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International migration: win-win solutions for countries of origin and destination

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In the literal sense of the word, migration refers to a long-term transfer of residence. In classical economic theory, regional mobility of labour plays a central role in the functioning of a market economy. In terms of development policy, migration was initially rather a matter of national mobility (migration from the countryside to urban areas). In the context of globalisation, we are increasingly talking about international migration of labour from countries with an excess of labour to countries with a lack of manpower, or to countries in which better living standards and perspectives are envisaged.

Reasons for migration (and flight)

Theory talks about economic migration (in contrast to flight) when there is a voluntary move for economic reasons. In practice, however, the distinction between migration and flight is less clear: inescapable pressure and complete freedom of choice are actually just the two extremes to the same continuum. In most cases, a combination of various motivations is at stake. In countries with tough political and economic conditions, people's desire to migrate is generally very strong. And within these states, opportunities to migrate are greater as you move up on the distribution of wealth : households that are better off are more likely to be in a position to shoulder higher migration costs as well as the implied risks.

Extent of economic migration

The vast majority of economic migration takes place within national borders (internal migration). According to UN estimates, there were 244 million international migrants in 2015. While the largest proportion of these people migrated to countries with a similar level of development, only 10% of international migrants originated from lower-income countries. Of these, only a quarter (i.e. 2.5% of all international migrants) headed for a highly developed country.

Net effects clearly positive for destination countries so far

Contrary to popular misconceptions, the inward flow of migrants usually has positive net effects for the destination countries. Some facts:

- Destination countries often have a relative shortage of labour. Migrants increase the labour pool and therefore enable further economic growth.
- Economic migrants on average pay more into the fiscal and social system that they receive from it and are therefore not economic "freeloaders" on balance.
- Economic migrants have a positive impact on the age structure of the population and therefore reduce the problematic effects of demographic change on public social systems.
- Well-educated economic migrants have a positive quantitative and qualitative (diversification) effect on human capital and can provide new impetus for innovation and technical development.
- Less-qualified migrants often fill gaps in less attractive industries and can compensate a growing shortage of specialist workers through training programmes.

Net effects for countries of origin currently less clear

Turning to the countries of origin, the effects are more mixed: on one hand, these countries suffer an economic loss through the emigration of the most educated individuals with the highest incomes ("brain drain"). This, however, also may imply a variety of corresponding advantages ("brain gain"):

- Migrants generally continue to maintain close ties to their families in their countries of origin and often support them financially. These transfers ("remittances") add up to twice as much as the total official development assistance provided.
- Many migrants are also involved in diaspora groups promoting the development of their homelands. Some may also later return to their countries of origin with qualifications they have earned abroad.
- The example set by successful migrants provides incentives to invest more in education to increase chances to migrate. Still, a large number of well-educated workers then decides not to migrate. This may create a positive net education effect for the countries of origin.

Under what circumstances are win-win solutions possible?

International economic migration between north and south can therefore be in the interests of both the destinations and the countries of origin. In some unfortunate cases, though, migration can also have disadvantages for both. From the perspectives of the destination countries, limits on economic absorption and social integration capacity must not be exceeded. For the countries of origin, on the other hand, remittances and positive transfer effects through the diaspora, as well as a high proportion of people returning with qualifications, are important factors for positive outcomes. Win-win situations arise above all when the net immigration to destination countries is managed flexibly and in accordance with requirements, while also reinforcing the bonds of the migrants to their homelands, for instance by making it easier to transfer money home, supporting diaspora groups, providing training to migrants and encouraging temporary migration (without any pressure to return home). The number of people wishing to migrate currently exceeds the absorption capacity of destination countries significantly. The pressure to migrate can be mitigated by certain instruments of development policy, particularly by promoting good governance and taking steps to reduce the international gap in prosperity. Neither are likely to be achieved in the short term.■