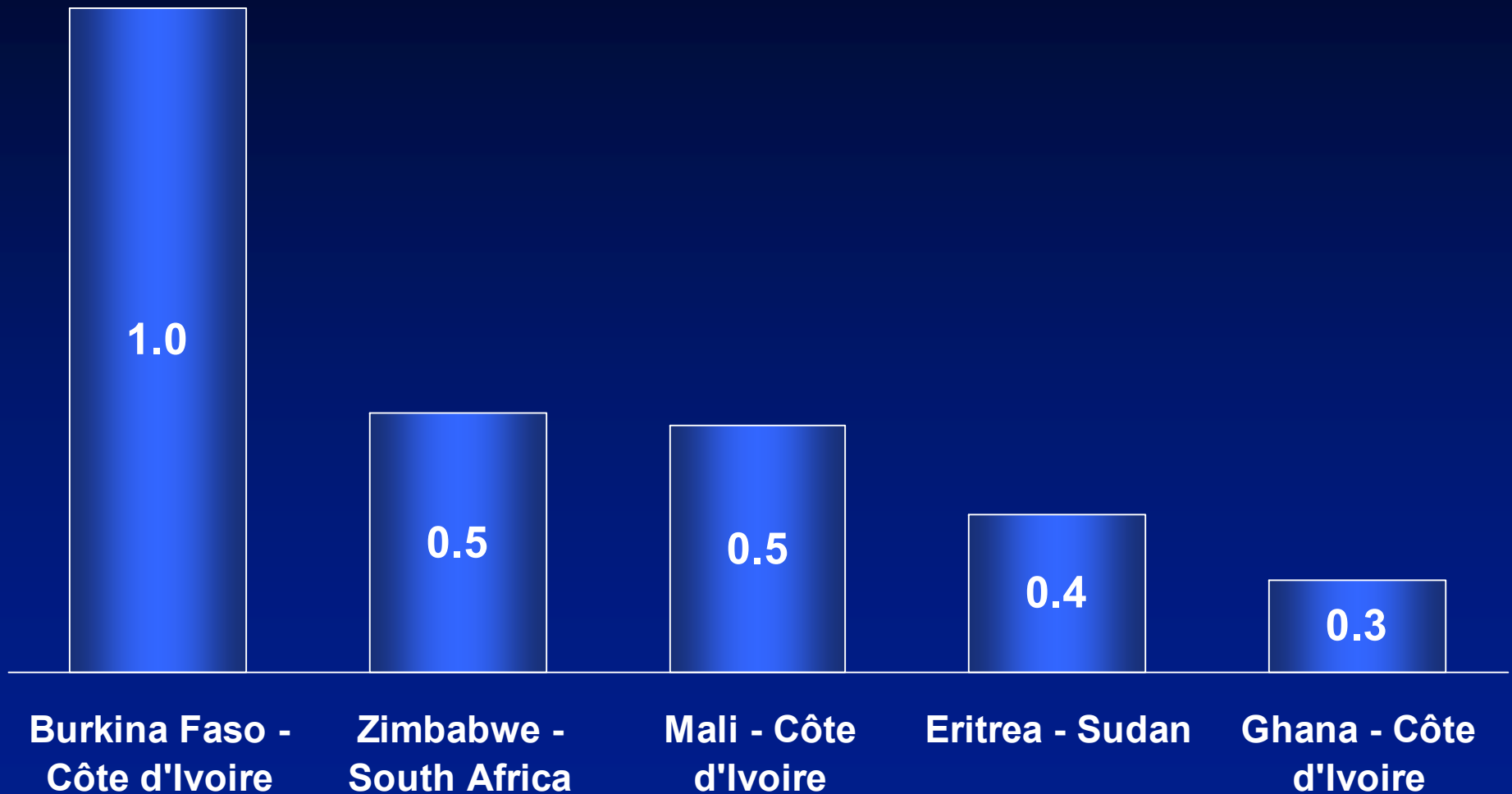


Source: Ratha and Shaw (2007)

Stock of emigrants 16 million or 2.1% of population

# Top migration corridors in Sub-Saharan Africa

*Millions*

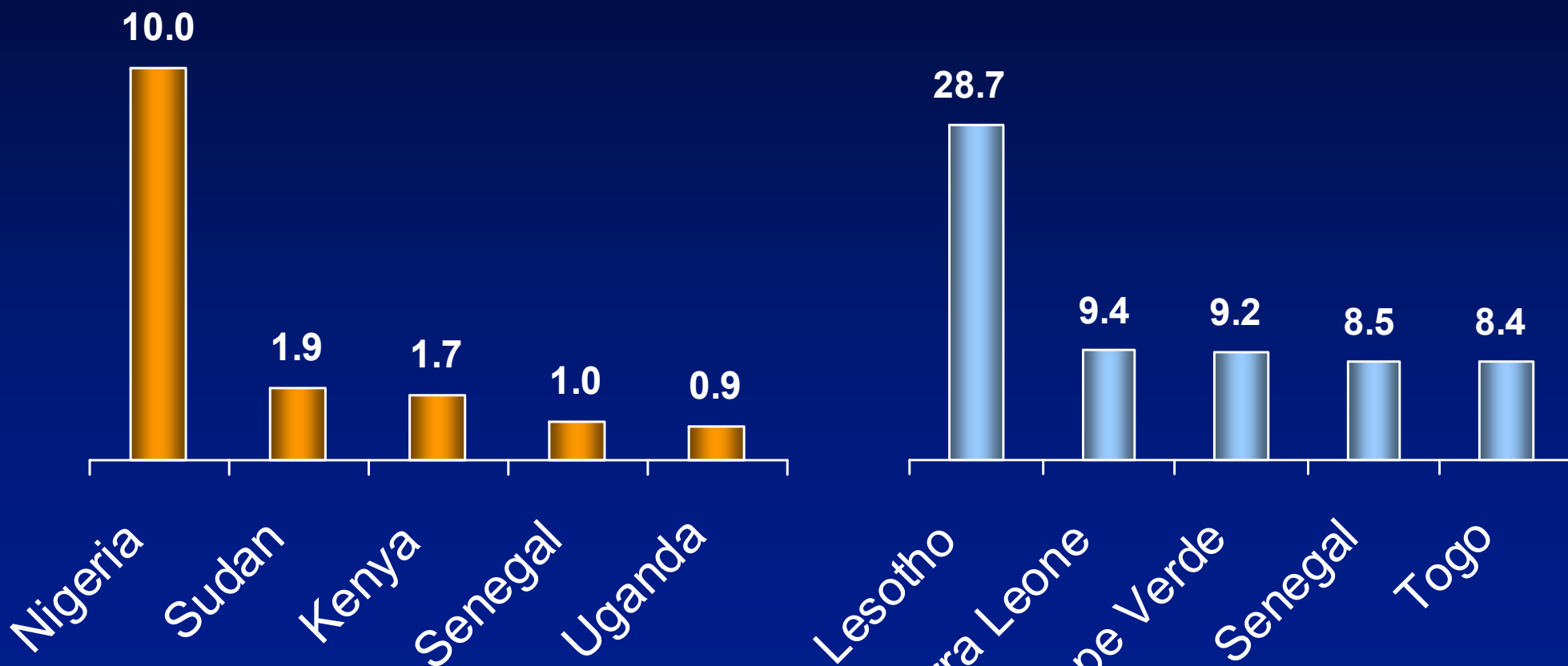


*Source: Ratha and Shaw (2007)*

# Remittances in Sub-Saharan Africa, 2008

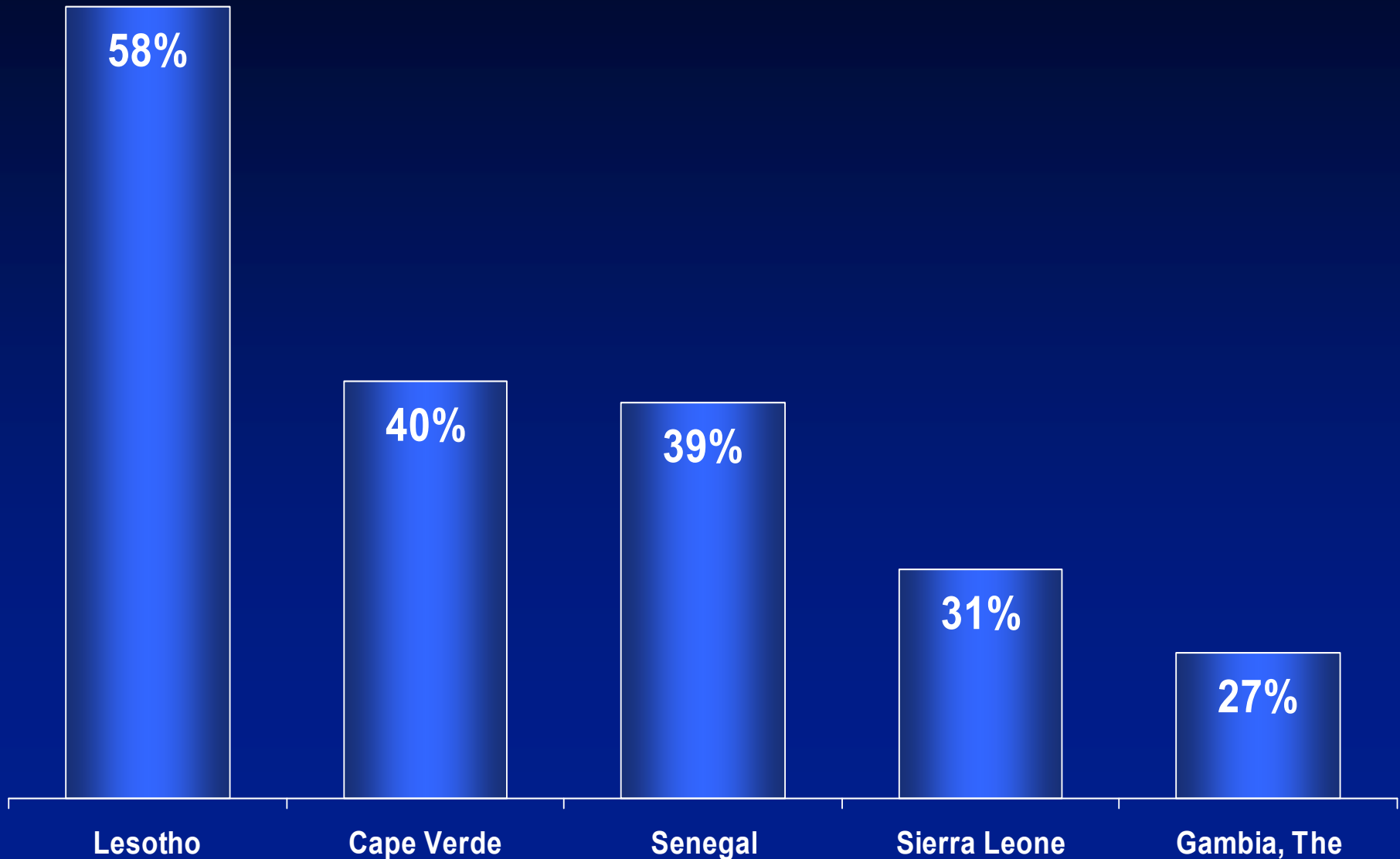
*US\$ billion*

*% of GDP*



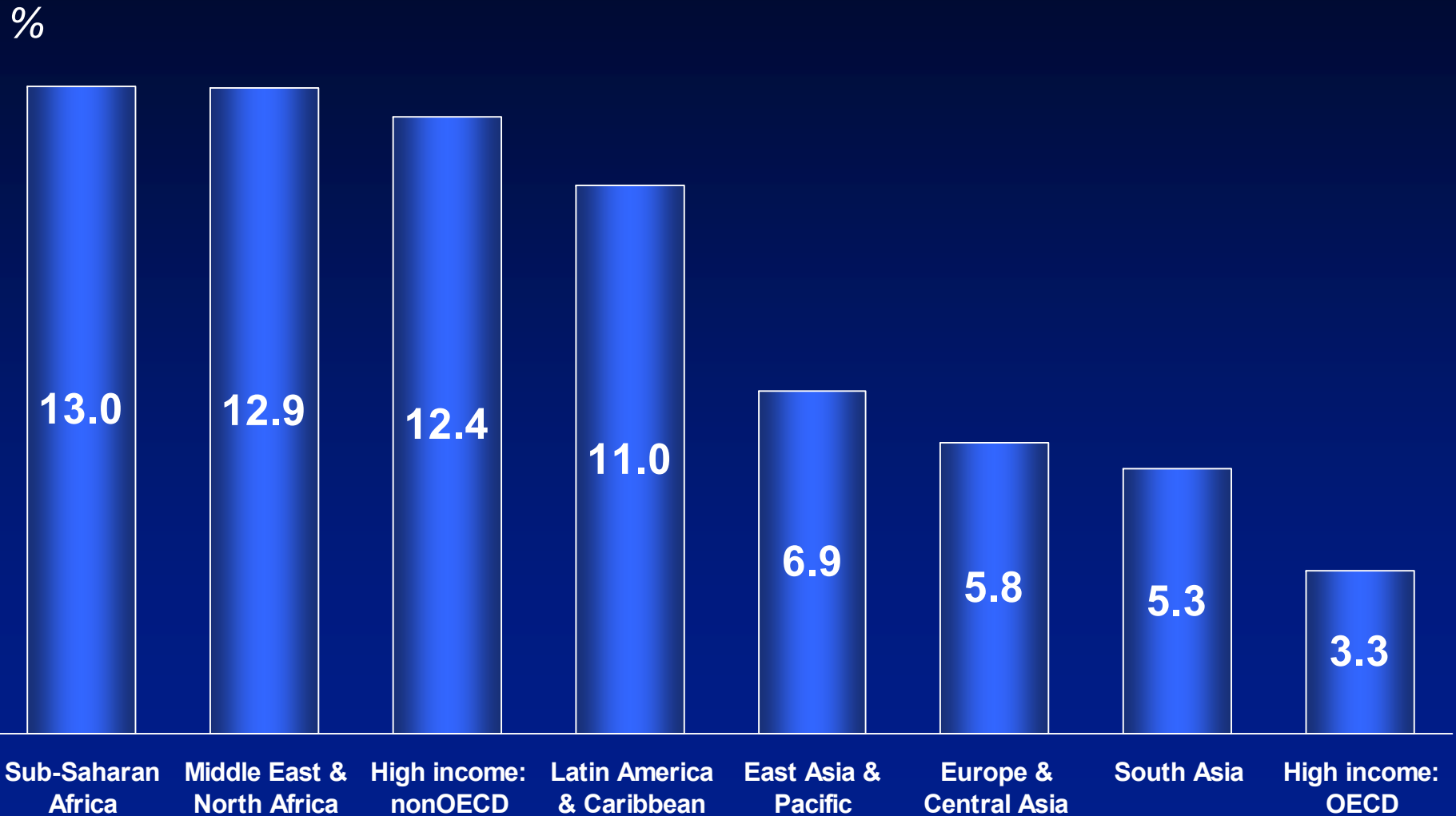
Total remittances to SSA (2008): \$20 billion

# Remittances as a share of export of goods and services in Sub-Saharan Africa (2008)



Source: World Development Indicators (2009)

# Sub-Saharan Africa sends most tertiary-educated migrants abroad



Source: Docquier and Marfouk (2005)

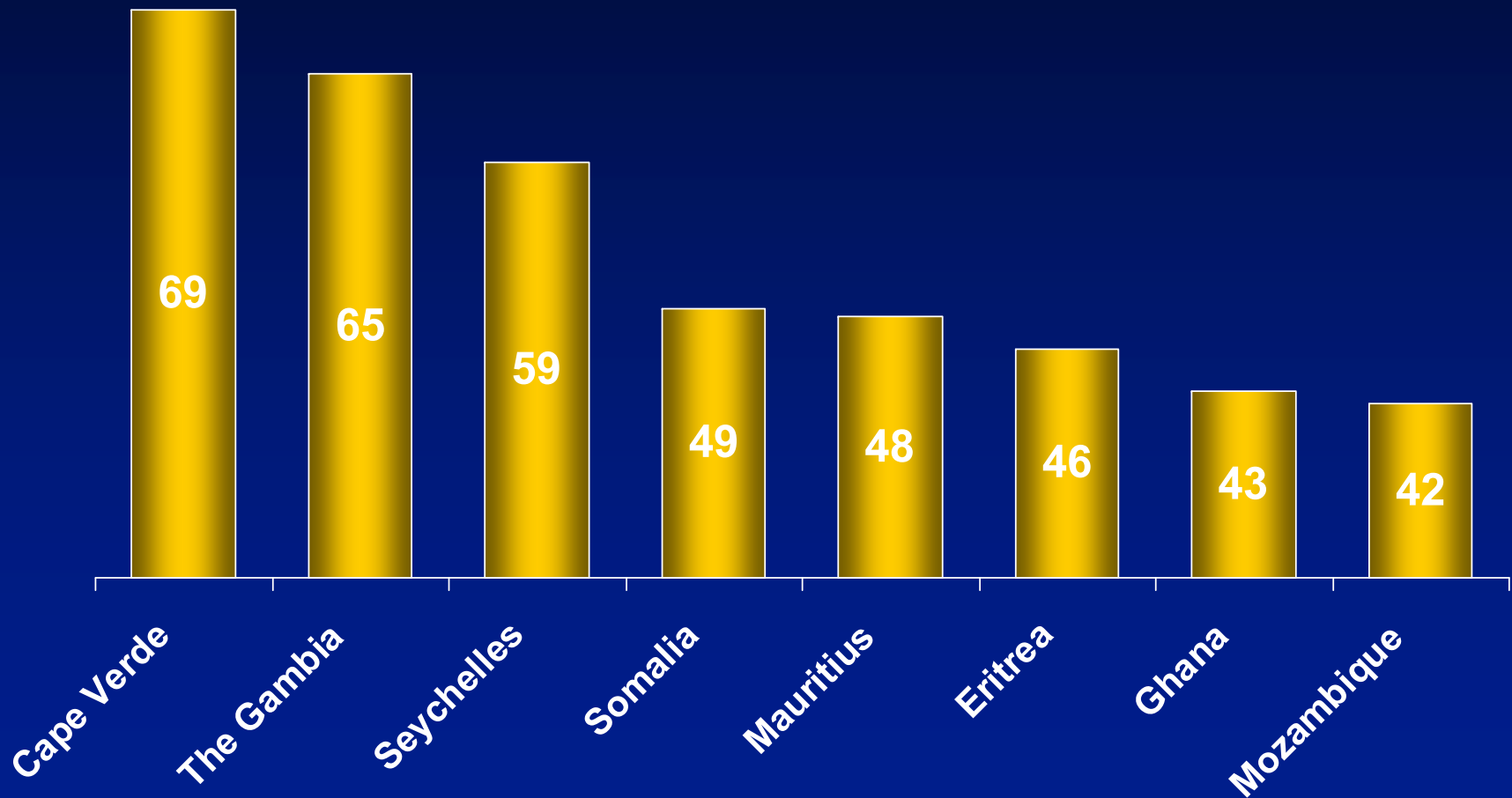
# Preliminary Findings

Some preliminary findings:

- Remittance costs are very high in African corridors
- MTOs cannot operate in many countries due to exclusivity agreements
- Room for improvement in regulation of cross-border mobile-phone transfers

# Brain Drain: emigration of tertiary educated from Sub-Saharan Africa

*% of all tertiary educated that have emigrated*

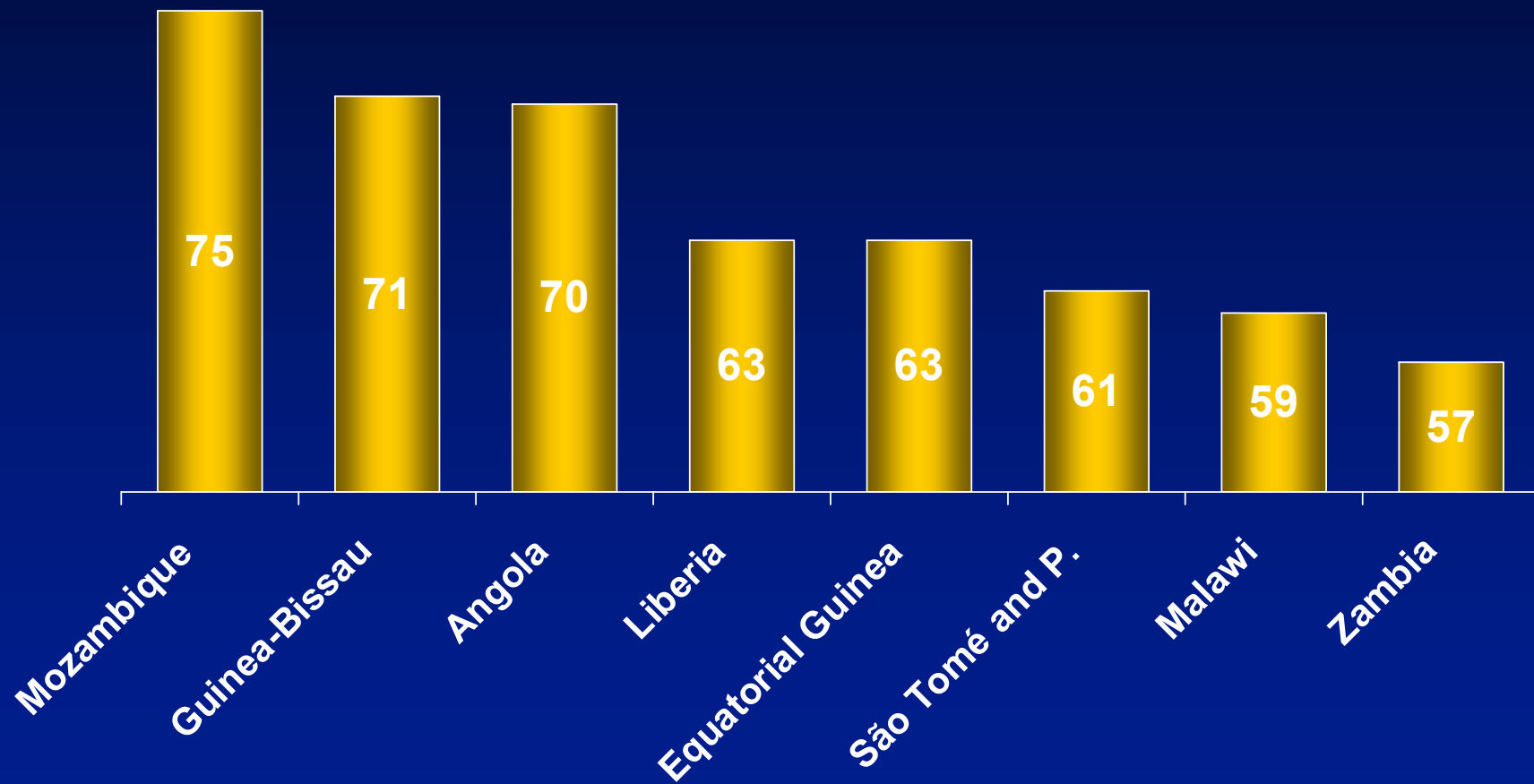


**But these countries represent only 8 % of SSA population**

*Source: Docquier and Marfouk (2005)*

# Brain Drain: emigration of physicians from Sub-Saharan Africa

*% of physicians born in Africa appearing in censuses abroad\**



Source: Clemens and Petterson(2006).

Censuses included: USA, UK, France, Canada, Australia, Portugal, Spain, Belgium, and South Africa.

# Diaspora

Some findings:

- No government has complete mapping of diaspora; data mainly based on those who register with embassy
- Little involvement with investment, trade & technology transfer, few embassy staff dedicated to this
- Little coordination at the embassy/consular level when dealing with diaspora
- Few embassies are developing financing instruments to attract diaspora (e.g. Ethiopia diaspora bonds)

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For more, please visit:

[www.worldbank.org/prospects/migrationandremittances](http://www.worldbank.org/prospects/migrationandremittances)

<http://peoplemove.worldbank.org> (blog)