Benefits and Challenges of Labour Migration

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Summary

• Short introduction on Labour Migration

• Benefits and Challenges

• Activities to minimize the challenges and enhance the benefits for the short, medium- and long-term

• Some examples
Labour migration

- Labor migration, when well managed, can bring benefits for:
  - Host countries
  - Sending countries
  - Migrants
Opportunities and challenges of labour migration

• Data and empirical evidence indicates that increased labor mobility leads to:
  • Large gains for immigrants;
  • Positive overall gains for the destination country;
• Gain for immigrants do not come at the expense of host countries;
• However: migration presents both benefits and challenges:
  • Challenges cannot be underestimated!
  • Benefits should be enhanced for the benefits of all!
• Evidence clearly shows that migration has unequal effects on different groups of host society;
Challenges

1. High concentration of migrant labour in sectors and areas of the host country;

2. Competition of national labour force with migrants in the labour market;

3. Dislocation of native-born workers can involve substantial costs for them;

4. Overburdening the social service system;
Benefits

- Addresses critical shortages of labor (aging population) & specialization gaps (services);

- Pushes native labour force (skilled and unskilled) to specialize more;

- Increased formalization of native labour force’s employment;

- Increased economic activity/ entrepreneurship, increased revenues (taxation);
Goal should be:

• Address the challenges to reap the benefits:
  • Ease the costs of short-term dislocations and distribute more widely the economic benefits;

• Reality check: there are no easy solutions when it comes to migration policies.
Migration is a reality!

- Countries need to be proactive and strategic. They should:
  - Prepare for it – Contingency Planning
  - Learn to manage it:
    - Reaping the benefits for host economy and labour force, respecting migrants’ human and labour rights;
    - Addressing the challenges;
Addressing the challenges, reaping the benefits:

Activities for the short-term:
- New trainings to fill labour market gaps;
- Support relocation of native labour force;
- Facilitate entry into the formal economy;

Activities for the medium term:
- Identify labour market gaps;
- Adapt local education system to respond to labour market;
- Facilitate international employment;

Activities for the long-term:
- Develop migration policies responding to labour market needs;
- Include migration management in Crisis Plans;
- Foster Diaspora relations;
Empirical Evidence

• Prevention of migrants’ concentration: post Berlin-wall Germany - pre-organized dispersal policy;

• Prevention of national labour force dislocation:
  • Not successful in Colombia (IDPs in informal economy);
  • Not successful in Turkey (Syrian refugees);
  • Successful in the USA: with policies facilitating regularization (IRCA 1986 and DACA 2012);

• Facilitation of entry in the formal economy: Dominican Republic for migrants from the B.R. of Venezuela: at entry no regular status, no skills recognition – this will soon change!

• Challenges: Panama – strong xenophobic feelings – elections – nobody gains!
Thank you!

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• More details in the panel this evening!

• Acknowledgements:
  • World Bank (2018): Moving for Prosperity 2018
  • OECD-ILO (2018): How Immigrants Contribute to Developing Countries’ Economies
  • ACP Observatory for Migration (2013): Human mobility in the Caribbean: Circulation of skills and immigration from the South