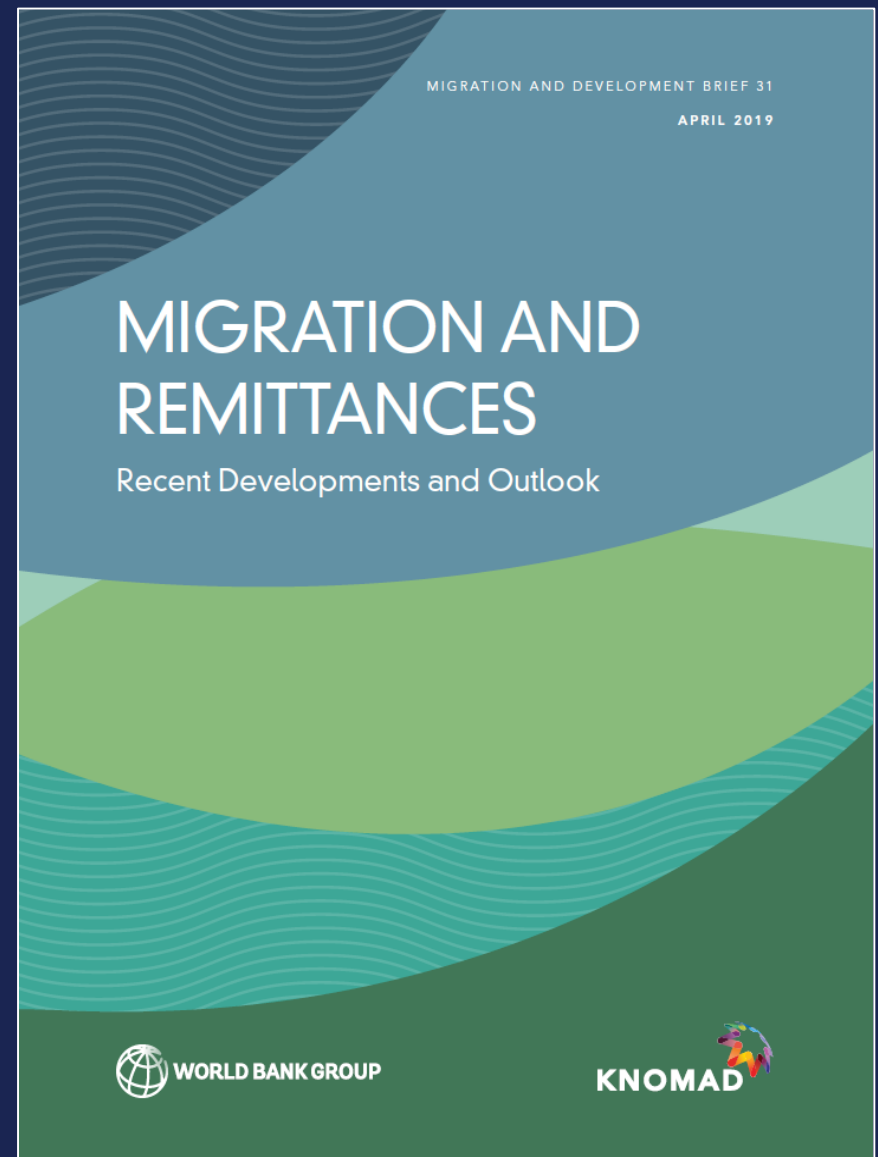


# Migration, Remittances and Development

Dilip Ratha

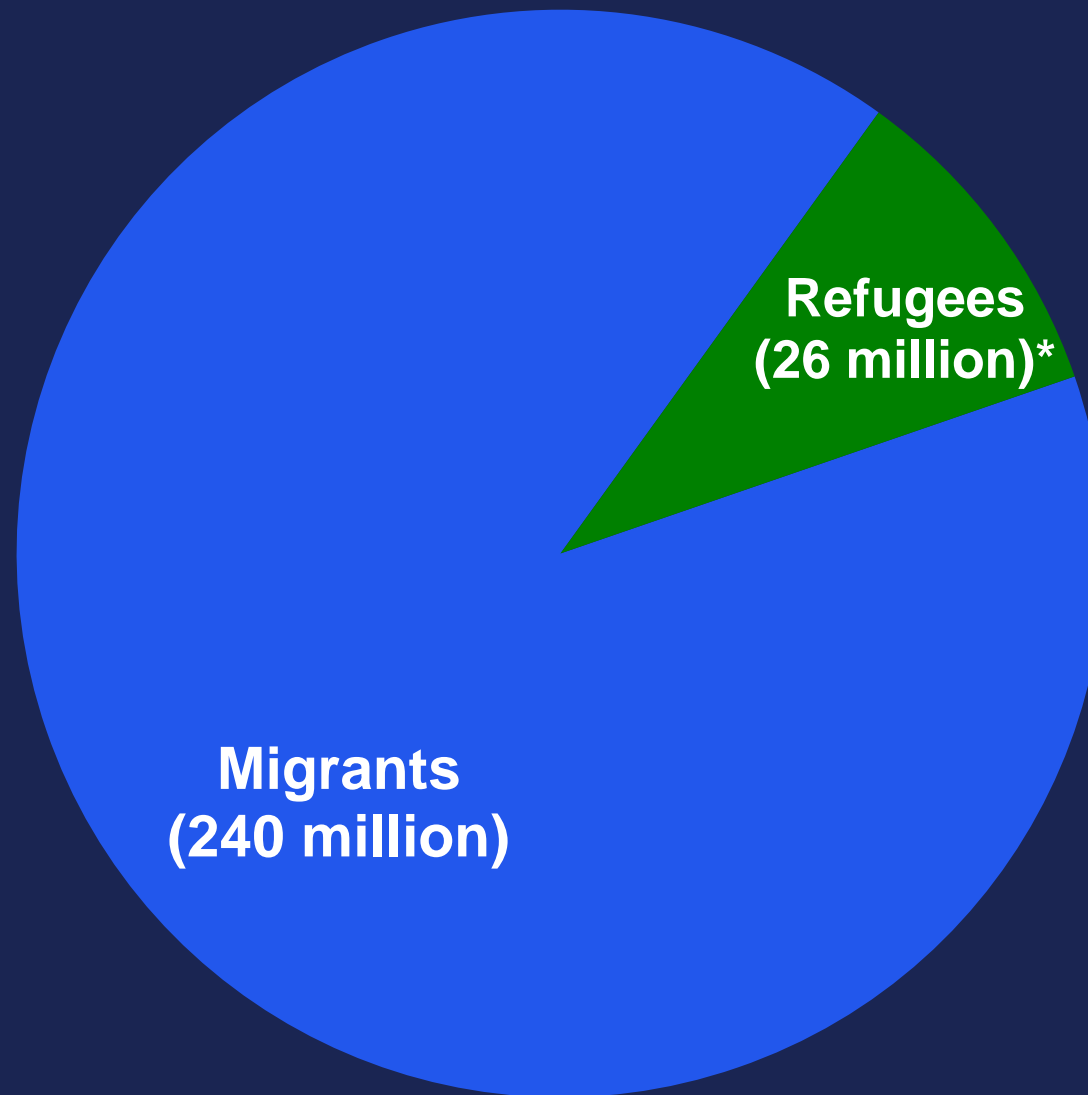
Migration and Remittances Team  
Social Protection and Jobs  
World Bank  
Washington, D.C.  
April 12, 2019



# Summary

1. Global migration flows are on the rise as is the challenge of returning migrants and asylum seekers
2. Migration-related Sustainable Development Goals (SDGs):
  - Remittances to low- and middle-income countries expected to reach \$550 bn in 2019, larger than FDI (SDG 17.3.2)
  - Remittance costs average 7%, still far from the 3% target (SDG 10.c.1)
  - Recruitment cost indicator moved up to from Tier III to Tier II (SDG 10.7.1) – now we need to undertake surveys in 30+ corridors
3. Implementation of Global Compact on Migration could benefit from initiating a voluntary Systematic Review Framework

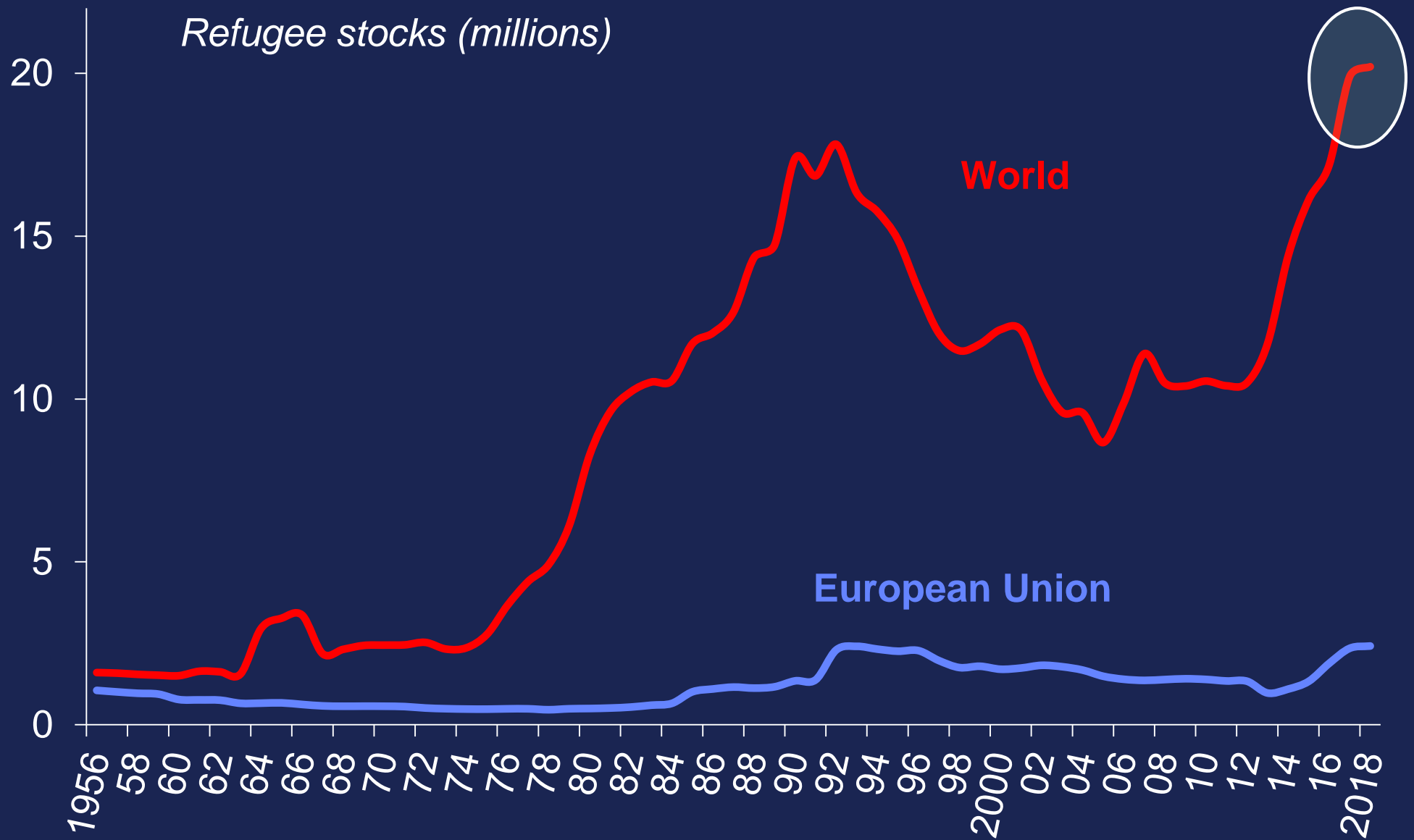
# International migrant stock: 266 million in 2018



Source: UN DESA, UNHCR, and World Bank staff estimates.

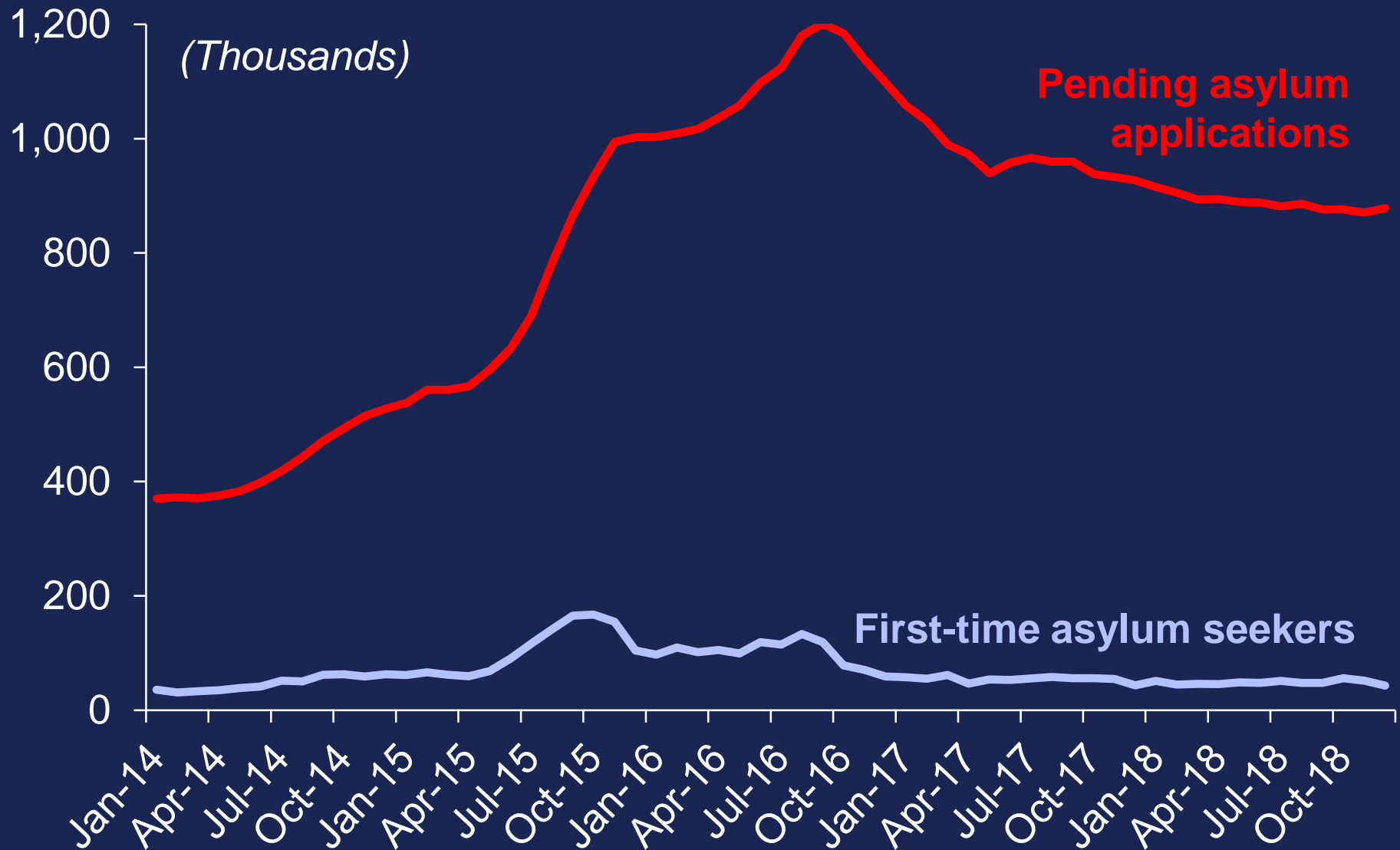
\* Including 5.4 million Palestinian refugees.

# Refugee movements have slowed



Source: UNHCR

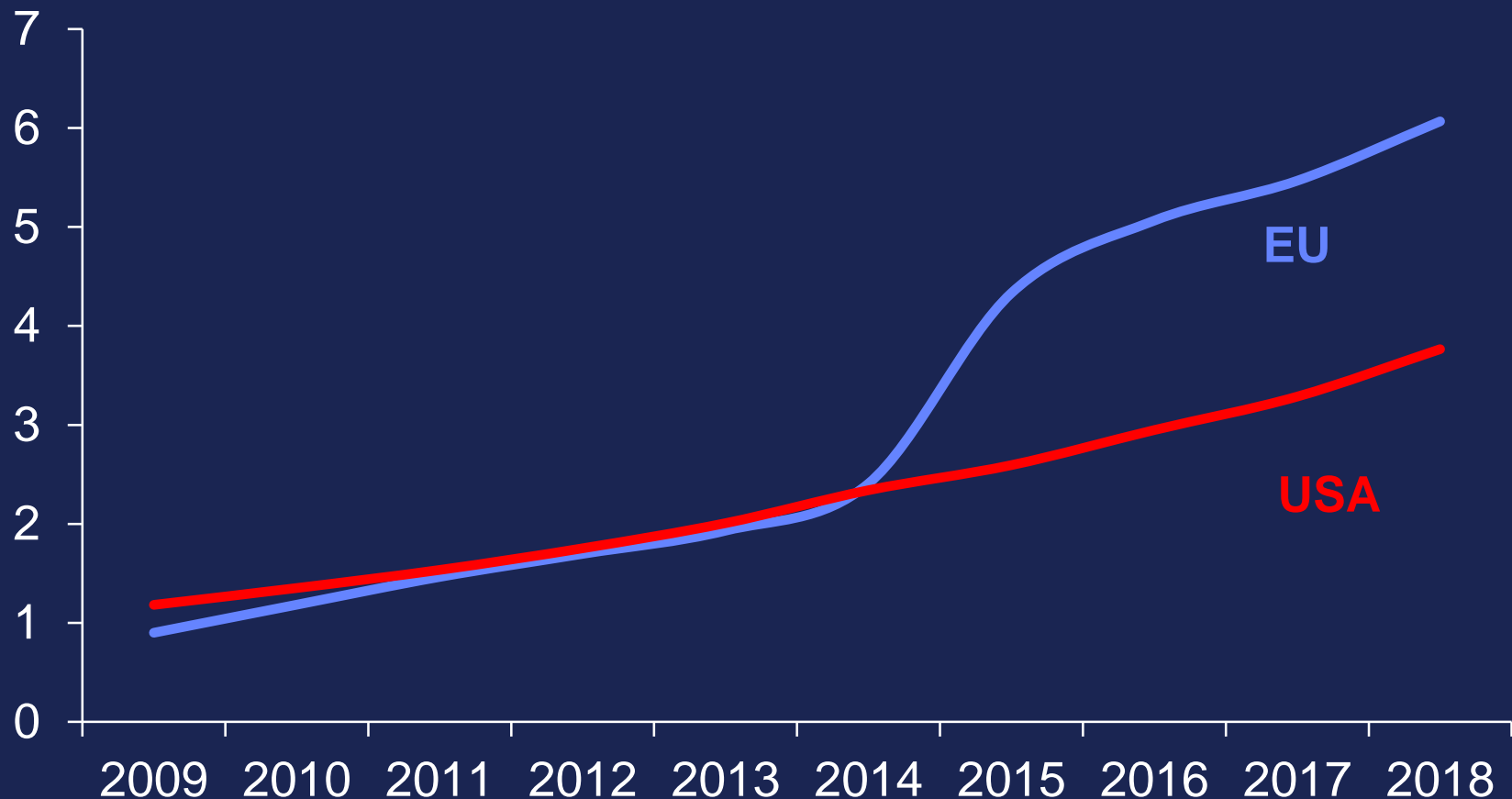
# Number of new asylum seekers in EU-28 fell significantly



Source: Eurostat

# Return migration is likely to increase from the European Union and the United States

# of undocumented detected (million)

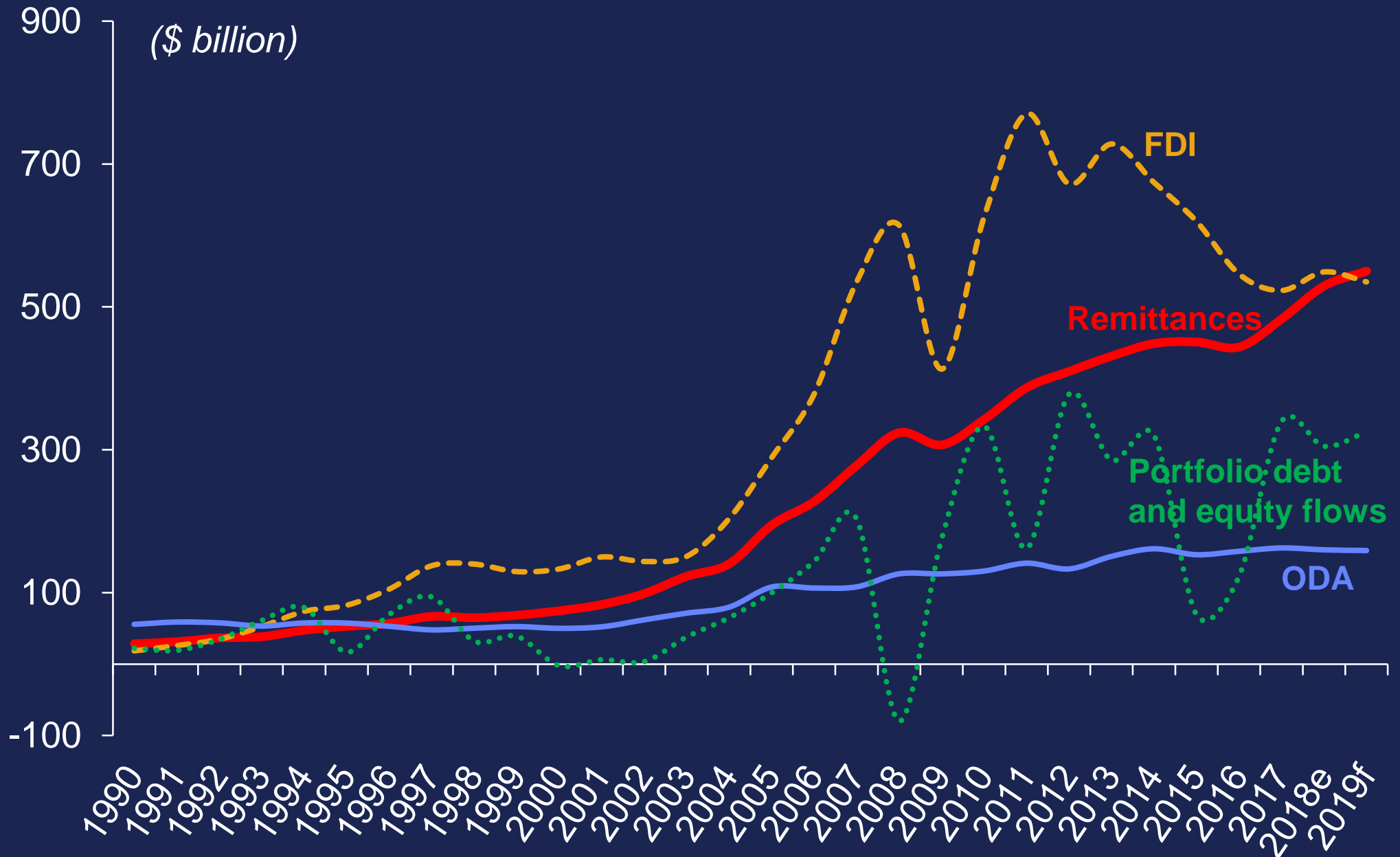


Source: Calculations using data from Eurostat.

Note: Asylum seekers are first time asylum applicants coming from non-EU28 countries.

Undocumented detected stock<sub>t</sub> = undocumented detected stock<sub>t-1</sub> + new undocumented detected<sub>t</sub> - returned

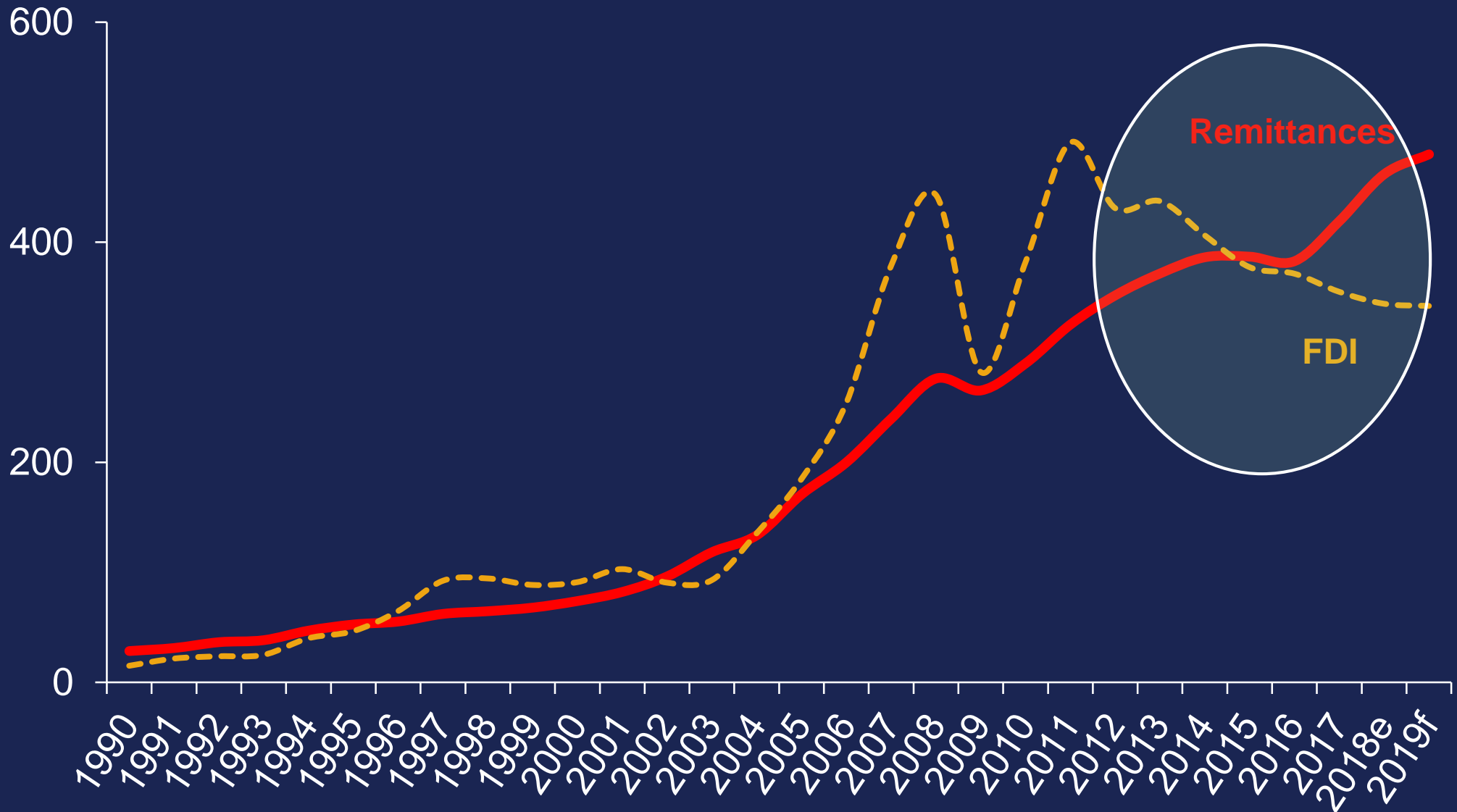
# Remittances to low- and middle-income countries are likely to surpass FDI in 2019



Source: World Bank staff estimates, World Development Indicator, and IMF's BOP statistics

# Excluding China, remittances have been larger than FDI since 2015

(\$ billion)

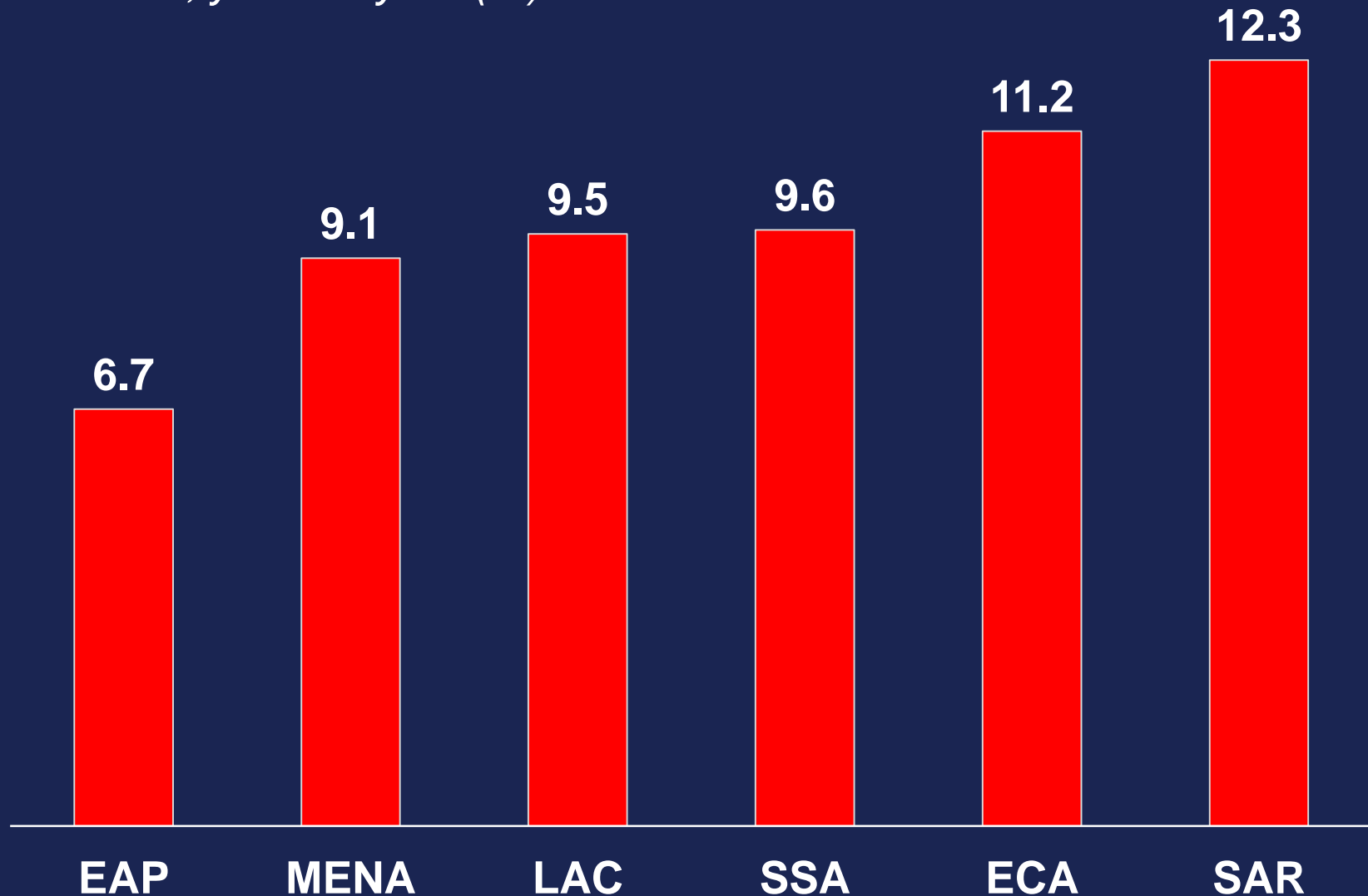


Source: World Bank staff estimates, World Development Indicator, and IMF's BOP statistics



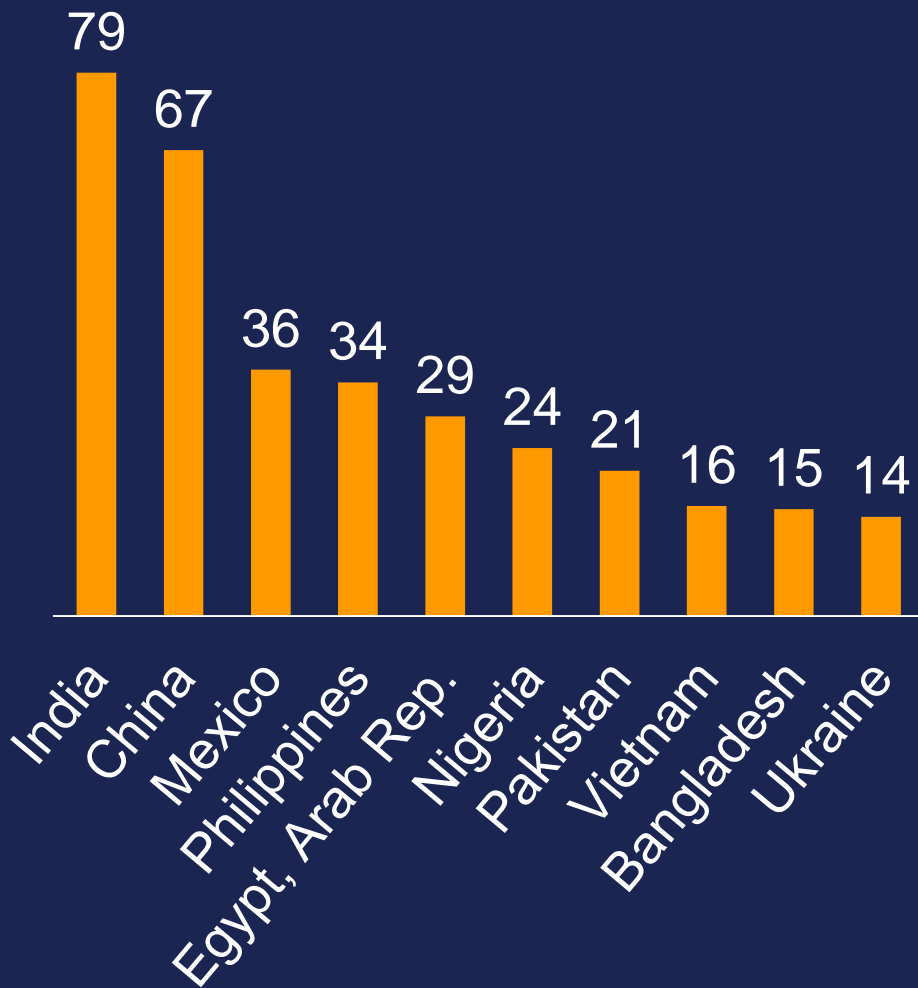
# Remittance flows grew strong in 2018, particularly in SAR and ECA regions

*Growth, year-on-year (%)*

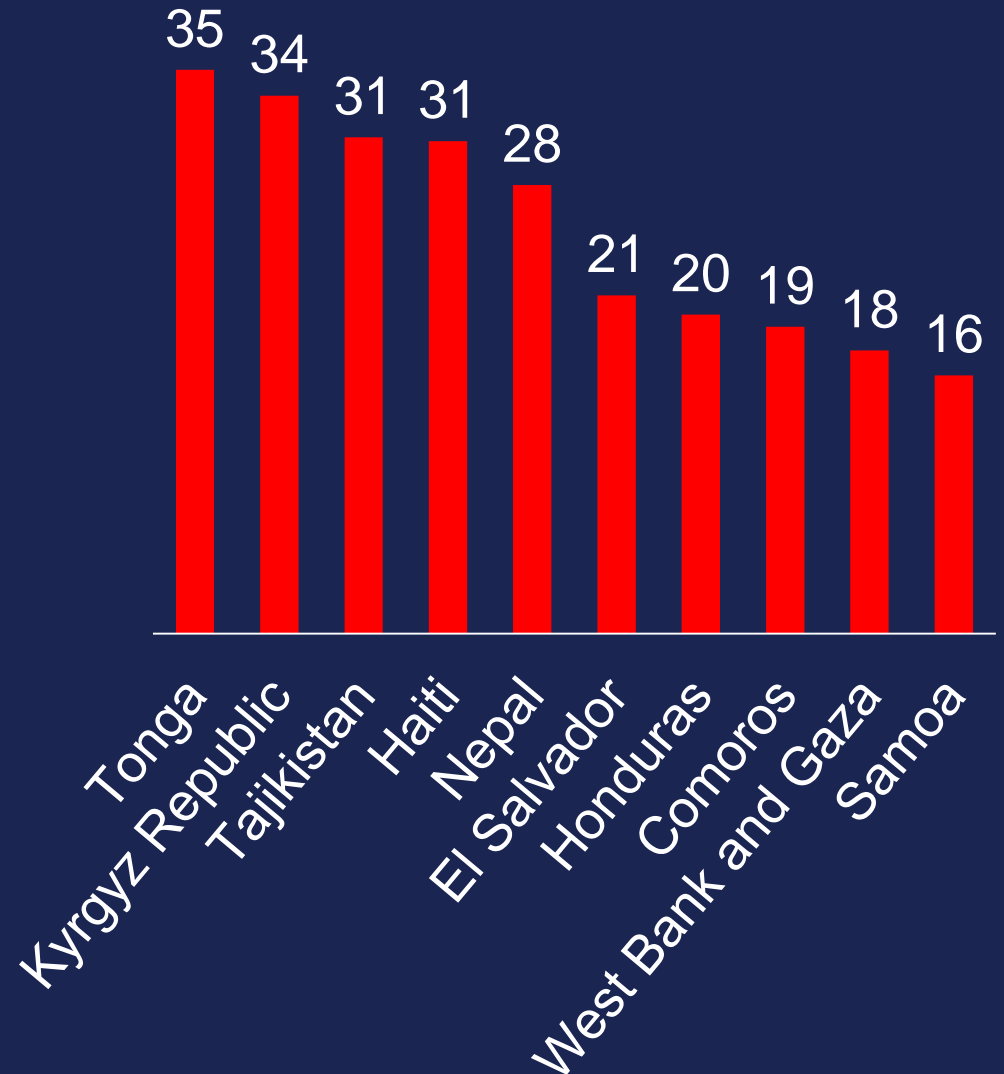


# Top recipients of remittances in 2018

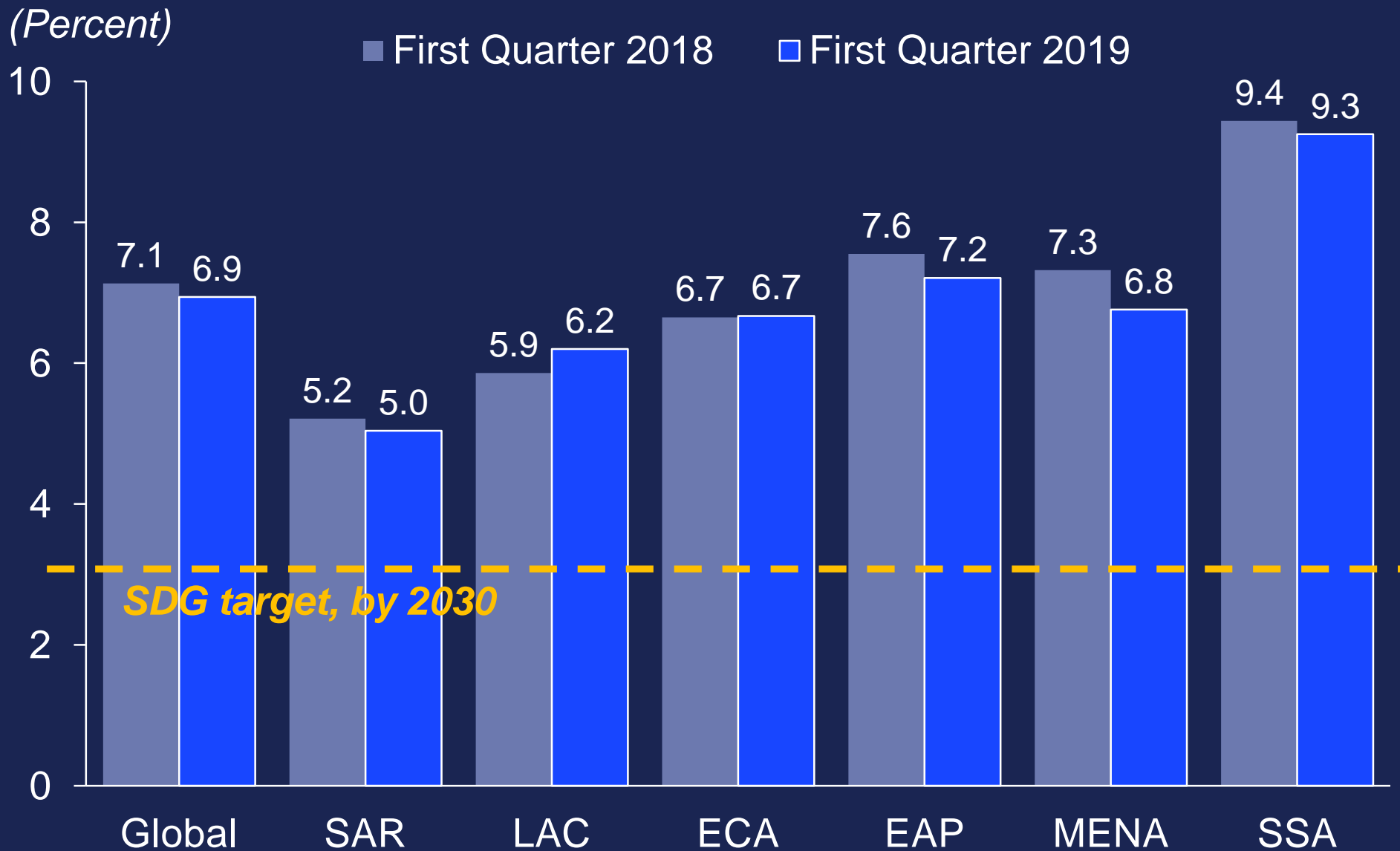
(\$ billion, 2018)



(% of GDP, 2018)

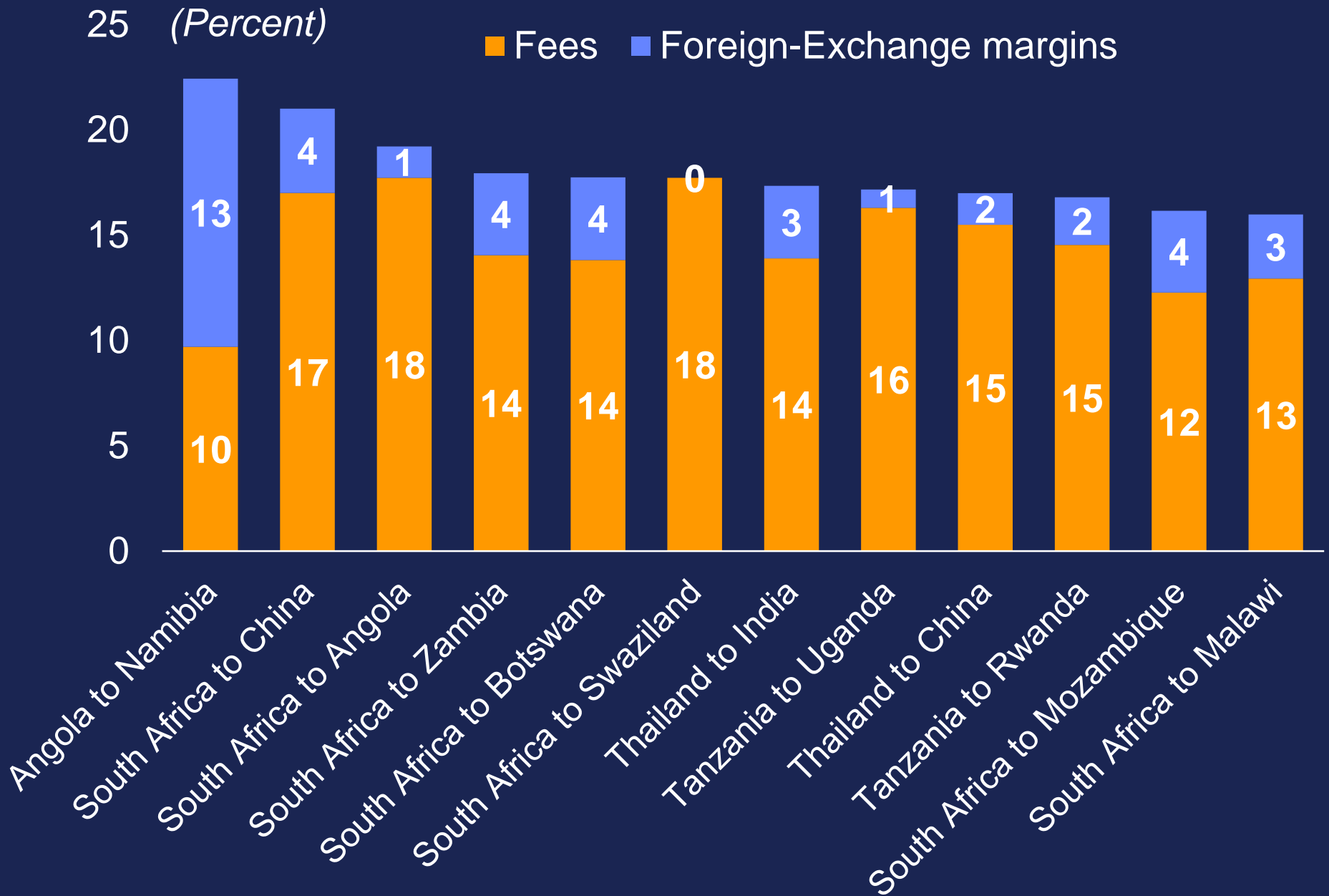


# Average remittance costs remain significantly higher than the SDG target



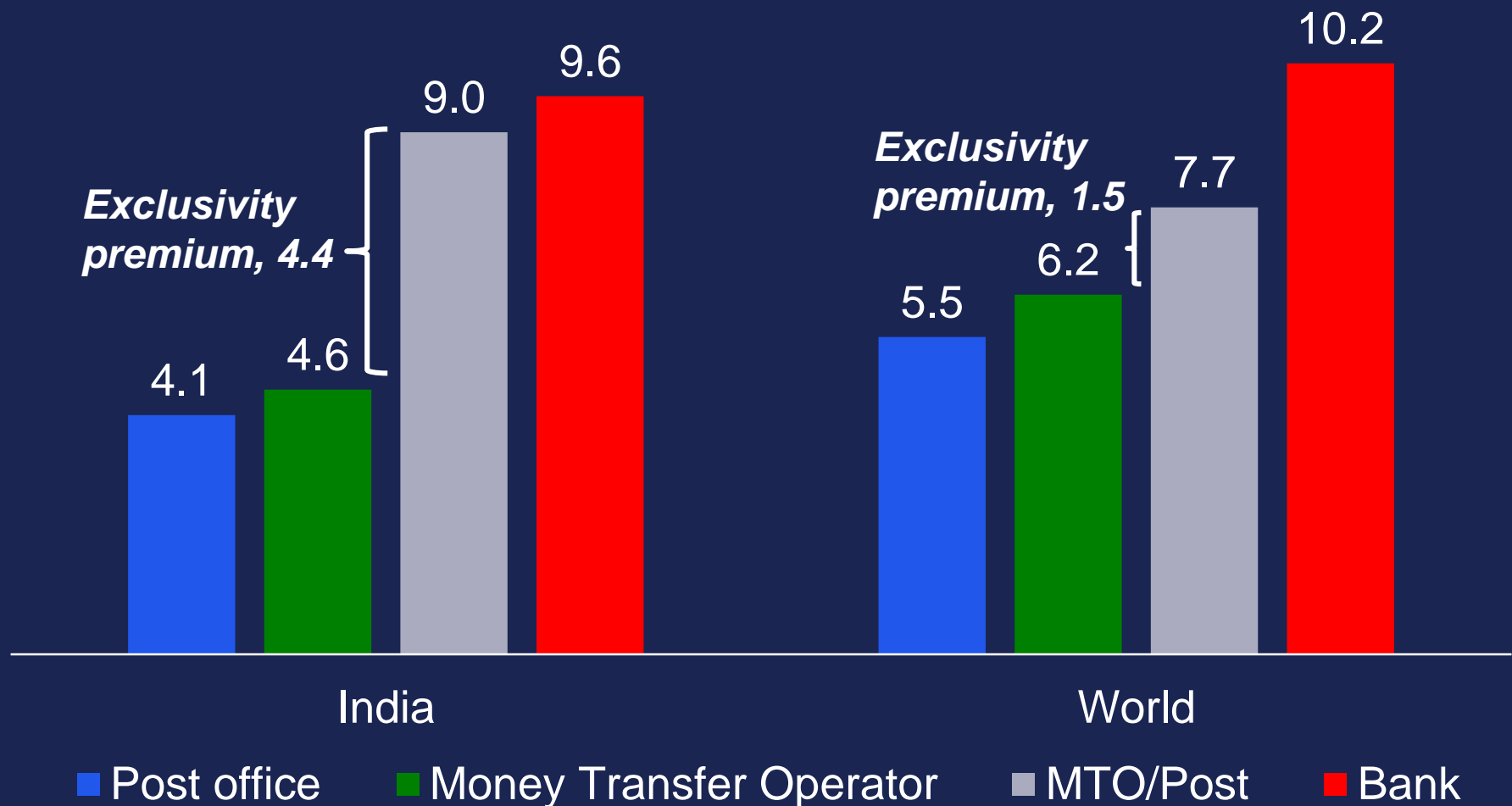
Source: Remittance Prices Worldwide, World Bank.

# Fees vs FX margins



# Banks have highest cost followed by MTO-Post Office partnerships

*Average cost (%)*



Source: World Bank-KNOMAD staff analysis based on World Bank Remittance Prices World wide database 2018 Q4.

# **Global Remittances Agenda**

## **Leverage Remittances**

**Sell diaspora bonds**

**Promote financial inclusion**

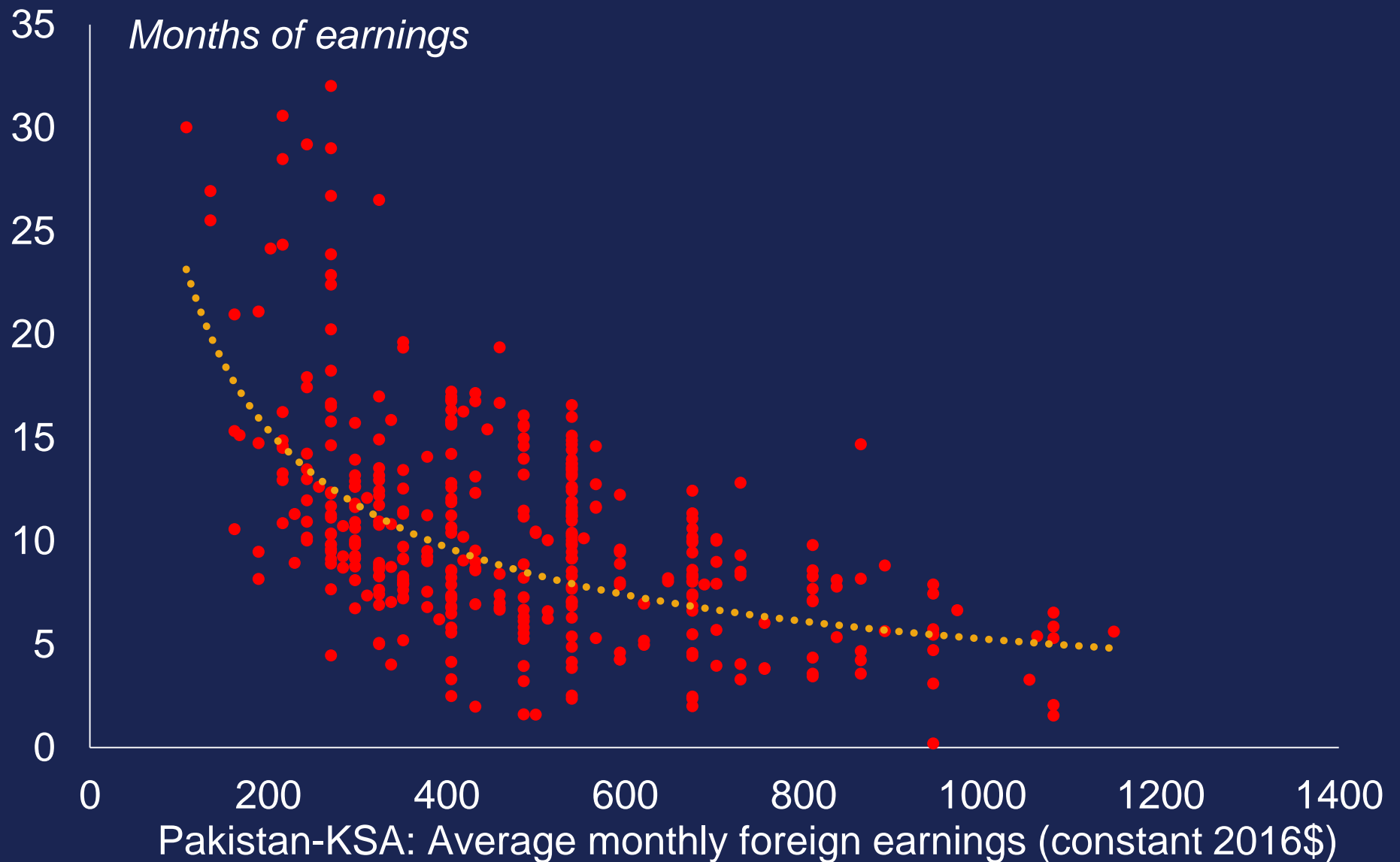
**Micro-insurance**

**Sovereign credit ratings**

**Future-flow securitization**

**Mobile money, crypto currency**

# Recruitment costs disproportionately high for low-income workers



Source: KNOMAD-ILO Migration Costs Surveys

# A Systematic Review Framework for Global Compact on Migration

- Similar to G20 Mutual Assessment Process
- Voluntary preparation of Activities and Policies Template (APT)
- Facilitate discovery of good practice, replication, mutual consistency, collaboration
- Help develop baseline and benchmark for monitoring progress



# Activities and Policies Template

- GCM Objective 1
  - Sub-objectives (all or some important ones)
  - Planned actions as migrant-sending country
  - Planned actions as migrant-receiving or transit country
  - Indicate complementary actions you'd expect from partner countries; also indicate which countries
  - Comments by partner countries
  - Summary assessment by external experts (eg, KNOMAD and UN Migration Network) and additional actions identified
- Repeat for GCM Objectives 2-23

# Summary

1. Global migration flows are on the rise as is the challenge of returning migrants and asylum seekers
2. We are making progress on migration-related SDGs:
  - Remittances to low- and middle-income countries expected to reach \$550 bn in 2019, larger than FDI (SDG 17.3.2)
  - Remittance costs average 7%, still far from the 3% target (SDG 10.c.1)
  - Recruitment cost indicator moved up from Tier III to Tier II (SDG 10.7.1) – now we need to undertake surveys in 30+ corridors
3. Implementation of Global Compact on Migration could benefit from initiating a voluntary Systematic Review Framework
4. **World Bank is in a position to support the global community**