



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