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HARNESSING THE DEVELOPMENT POTENTIAL OF LABOR MIGRATION

Challenging the Dominant Paradigm of “Development In-Place”

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An incoherent approach: The movement of people in search of better economic opportunities is a common and enduring livelihood strategy. Indeed, 90% of international migration is considered to be economic migration.¹ At the national and household level, research demonstrates that migration and remittances can lead to positive socioeconomic and development outcomes, including improvements in living conditions, investments in children’s education, improved food security, accumulation of assets, and reductions in poverty. Despite its important role in development, key foreign assistance actors fail to recognize and harness the potential of economic migration to meet development outcomes. Instead, many government donors continue to frame migration (especially across borders) as a problem rather than an opportunity to enhance individual, household, and community socioeconomic well-being. This approach runs contrary to emerging principles adopted by global frameworks such as the Sustainable Development Goals and the United Nations Global Compact for Safe, Orderly, and Regular Migration and to evidence on the positive relationship between migration and development.² The status quo development approach is not only a missed opportunity — it also perpetuates cycles of development programs that are often ineffective in stemming migration.

1 Ratha, D. et al. (2020). *COVID-19 Crisis Through a Migration Lens: Migration and Development Brief 32*. World Bank Group.

2 UN General Assembly (2015) *Transforming our World: The 2030 Agenda for Sustainable Development*, A/RES/70/1; *Global Compact for Safe, Orderly, and Regular Migration* (2018).

This paper draws on qualitative and quantitative evidence, including case studies from Nepal and Niger, to explain why aid actors continue to focus on keeping migrants at home and to highlight the socioeconomic implications of this missed opportunity. It concludes with recommendations for policymakers, aid actors, and donors on how to better harness the development potential of economic migration.

DATA SOURCES

 Interviews and focus group discussions

 National and donor government strategy documents

RESEARCH QUESTIONS

I. What role can migration play in development in Nepal and Niger?

II. How do national and donor governments approach migration in their strategies and programming investments?

III. What are the challenges in charting a way towards a more coherent approach in development that sees migration as an opportunity rather than its failure?

Why does this bias persist?

Economic migration remains politically sensitive in many donor countries

Domestic political pressures to curb immigration drives foreign policies and assistance directed at migrant-sending countries. While anti-immigration sentiments are not necessarily the predominant view, they are still prevalent — notably in Europe and the United States.³ Numerous studies have documented the fiscal benefits for countries receiving migrants and shown that immigrants typically do not drive down local wages.⁴ Nonetheless, fear of socioeconomic and cultural changes resulting from migration continues to persist, and shapes foreign assistance decisions even toward countries like Nepal and Niger, where migration tends to be regional or internal.

The international development paradigm is not conducive to supporting people on the move

Two key features of aid programs and strategies contribute to this bias toward in-place development. First, the large majority of aid programs are geographically targeted. Program success is measured against impact at a defined locality, usually at a country or sub-national level (e.g. a village), which does not align with the reality that people are often on the move from one place to another. Relatedly, supporting people on the move is seen as a risky and complex endeavor, especially for those who are moving across international borders. In these cases, diverse legal frameworks come into play that require responsible development actors to ensure participants have the proper documentation, permissions, and support to move abroad.

3 Krogstad (2015). What Americans, Europeans Think of Immigrants. *FactTank*, Pew Research Center.

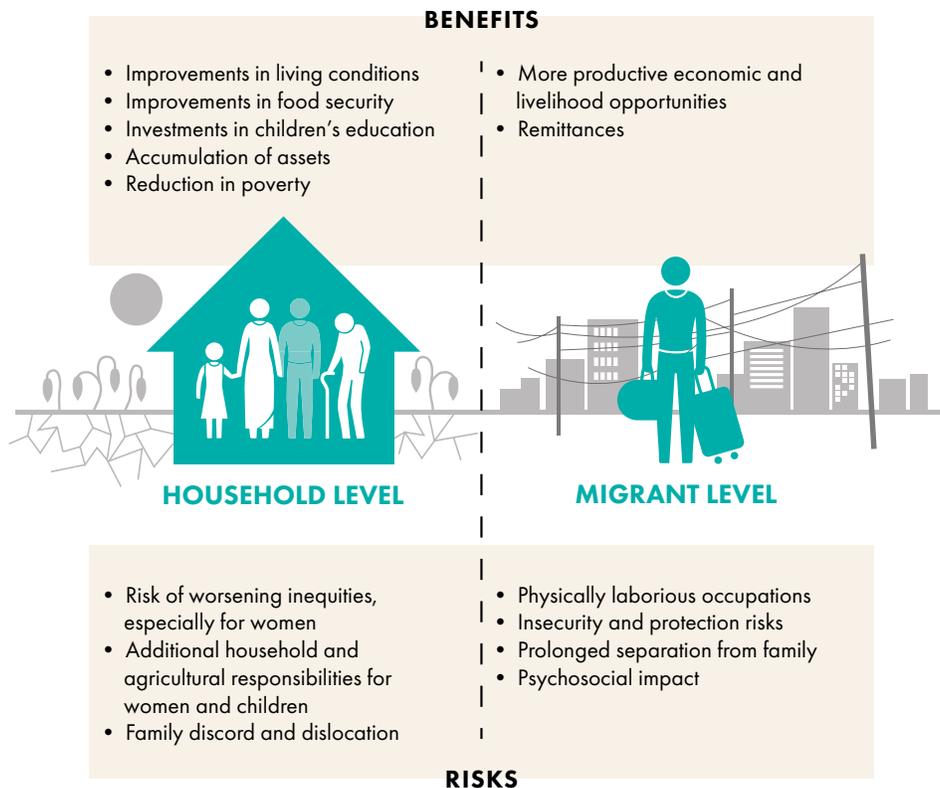
4 Clemens (2017). *There's No Evidence That Immigrants Hurt Any American Workers*. *Vox*

Development practitioners and the institutions they work in operate with a flawed understanding of migration

Despite a large body of scholarship on the connections between migration and development, in practice there is little overlap between these two policy spheres, as “development practitioners often view migration as a failure of development.”⁵ Consequently, the primary focus of development policies and programs vis-a-vis migration is to prevent it by improving local economic conditions, even though research and experience indicate that this approach is unlikely to be effective. The disconnect between these two policy areas is further reflected in the institutional structures that implement development and migration policies, which often work in silos. The absence of an overarching coordination mechanism across some donor government agencies that connects migration and development policies presents a serious challenge to policy coherence.

What are the ways forward?

1. Reconsider economic migration as a choice and an opportunity, which has both benefits and risks that must be proactively managed. It is not donors’ or aid actors’ place to dictate whether or not households choose to migrate, nor where they decide to seek economic opportunities. As migration trends increase, it will behoove donors and aid actors to focus efforts on supporting legal, safe, and productive migration opportunities.



⁵ Key informant interview with migration policy expert, November 13, 2019.

2. Integrate economic migration as a key component of development strategies and investments.

Despite the growing body of research showcasing the positive contributions labor mobility can make toward development outcomes, donor governments and national governments often take a siloed approach to economic migration and development. The failure to integrate economic migration as a key component of development strategies and investments is a missed opportunity for governments.

3. Pilot, test, and scale programs that support people on the move and those who stay behind.

Even when there is interest and political will to support productive migration, a limited understanding of how this can be done and how interventions can be designed to overcome the associated risks and sensitivities demands that aid actors start small. By beginning with programs that are viewed as pilots, development actors can test approaches that go beyond the traditional limits, including more regional approaches to development aid that connect programs across national borders. Based upon our analysis, we propose the following specific areas of focus for future development programs, advocacy, and investments:

a. Work toward regional approaches to development that connect economic development programs (e.g. livelihoods or financial inclusion) across national borders to facilitate opportunities to pilot, test, and scale strategies which support people on the move and those who stay behind.

b. Focus on improving opportunities and conditions for migration:

- › Provide people with relevant and timely information so they can make informed decisions on migration;
- › Improve work conditions for migrants by strengthening labor rights and protections for economic migrations in key migrant destinations through advocacy, legal support, and emergency services;
- › Provide tailored skills training for migrants to facilitate higher returns on households' decision and investment to migrate; and
- › Increase legal pathways to migration that meet the interests of both receiving and sending countries.

c. Improve economic and social outcomes for migrants and their families:

- › Facilitate more cost-effective remittance transfers through information and training, especially for women;
- › Boost local development through remittances from diaspora communities via productive investments at home;
- › Provide support to those who remain behind, especially women who may face an increased burden when spouses migrate; and
- › Decouple local development and migration deterrence. Support local development while acknowledging that such efforts may not necessarily reduce migration in the short to medium term.

d. Invest more in development programs that support migrants at their destinations, particularly when migrants move to urban areas:

- › Support local municipal governments, particularly in urban areas, to better manage in-migration and respond to shifting demographic trends;
- › Increase critical services for migrants in destinations, including support accessing housing, financial services, healthcare, education, and jobs; and
- › Invest in social cohesion interventions, similar to those focused on refugee integration in host countries, which intentionally seek to bring communities together to build acceptance and foster better migrant-host dynamics.

A new approach is necessary now more than ever in the midst of the ongoing COVID-19 pandemic and climate crisis, both of which have profound effects on global mobility and development. Donors must be frank about the shortcomings of the way foreign policies and assistance have long thought about and dealt with migration from low-income countries, where trends like climate change are leading to a growing number of economic migrants. We hope that this time of crisis will be a moment of reckoning — an opportunity for donors to deeply question their assumptions about migration and development and explore a more coherent way forward.



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