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**ANOTHER MIRACLE?
MANAGING LABOUR MIGRATION IN ASIA***

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* The views expressed in the paper do not imply the expressions of any opinion on the part of the United Nations Secretariat.

SUMMARY

Asia, home to 60 percent of the world's workers, is unusual in dealing with international labour migration in three major respects. First, there is a widespread sense inside and outside the region that Asia is different. One reason is economic success-- several countries were catapulted from poorer to richer in a relatively short time,¹ and this economic success may encourage Asian leaders to believe that they can achieve another success in managing international labour migration to achieve the three major GFMD goals, viz, protecting migrants and local workers, enhancing cooperation between labour-sending and -receiving countries, and promoting development in labour-sending countries.

Second, there is more diversity in labour migration policies than in economic policies, especially in the Asian miracle economies receiving migrants. Singapore lies at one end of the spectrum, welcoming professionals from many countries to settle while rotating less-skilled workers in and out of the country. Japan lies near the other end of the dependence-on-migrants spectrum, allowing but not recruiting foreign professionals and relying on ethnic Japanese from Latin America and trainees, students, and unauthorized workers for the relatively few less-skilled foreign workers. The Gulf Cooperation Council countries are a third case, relying on migrants for over 90 percent of private-sector workers. There is a striking contrast between the similar export-led economic policies and the dis-similar labour migration policies.

Third, there appears to be convergence in labour-sending country policies. Most labour-sending governments have announced plans to send more workers abroad, to send more skilled workers as migrants, and to diversify away from traditional Middle Eastern destinations. To achieve these marketing, upskilling, and diversification goals, many Asian governments have established ministries to promote and protect migrants, with promotion accomplished by ministerial and private marketing efforts and protection via regulation of private-sector recruiters and reviews of the contracts they offer to migrants.² The evolving migrant promotion and protection infrastructure often assumes that development is a natural or inevitable outgrowth of more labour migration, whether measured in the number of workers sent abroad or remittances sent home.

This paper reviews Asian labour migration patterns and impacts to put what is perhaps the world's most dynamic international labour market in a global perspective. We conclude that there may be fewer "lessons from Asia" in labour migration than there were in economic policy making, where export-led growth became a widely imitated model. However, if Asian countries succeed in managing labour migration to achieve the protection, cooperation, and development goals embraced by the governments participating in the Global Forum for Migration and Development, they will have achieved another miracle, that of managing labour migration.

¹ The East Asian economic miracle stands in sharp contrast to the lack of similar African and Latin American investment- and export-led growth success stories.

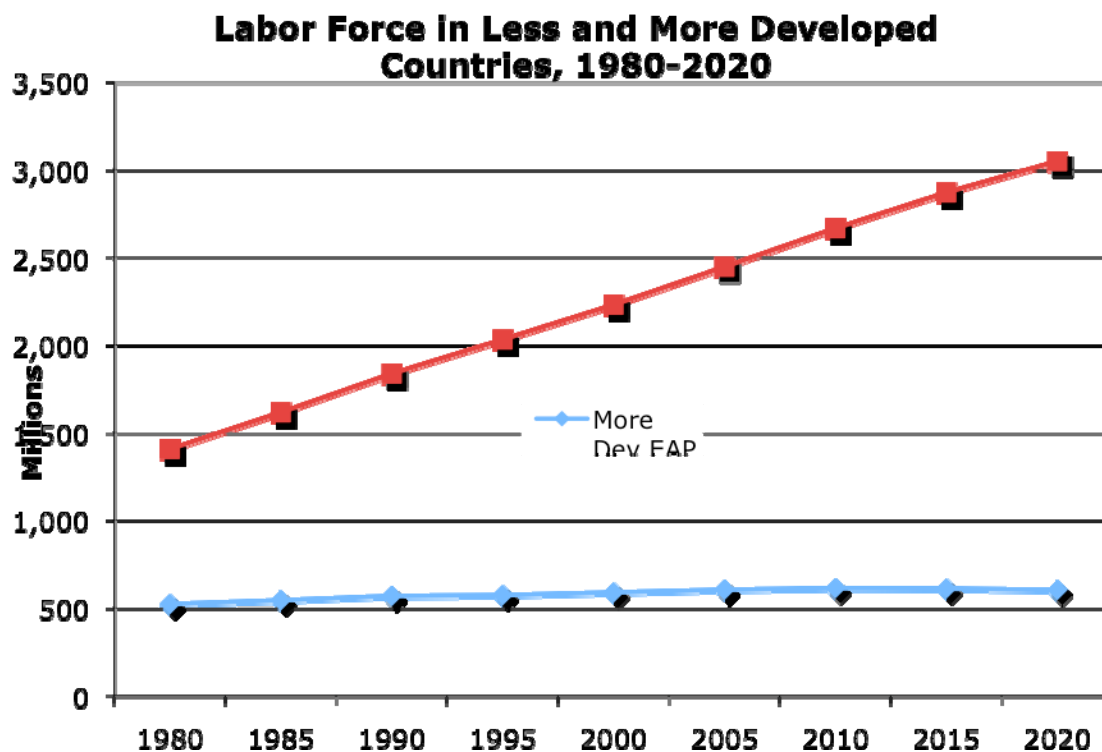
² Despite the desires of many labour-sending countries, relatively few Asian migrants move under the terms of bilateral agreements and MOUs.

GLOBAL WORKERS AND MIGRANTS

The world's population in 2007 was 6.6 billion, including 4.8 billion people of working force age, which is 15 or older in International Labour Organization data.³ The global work force was 3.1 billion, including 2.9 billion employed and almost 200 million unemployed, yielding a global unemployment rate of 6.2 percent.

Almost 20 percent of the world's workers, 600 million, are in the industrial countries, as classified by the ILO. There are 2.5 billion workers in developing countries, 80 percent, where almost all growth in the world's labour force is expected. Between 2007 and 2020, industrial country labour forces are expected to remain at about 600 million, while developing country labour forces are projected expand by 500 million. This means that the growth in developing country work forces is expected to almost equal the current industrial labour force.

Figure 1. Labour Force in Less and More Developed Countries, 1980-2020



There were 191 million international migrants in 2005, including almost the same number of migrants from developing countries in industrial countries as from one developing country in another. About half of the world's migrants are in the labour force, making 10 percent of the

³ ILO labour force data and projections by region and country to 2020 are at: <http://laboursta.ilo.org>

workers in high-income countries migrants. However, there are about as many migrant workers from other industrial countries as from developing countries in industrial-country labour forces.

Table 2. International Migrants in 2005 (mils)

Origin/Destination	Industrial	Developing
Industrial	53	14
Developing	62	61

Source: UN Population Division. 2006. International Migration Report 2005. ST/ESA/SER.A/220
www.un.org/esa/population/publications/2006Migration_Chart/2006IttMig_chart.htm

The World Bank's Global Economic Prospects report advocated more migration from developing to high-income countries in order to increase remittances, reduce poverty, and speed development in the migrants' countries of origin (World Bank, 2005).⁴ A 50 percent increase in developing-to-industrial country migration would add 15 million migrant workers and, according to the World Bank, generate a net global economic gain of \$356 billion, or 0.6 percent of global GDP.⁵ Other estimates of the global economic gains from more labour migration reach similar conclusions (Hamilton and Whalley, 184)

However, given the expected increase in developing country labour forces, it is clear that most workers in developing countries are likely to remain in the developing world.⁶ International labour migration in Asia and elsewhere is likely to continue to be the exception rather than the rule.

DIFFERENCES AND DOORS

People move from one place to another because of differences in items that range from weather and political freedom to economic opportunity. The decision to cross national borders is usually a carefully considered individual or family decision, and is often made only after weighing both economic and noneconomic factors.

The economic factors motivating international migration are often summarized as demand-pull, supply-push, and networks. Demand-pull factors highlight the higher wages and job opportunities that attract migrant workers over national borders, as potential migrants are made aware of foreign wages and jobs by returned migrants as well as government, employer or recruiter efforts to encourage workers to consider foreign jobs. Supply-push factors center on

⁴ The report said: "Managed migration programs, including temporary work visas for low-skilled migrants in industrial countries, could help alleviate problems associated with a large stock of irregular migrants, and allow increased movement of temporary workers."

⁵ The World Bank and ILO definitions of industrial or high-income countries differ—the World Bank's definition puts the industrial country labour force at about 500 million, and the ILO's at about 600 million. Using a CGE model, the World Bank estimated the impacts of increasing the number of developing country migrants by 14 million by 2025, bringing the total to 42 million, including 35 million unskilled and 7.4 million skilled migrants.

⁶ The World Bank (2005) used slightly different data on high-income countries so that a 50 percent increase added 14 million developing country migrants. The CGE model outlined in Chapter 2 estimated that the net gain in global economic output from these 14 million additional migrants would be \$356 billion, or 0.6 percent of global GDP, more than the estimated gains from reducing trade restrictions.

lower wages and un-or underemployment that may prompt especially young people to consider foreign jobs.

The demand-pull and supply-push factors encouraging international migration for economic reasons are often likened to plus and minus battery poles—nothing happens until a connection is established between them. Networks play this connecting role, and they encompass a range of factors that connect workers in one country to jobs in another, including returned migrants who provide information, recruiters who encourage migrants to go abroad, moneylenders who provide the funds and travel and transport firms that move workers over borders. With the notable exception of the Korean Employment Permit System (EPS) and the Japanese trainee system, Asia's migration infrastructure is largely in private hands.⁷

Labour-receiving governments often regulate employer access to foreign workers and sometimes the local recruiters who deal with employers and their counterparts in labour-sending countries. Labour-sending governments often regulate recruiters and verify the contracts of departing migrants. However, unlike 1950s and 1960s US and European guest worker programs, government agencies in Asia do not usually send government employees to labour recruitment countries to interview potential migrants, nor do host-country governments guarantee the contracts their employers make with migrants, as the US government did for a time for Mexican braceros.

The most important non-economic reason for international migration is family unification—the desire of a father settled abroad to have his wife and children join him. Nautical metaphors are often used to describe family unification, with the settled family member considered the anchor who attracts immediate family members and perhaps parents and brothers and sisters in a chain migration process. Most Asian countries do not consider themselves destinations for immigrants, and most have policies that discourage family members from accompanying migrant workers by restricting the access of spouses to the labour market and children to local schools.

Students and trainees are often linked to the labour market in Asia. Most European governments have relatively open-door policies for foreign students wanting to attend language schools and colleges and universities, and most allow foreign graduates of local universities to remain as trainees or workers. Most Asian nations allow foreign students to work at least part time while they study, and increasingly they allow foreign graduates of local universities to remain as trainees or workers under the theory that foreigners who learn the local language and culture are ideal guest workers and perhaps immigrants.

The final category of non-economic migrants are refugees, the group best defined by an international convention that provides guidance for signatory nations as to who is a refugee and

⁷ Under the Employment Permit System introduced in August 2004, Korean employers must pay legal foreign workers at least 3,770 won (\$3.80) an hour in 2008, and offer at least 40 hours of work a week if the employer has at least 20 workers—the minimum wage is scheduled to rise to 4,000 won in 2009. Korea has signed agreements with 14 countries to regulate worker selection and employment under the EPS, including the Philippines, Thailand, Vietnam, Sri Lanka, Mongolia, China and Indonesia; in some of these countries, government agencies select, train, and deploy migrants, who are employed by private Korean employers. Guest workers must learn some Korean at their own expense before arriving.

how refugees should be treated. The 1951 Geneva Convention defines a refugee as a person outside his or her country of citizenship who does not want to return “owing to a well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group, or political opinion.” Countries signing the Geneva Convention pledge not to “refoul” or return those recognized as refugees to places where they could be persecuted. (www.unhcr.org/basics/BASICS/3b0280294.html).

There were about 10 million refugees in 2007 recognized as in need of protection under the Geneva Convention, including a quarter in western Asia, primarily from Afghanistan and Iraq and receiving refuge in Pakistan and Iran. Afghanistan and Iraq, plus Sudan, Somalia, and Congo, produced over half of the world’s refugees in 2007.

Migrants enter another country via “doors.” The “front door” is for legal permanent immigrants and there are “side doors” for temporary visitors such as tourists, students, and guest workers. Unauthorized, undocumented, irregular or illegal migrants are often said to enter another country via the “back door,” although in some cases irregular migrants enter another society legally, and then overstay visas or violate the terms of their visas. Asia is notable for having wide side doors and narrow front doors, meaning that there are relatively large numbers of students, trainees, and migrant workers moving to their richer neighbors. In most Asian nations, there are more irregular migrants than front-door immigrants.

The Western European countries that did not have colonies such as Germany and Sweden also recruited migrant workers and welcomed foreign students via side doors. Some of this side-door migration later opened front doors as migrant workers settled, unified their families, and then had family members who married persons abroad, prompting more immigration.

Italy, Spain, and other southern European countries began to receive migrants in the 1980s, after northern and western European countries stopped guest worker recruitment. Southern European countries usually allow side-door entries of migrant workers and tolerate irregular migrants, and later permit both guest workers and irregular migrants to settle after satisfying certain conditions, including having a regular or formal-sector job. At both the national and European Union levels, there is a debate over whether and how far to open front- and side-doors to satisfy goals that range from attracting foreign talent to shoring up pension systems, and from filling 3-D jobs to curbing irregular migration. Southern European governments sometimes include speeding development in migrant countries of origin as a goal of their labour migration programs.

Asian nations are primarily focused on side door migration. Most recent policy developments involve issues such as Korea’s switch from trainees to migrant workers in a bid to reduce irregular migration and better protect migrants. Policies that have employers register their irregular workers and pay a levy (usually deducted from migrant wages) have so far had only a short-term effect on reducing the number of irregular migrants in Malaysia and Thailand—registration seems unable to significantly strengthen migrant worker rights. In the Middle East, there is little movement toward opening front-doors to immigrants, and much more debate on how to improve the conditions of the side-door migrants who dominate the labour force. Except for

Singapore, Asia in the early 21st century is primarily a continent of side and back doors for migrants.

GLOBALIZATION, DIFFERENCES, AND MIGRATION

Globalization has increased linkages between Asian countries and linked them more closely with countries on other continents, as evidenced by sharply rising flows of goods and capital moving over national borders. International and regional bodies have been established to set rules for movements of goods, investments, and services, but controlling the entry and stay of people remains a core attribute of national sovereignty that most nations are reluctant to yield to supranational authority, making the European Union the exception rather than the rule. With the exception of refugees, flows of international migrants are not governed by a comprehensive global migration regime (Castles and Miller).

There are 1949 and 1975 ILO Conventions that call for equal treatment of legal migrant workers and a more expansive 1990 UN Convention that calls for family unification rights as well as rights for irregular migrants. These conventions have been ratified by fewer than 50 nations, far fewer than have ratified the refugee convention or other ILO and UN Conventions (Martin, Abella, and Kuptsch). Furthermore, the fact that it has been difficult to agree to easier movements of service providers under the World Trade Organization's General Agreement on Trade in Services suggests that a global migration regime is not likely to emerge quickly.

Instead of a top-down international regime that establishes global rules on migration, the future may see more regional agreements governing labour migration. Most regional processes that might lead to agreements on migration have been initiated by labour-sending countries with the goal of improving protections for their nationals abroad. Two of these regional processes are in Asia, the Colombo process and the January 2007 ASEAN Declaration on the Protection and Promotion of the Rights of Migrant Workers.⁸

The absence of a global or regional migration governance regime is unlikely to slow international migration, which is rising within and from Asia for demographic, economic, and network reasons. In Europe and North America, the inability of leaders to do much in the short term about the demographic and economic differences that motivate international migration, and unwilling to reverse network factors that make crossing borders easier, prompted many policymakers to revert to the tool over which they have most control—rights—in an effort to manage migration in an effort to manage migration. Trying to manage migration by adjusting the rights of migrants, as when European governments made it more difficult for foreigners to apply for asylum and the US limited the access of legal and unauthorized migrants to welfare programs, is a blunt instrument to manage migration and tends to undermine international conventions that aim for equal treatment of migrants.

⁸ The ASEAN Declaration, signed by leaders of the 10 ASEAN members January 13, 2007, commits migrant-receiving states to draw up charters that ensure decent working conditions, protection from all forms of abuse, and a minimum wage for migrant workers from other ASEAN countries. The ASEAN Declaration is not legally binding and does not require governments to change their labour laws.

Before turning to how Asian governments are dealing with the challenge of managing labour migration, we review the differences and network factors that promise more international labour migration. The demographic reasons for expecting more migration reflect the fact that rates of population growth vary between countries. The world’s population of 6.7 billion in 2008 is increasing by 1.2 percent or 80 million a year, and Asia’s population of four billion is also increasing by 1.2 percent or 49 million a year.⁹ Population growth rates vary within Asia. East Asian countries have the slowest population growth rates, expanding by an average 0.5 percent a year, followed by Southeast Asia at 1.4 percent, south Asia at 1.7 percent, and western Asia (the Middle East) at 1.9 percent (www.prb.org).

Asia’s population “weight” among the world’s continents is expected to remain at about 60 percent over the next several decades. The most noticeable projected change is population growth in Africa and decline in Europe, raising prospects for more migration. When a fifth of the world’s residents were European in 1800, there was a massive outmigration to North and South America in search of economic opportunity (as well as religious and political freedom). History may not repeat itself, but if a poorer Africa has 20 percent of the world’s residents in 2050 as projected, three times more than Europe, there could be similar out-migration pressures from Africa, albeit directed more at Europe than Asia.

Table 3. World Population by Continent, 1800, 2000, 2050 (Percent shares)

	1800	1999	2050*
World (mils)	978	5,978	8,909
Africa	11	13	20
Asia	65	61	59
Europe	21	12	7
Latin America & Caribbean	3	9	9
Northern America	1	5	4
Oceania	0	1	1

Source: UN. 1999. The World at Six Billion, Table 2; *projected

The economic differences that encourage international migration have two dimensions, one fostered by inequality between countries and the other by inequality within countries. The world’s almost 200 nation states have per capita incomes that range from less than \$250 per person per year to more than \$50,000, a difference that provides a significant incentive for especially young people to migrate for higher wages and more opportunities.¹⁰

The 30 high-income countries had a billion residents in 2005, a sixth of the world's population, and their gross national income was \$36 trillion, 80 percent of the global \$45

⁹ These data are from the PRB 2008 World Population Datasheet. www.prb.org/Publications/Datasheets/2008/2008wpds.aspx

¹⁰ Young people are most likely to move over borders because they have the least invested in jobs and careers at home and the most time to recoup their “investment in migration” abroad.

trillion.¹¹ The resulting average per capita income of \$35,000 in high-income countries was 21 times the average \$1,750 in low and middle-income countries. Despite rapid economic growth in some developing countries, including East Asian “Tigers” in the 1990s and China and India more recently, the 20-1 ratio in per capita incomes between high-income and other countries rose between 1975 and 2000, and shrank only marginally since 2000. Average per capita incomes were 61 times higher in 2005 in high-income than low-income countries, and 13 times higher in middle-income countries.

Table 4. Global Migrants and Per Capita Income Gaps, 1975-2005

Year	Migrants	World	Migrants	Annual mig	Countries grouped by			Ratio	Ratio
	Millions	Pop	World	increase	per capita GDP (\$)			High-	High-
		Billions	Pop	Millions	Low	Middle	High	low	Mid
1975	85	4.1	2.1%	1	150	750	6,200	41	8
1985	105	4.8	2.2%	2	270	1,290	11,810	44	9
1990	154	5.3	2.9%	10	350	2,220	19,590	56	9
1995	164	5.7	2.9%	2	430	2,390	24,930	58	10
2000	175	6.1	2.9%	2	420	1,970	27,510	66	14
2005	191	6.4	3.0%	3	580	2,640	35,131	61	13

Sources: UN Population Division and World Bank Development Indicators; 1975 income data are 1976. The 1990 migrant stock was raised from 120 million to 154 million, largely to reflect the break-up of the USSR. 2005 data are gross national income

A second dimension of inequality promises more internal and potentially more international migration. In lower income countries, 40 percent of workers are employed in agriculture, a sector that is often taxed by governments despite the fact that farmers and farm workers usually have lower than average incomes.¹² With taxes helping to keep farm incomes below nonfarm incomes, there is often rural-urban migration, explaining why the urban share of the world’s population surpassed 50 percent for the first time in 2008.¹³

Industrial countries had “Great Migrations” off the land that provided workers for expanding factories and fueled urban population growth in the 1950s and 1960s. Similar Great Migrations are underway today in many Asian countries. This rural-urban migration has three implications for international migration. First, ex-farmers and farm workers are most likely to accept 3-D (dirty, dangerous, difficult) jobs, both inside their countries or abroad.¹⁴ Second, rural-urban migrants often make physical as well as cultural transitions, and some may find the

¹¹ Average per capita was \$7,000 per person. At purchasing power parity, which takes into account national differences in the cost of living, the world’s gross national income was \$56 trillion or \$9,400 per capita--\$32,500 per capita in the high-income countries and \$5,200 in low and middle-income countries.

¹² Taxes are extracted from agriculture via monopoly input suppliers who sell seeds or fertilizers at high prices or via monopoly purchasers of farm commodities who buy from farmers at less-than-world prices and pocket the difference when the coffee or cocoa is exported. In the high-income countries, farmers’ incomes are generally higher than those of non-farmers, in part because high-income countries transfer funds to producers of food and fiber.

¹³ UNFPA. 2007. State of the World’s Population. www.unfpa.org/swp/2007/english/introduction.html

¹⁴ This is evident in Chinese coastal cities, where internal rural-urban migrants fill 3-D jobs, and abroad, where Chinese migrants are employed in industries that range from services to sweatshops.

transition as easy abroad as at home, as when rural Filipinos find adapting to Hong Kong as easy as navigating Manila. Third, urban residents are usually closer to the country's exits, since it is usually easiest to obtain visas and documents for legal migration or make arrangements for illegal migration in cities.

Differences encourage migration, but it takes networks or links between areas to encourage people to move (Massey et al, 1998). Migration networks include communication factors that enable people to learn about opportunities abroad as well as the transport firms that move migrants over national borders and the rights regime that governs their stay abroad. Migration networks have been shaped, strengthened and made accessible to more people by revolutions in communications, transportation and rights over the past half century.

The communications revolution helps potential migrants to learn about opportunities abroad. The best information comes from migrants who were or are abroad, since they can provide family and friends with information about jobs, wages, and working conditions in an understandable context. Cheaper communications enable employers and recruiters to transmit job information quickly and cheaply to potential migrants. In some instances, information about vacant jobs may be received sooner in a labour-sending country than among the unemployed who live near the job, especially if employers and recruiters prefer migrant workers. Meanwhile, the relative affluence of returned migrants encourages especially young people to assume that migration will lead to economic betterment, generating "migration fever" in some areas that send workers abroad.

The transportation revolution highlights the declining cost of international travel. Two centuries ago, British migrants unable to pay one-way passage to the North American colonies often indentured themselves, signing contracts that obliged them to work for three to six years for whoever met the ship and paid the captain. Transportation costs today are far less, typically less than \$2,500 to travel anywhere in the world legally, and less than \$20,000 for unauthorized migration. Most studies suggest faster payback times for migrants today, so that even migrants who pay high smuggling fees can usually repay transportation costs after two or three years abroad.

The communications and transportation revolutions help migrants to learn about opportunities abroad and to cross national borders, while the rights revolution affects their ability to stay abroad. After World War II, most industrial countries strengthened the constitutional and political rights of people within their borders to prevent a recurrence of fascism, and most granted social or economic rights to residents of their evolving welfare states without distinguishing citizens and migrants. The rights of migrants were rolled back in the 1990s in an effort to better manage migration, as when European governments made it more difficult for foreigners to apply for asylum¹⁵ (and receive housing and food while their applications and

¹⁵ European governments responded to the "asylum crisis" of the early 1990s in three major ways. First, they required nationals of the countries of origin of asylum seekers to obtain visas, allowing pre-screening. Second, they imposed fines on airlines and other transportation providers who brought foreigners to Europe without visas and other documents. Third, they made it difficult for foreigners from "safe" countries, and those who transited through safe countries en route to Europe to apply for asylum—foreigners were to apply for asylum in the first "safe country" they reached, even if that was not the country in which they had relatives, knew the language, or wanted to start anew.

appeals were pending) and the US government made it harder for both legal immigrants¹⁶ and unauthorized foreigners¹⁷ to receive means-tested welfare assistance.

Differences motivate migration, but international conventions call for equal treatment of migrants once abroad. In most labour markets, the demand for labour is negatively sloped, meaning that there is an inverse relationship between wages and employment or, in international labour migration, a trade off between the number of migrants and the rights of migrants, at least as expressed in equal wages and benefits (Ruhs and Martin, 2008). This trade off is especially apparent in some Asian countries. Governments sending workers to the Gulf oil exporters, for example, sometimes complain of the poor treatment of their nationals. However, they are also aware that labour-receiving countries can and do ban the entry of workers from countries considered “troublesome.” As a result, migrant rights groups routinely accuse labour-sending governments of not doing enough to protect their nationals employed abroad, especially women employed as domestic helpers.¹⁸

The migrant numbers-rights trade off confronting labour-sending countries is apparent in World Trade Organization GATS negotiations. Some developing countries argue that migrant “service providers” should not be subject to the minimum wage laws of destination countries, since the comparative advantage of labour senders is a willingness to work for lower wages. Requiring equal treatment for migrants, they reason, is a form of protectionism that may reduce the number of migrant service workers employed. Chanda expresses a preference for numbers over rights by asserting that laws requiring wage parity between migrants and local workers “negate[s] the very basis of cross-country labour flows which stems from endowment-based cost differentials between countries.” (2001, 635).

ASIAN MIGRATION PATTERNS

Asia is a major source of immigrants for the traditional immigration countries of Australia, Canada, and the United States. However, most international labour migration in Asia involves workers moving from one Asian nation to another for temporary employment. There is

¹⁶US government policies reduced the access to means-tested welfare benefits for all poor people, and especially for poor foreigners, for two major reasons—budget deficits and Proposition 187. President Clinton, first elected in 1992, promised to “end welfare as we know it” and in 1996 signed into law the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), despite provisions that Clinton said would “hurt legal immigrants in America, people who work hard for their families, pay taxes, serve in our military.” PRWORA generally barred immigrants who arrived after August 22, 1996 from receiving benefits (these bars for the elderly and children were later relaxed) and made it easier to prevent irregular migrants from receiving benefits. About 45 percent of the expected \$54 billion in savings between 1997 and 2003 were expected to come from the new restrictions on immigrants.

Details of the PRWORA are at http://migration.ucdavis.edu/mn/more.php?id=1022_0_2_0 One provision that was eventually dropped from the final bill would have made legal immigrants deportable if they received more than 12 months of welfare benefits.

¹⁷Proposition 187, approved by a 59-41 percent margin in November 1994, would have created a state-funded screening mechanism to ensure that unauthorized foreigners did not obtain state-funded services, including public school education. Its implementation was stopped by a federal judge, but some of its provisions were included in 1996 federal immigration reforms. See http://migration.ucdavis.edu/mn/more.php?id=492_0_2_0

¹⁸ See the reports issued by Human Rights Watch at: www.hrw.org/doc/?t=migrants

also significant internal rural-urban migration within many Asian nations, perhaps best exemplified by the 130-150 million Chinese who have moved eastward from farms in the interior provinces to cities and coastal provinces.¹⁹

It was hard for Asians to immigrate to traditional immigration countries until the mid-1960s, when policy reforms in Canada and the US eased entry for Asian professionals. Asian professionals offered jobs by Canadian and US employers arrived with their families. This migration for employment, family unification, and refugees from Southeast Asia has made Asians the source of over half of Canada's immigrants and about 40 percent of US immigrants.²⁰ There is also rising side-door migration from Asia to traditional immigration countries, especially as affluence prompts more Asian students to study, work, and sometimes settle.

The first significant Asian labour migration began after oil price hikes in 1973-74, when Gulf oil exporters turned to foreign contractors who recruited Asian workers to build infrastructure such as roads and bridges with their oil wealth. As the demand for labour shifted from construction to services and from men to women, there were predictions that Asian migrants would be replaced by Arab migrants.²¹ This did not happen. Furthermore, efforts to "nationalize" Gulf work forces by prohibiting foreigners from filling jobs in particular occupations have largely failed. Migrants, overwhelmingly from south and Southeast Asia, continue to fill 90 percent of private sector jobs in most Gulf Cooperation Council countries.

There is also migration from one Asian country to another, as exemplified by at least a million Indonesian workers in Malaysia and a million Burmese in Thailand. Many of these migrants are unauthorized, in part a result of policy zig zags in both countries. The Malaysian government has announced plans to reduce the employment of migrants,²² while the Thai government is devolving more responsibility for managing migration to provincial governments.

Data on Asian migration patterns is difficult to obtain and often mixes short-term workers with settled immigrants and naturalized citizens. Hugo assembled estimates of the number of migrants from various Asian countries, concluding that there were about 15 million Asians abroad in 2005, including over half from the Philippines. However, fewer than three million of these Filipinos are guest workers with contracts, while most of the 400,000 Vietnamese are legal or irregular migrant workers.

¹⁹ The National Bureau of Statistics estimated there were 130 million Chinese living away from the place in which they were registered to live in June 2001; most moved from inland rural areas to coastal areas. China: Rural, Tourism, Hong Kong. Migration News. August 2001. Vol. 8, No.9. <http://migration.ucdavis.edu/>

²⁰ The Asian share of immigrants arriving in Australia and New Zealand has also been increasing.

²¹ Birks, J. and Sinclair C. 1980. International Migration and Development in the Arab Region. Geneva. International Labour Organization.

²² Malaysian Home Minister Syed Hamid Albar said "We want the demand for foreigners totally scrapped." Malaysia had almost 2.2 million foreign workers at the end of 2007, including 1.8 million legal foreign workers, 316,000 irregular foreign workers, and 46,000 expatriate workers, usually professionals. Southeast Asia. 2008. Migration News. Vol 15. No 3. July.

Table 5. Asia: Migrant Workers by Country of Origin

Origin Countries	Number	Main Destinations	Source	Year
Burma/Myanmar	1,840,000	Thailand	BurmaNet News, 8 January 2007	2006
Thailand	340,000	Saudi Arabia, Chinese Taipei, Myanmar, Singapore, Brunei, Malaysia	Migration News, March 2002, Scalabrini Migration Center 1999	2002
Laos	173,000 ^b	Thailand	Migration News, January 2005	2004
Cambodia	183,541	Thailand	Lee 2006	2006
Vietnam	400,000	South Korea, Japan, Malaysia, Chinese Taipei	Migration News, October 2007	2005
Philippines	8,233,172	Middle East, Malaysia, Japan	Philippines Overseas Employment Agency	2006
Malaysia	250,000	Japan, Chinese Taipei	Asian Migrant Center 1999	1995
Singapore	150,000 ^a		Yap 2003	2002
Indonesia	2,700,000 ^a	Malaysia, Saudi Arabia, Chinese Taipei, Singapore, South Korea, United Arab Emirates	Ananta and Arifin 2008	2007
China	530,000	Middle East, Asia and the Pacific, Africa	Ma 2005	2004
Total	14,799,713			

Source: Hugo, 2008

Asia includes some of the world's most rapidly aging nations, such as Japan, and leading countries of emigration, including the Philippines, which may set the stage for matching labour demand in one country with supply in another. However, most Asian nations assert that they are not countries of immigration that welcome newcomers through the front door, suggesting that side-door guest workers rather than front-door immigrants are likely to dominate.²³

Singapore welcomes foreign professionals and their families as settlers, but rotates less-skilled migrant workers in and out of the country. Policy aims to prevent less-skilled migrants from settling, as exemplified by the removal of pregnant foreign workers and rules that can deny residence to foreign spouses of Singaporean citizens. The Singapore government requires

²³ Singapore and Hong Kong are the exceptions, welcoming professionals as immigrants.

employers to pay a significant levy or tax on migrant wages to encourage employers to hire Singaporean workers and to raise revenue for the government.²⁴

Hong Kong, the financial and supply chain hub for mainland China, includes 250,000 households that hire domestic helpers, usually from the Philippines and Indonesia. Foreign domestic helpers were paid at least the minimum wage of HK\$3,580 dollars (\$460) a month in 2008 and provided with room and board.²⁵

The Asian financial crisis of 1997-98 began in Thailand when foreigners stopped lending money for projects whose economic viability became doubtful. Unemployment rose sharply, and the Thai government announced a crack down on unauthorized foreign workers to open up jobs for Thais. However, the effort to substitute Thai for Burmese workers largely failed. For example, most of the workers who carry 100 kg or 220 pound bags of rice from the mills to trucks are Burmese migrants. The government in 1998 banned Burmese from rice mills, but the Thais who replaced them complained that the bags were too heavy. The government suggested that the mills reduce the weight of rice bags to 50 kg or 110 pounds, but mill owners refused and the Thai government eventually relented and allowed migrants to return to rice mills and other economic sectors.

Taiwan began to import migrant workers to help construct high-priority infrastructure projects in 1990, including highways and subways. Migrants soon spread from construction to factories and to private households as caregivers. By May 2007, there were a record 347,000 foreign workers in Taiwan, including half in service jobs, eliminating the “natural” end to their employment that the government envisioned when side doors for migrants were opened (Lee, 2007).²⁶ Migrants are entitled to at least Taiwan's minimum wage of NT\$15,840 (\$480) a month in 2007, but employers may deduct up to NT\$4,000 a month for room and board, and most do.

JAPAN AND KOREA

Japan and South Korea are homogenous societies largely closed to front-door immigration. Japan has debated whether to open itself to less-skilled foreign workers decades, but has not yet done so, while Korea replaced industrial trainees with migrant workers after 2007.

Japan's 2005 census reported 770,000 foreigners in the labour force, making them 1.3 percent of workers.²⁷ The largest group are Koreans, some of whom have been living in Japan for decades, followed by the 240,000 descendants of Japanese who emigrated to South America and

²⁴ Singapore does not have a minimum wage, so the employer-paid levy of up to S\$470 (\$310) a month for unskilled migrant construction workers lowers the earnings of migrant construction workers.

²⁵ Beginning August 1, 2008, the HK\$400 a month levy that collects funds to retrain local workers was suspended as an inflation-fighting move. Wages and other rules for domestic helpers are on line at: <http://www.labour.gov.hk/eng/pub/lic/wcp/FDHguide.pdf>

²⁶ Lee noted that the Taiwanese government tried to keep the number of migrant workers under 300,000 by dividing them into production and service workers, and counting only production workers against the 300,000 unofficial ceiling (p.11).

²⁷ The foreign population in Japan was two million in 2005.

have returned to Japan. These Portuguese-speaking nikkejin are concentrated in the small factories that often supply parts to major multinationals.

The second largest group of foreign workers are trainees, 140,000 in 2007. Most are Chinese in Japan with three-year contracts that tie them to a particular employer. Trainees receive about half of the minimum wage while filling low-skill jobs, often with small- and medium-sized employers. Japan also has foreign professionals, including professionals employed by multinationals and Filipina entertainers. Finally, there are an estimated 200,000 unauthorized foreign workers in Japan and most of the 100,000 foreign students in Japan work at least part-time.

There were 85 million Japanese aged 15 to 64 in 2005; the number of working age Japanese is expected to fall to 72 million by 2025. Because of high wages in Japan, employers shifted an estimated 40 percent of their productive capacity to lower-wage countries in 2006. The debate over migration in Japan reflects in part the desirability of such shifts. The government could open itself to front-door immigrants to stabilize the population and labour force, admit side-door guest workers expected to leave after several years, or keep migration doors relatively closed and persuade Japanese workers to work longer and more productively.

Like Japan, South Korea introduced foreign workers as trainees, especially after 1993, to fill jobs in small and mid-sized firms offering so-called 3-D jobs—dirty, dangerous, and difficult (Park, 2007). However, high brokerage fees and sometimes abusive working conditions led to runaways, since foreign trainees could often earn more as unauthorized workers than as legal trainees.

The Employment Permit System was launched in July 2003 to replace the trainee system by 2010. Under the EPS, employers with fewer than 300 workers unable to find local workers can employ foreign workers under government-to-government agreements.²⁸ Employers can select workers under the EPS, and as workers the foreigners are entitled to the minimum wage of 3,770 won (\$3.80) an hour in 2008—the minimum wage is scheduled to rise to 4,000 won in 2009.

Most Korean employers offer guest workers admitted under the EPS one-year contracts that can be renewed for two years. After three years of Korean employment, guest workers are to leave Korea for at least a month before returning for a final three-year stint. Not all of the unauthorized foreign workers in Korea when the EPS was launched were able to become migrant workers, so the EPS has not eliminated irregular labour migration.

LABOUR EXPORTERS: PHILIPPINES AND BANGLADESH

The Philippines is the major labour exporter in Asia. According to the Philippine government, there are 83 million Filipinos at home and eight million abroad who remit over \$1 billion a month, equivalent to 10 percent of the country's GDP. In recognition of the importance of migrants and their remittances to the economy, the Filipino president welcomes some returning

²⁸ Korea by 2008 signed agreements with 14 countries to regulate migrant worker selection and employment under the EPS, including the Philippines, Thailand, Vietnam, Sri Lanka, Mongolia, China and Indonesia.

migrants at Christmas in a “Pamaskong Handog sa OFWs” (welcome home overseas foreign workers) ceremony at the Manila airport.

A million Filipinos leave the country to work each year, including about 75 percent who fill “land-based” jobs that range from domestic helper to driver to construction worker in countries from Hong Kong to Saudi Arabia to Canada. Another 250,000 Filipinos leave each year to work on the world’s ships.

Over half of the migrants leaving the Philippines are women, and some are vulnerable to abuse in the private households in which they work. In 1995, Flor Contemplacion, a Filipina maid in Singapore, was hanged after being convicted of killing another Filipina maid and a Singaporean child in her care. Philippine President Fidel Ramos was unable to win additional time to investigate her case, prompting the enactment of Republic Act 8042. This so-called migrant workers' Magna Carta obliges the Philippine government to take steps to protect migrants abroad.

The Philippine government continues to change its policies in response to the problems of migrant workers abroad. For example, Israeli-Lebanon fighting in summer 2006 resulted in the return of migrant domestic helpers who complained of mistreatment. One result was the “Supermaid” program which provides additional training for women going abroad but also requires, beginning in January 2007, that Filipina domestic helpers be paid at least \$400 a month.

Labour emigration is supposed to be self stopping, as migrants send home remittances that are spent and invested to fuel economic and job growth. Despite several decades of out-migration, many Filipino youth plan to go abroad to work rather than find jobs created by remittance investments. Indeed, labour migration has been called a new “civil religion” in the Philippines, with teens considering debating the merits of various foreign countries for temporary employment, TV shows exploring the tensions associated with family separation, and the Central Bank displaying a tally of remittances on a billboard at Christmas.²⁹

Labour migration from South Asia mostly involves workers going abroad on two-year contracts to the Gulf oil exporters, a high share of women leaving to be domestic helpers from countries such as Sri Lanka, and heavy reliance on private fee-charging recruiters in both sending and receiving countries. These labour migration patterns raise issues that range from irregular migration to the vulnerability of young women employed in private homes in conservative Gulf societies.

The five major South Asia labour-sending countries sent over 1.5 million migrant workers abroad legally in 2005. India sent 549,000 migrants abroad, Bangladesh, 253,000, Sri Lanka, 231,000, Nepal, 184,000, and Pakistan, 142,000. There were 24 million South Asians abroad in 2000, including nine million Indians (four million in the Gulf countries), almost seven million Bangladeshis (most in India, but three million in the Gulf countries), and 3.5 million Pakistanis abroad, including 1.5 million in other South Asian countries and almost a million in the Gulf countries. The South Asian Diaspora includes almost 10 percent Afghans.

²⁹ Jason DeParle, “A Good Provider Is One Who Leaves,” *New York Times*, April 22, 2007

The five major South Asia labour-sending countries received \$40 billion in remittances in 2007, led by \$27 billion in India; \$6.4 billion in Bangladesh; \$6.1 billion in Pakistan; \$2.7 billion in Sri Lanka; and \$1.6 billion in Nepal. Most South Asians earn \$200 to \$400 a month in the Gulf oil exporters.

Like the Philippines, South Asian countries are developing specialized agencies to promote and protect migrant workers. Sri Lanka in 2007 created a Ministry of Foreign Employment Promotion and Welfare. Both Bangladesh and Pakistan have similar specialized agencies to “market” their country's workers to foreign employers, process the contracts that allow them to go abroad legally, and regulate the recruiters who place most migrants in foreign jobs.

Bangladesh provides an example of the challenges and opportunities facing South Asian labour senders. Bangladesh's second leading source of foreign exchange after garments is remittances, which totaled \$6.6 billion in 2007. The number of migrants leaving Bangladesh averaged about 250,000 a year between 2001 and 2006, rose to almost 400,000 in 2006, and doubled to 832,600 in 2007; the government expects to send 900,000 workers abroad in 2008.

According to government data, 60 percent of Bangladeshi migrants leave on their own, 39 percent leave with the help of recruiters, and one percent leave via government and other channels. However, most of the 60 percent who leave “on their own” in fact leave with the help of agents who coach migrants to say they are leaving on their own. By going “independently,” the Bangladeshi government does not check whether the foreign job exists, and independent migrants have little recourse if the job turns out to be something other than promised.

Bangladeshi migrants appear to be victimized more than those of other Asian nations. Most Bangladeshi recruiting agents say that, when they send workers to non-existent foreign jobs, they are the innocent victims of foreign employers and recruiters, not the perpetrators of the fraud. Most Gulf countries require their employers to pay passport, visa and travel costs for the migrant workers they hire. However, Bangladeshi recruiting agents complain that the local agents in Saudi Arabia and Kuwait often keep much of this employer-paid fee, forcing them to charge migrants for passports, visas and travel.

Some Gulf employers do request work visas for non-existent jobs because required sponsor visas have value in Bangladesh and other labour-sending countries. This means that Gulf families entitled to up to eight domestic helpers, guards, gardeners etc can sell eight work visas but employ only four foreign workers. Sponsorships that allow foreigners to enter Gulf countries are sold to the highest bidder, and Bangladeshi recruiting agents say they do not know that the family selling the sponsorship is not planning to hire the migrant who pays for the job. Gulf countries look at recruitment for non-existent jobs as a Bangladeshi problem, while Bangladeshis see the Gulf system of requiring foreign workers to have a sponsor as the root problem. Over-recruitment of Bangladeshis is also common in Malaysia, which does not have a sponsorship system.

Half of the Bangladeshis abroad in 2007 were classified as unskilled, a third as skilled, and 15 percent as semi-skilled; less than four percent were classified as professionals.

Bangladesh discourages women from working abroad but lifted a ban on women going abroad to be domestic helpers in 2003. There are a number of government and private agencies that aim to provide skills training for Bangladeshis interested in higher-wage foreign jobs, but the credentials they issue are not always recognized abroad.

MIDDLE EAST

The Middle East, which stretches from Western Asia to North Africa, includes several countries uniquely dependent on migrant workers to fill almost all private-sector jobs. After oil prices rose in the 1970s, migrant workers filled most of the private sector jobs created by the expenditure of higher oil revenues. By 2005, the Gulf Cooperation Council countries-- Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates--had 13 million foreigners among 36 million residents, half in Saudi Arabia (population 25 million). In part because GCC countries discourage women from working, fertility is high, half of the native population is under 18, and GCC labour forces are growing by over three percent a year, resulting in widespread unemployment among young citizens.

In the past, oil-rich governments guaranteed public-sector jobs to natives, but rapid labour force growth has made this guaranteed employment policy unsustainable.³⁰ Instead, Saudi Arabia and other oil exporters have attempted to “re-nationalize” their work forces by restricting an ever-lengthening list of occupations to natives. Re-nationalization or Saudi-ization has not persuaded most native youth to accept private-sector jobs, which most feel require too much work for too little pay. With migrant workers willing to pay \$1,000 or more for a sponsorship, natives that sell sponsorships have an incentive to continue the current system.

Israel, which welcomes Jews according under the aliyah or law of return, had rapidly increasing immigration after the fall of the Berlin wall in 1989 and the subsequent dissolution of the Soviet Union. Some 200,000 immigrants arrived in 1990, when Israel had 5 million residents, meaning that immigration increased the Israeli population by 4 percent in one year. Many of the Jews who immigrated to Israel were well educated professionals who helped to turn Israel into a high-tech center; some later moved to the US and Germany.

Israel occupied the West Bank and Gaza after wars in 1976 and 1973. Palestinian residents from these areas commuted to jobs in Israel, and by the late 1980s, over 100,000 Palestinians were daily commuters. The intifada that began in the late 1980s prompted the Israeli government to limit the number of Palestinian commuters; they were replaced by migrant workers from Thailand, Romania, and other countries.

MIGRATION AND DEVELOPMENT

There are many reasons why the 30 high-income countries have a sixth of the world's people but five-sixth of the world's economic output. Most of the changes that would speed up

³⁰ Noland, Marcus and Howard Pack. 2007. *The Arab Economies in a Changing World*. Peterson Institute for International Economics. <http://bookstore.petersoninstitute.org/book-store/3931.html>

development in the poorer 170 countries lie within their borders. However, the trade, investment, and aid policies of both high- and low-income countries can accelerate the narrowing of the demographic and economic differences that motivate international labour migration.

TRADE AND INVESTMENT

Trade means that a good is produced in one country and consumed in another. Economic theory suggests that if a country specializes in producing those goods in which it has a comparative advantage, and trading for other goods, most residents of trading countries will be better off. If China can produce TV sets relatively cheaper than corn, and the US can produce corn relatively cheaper than TV sets, China should produce televisions and send them to the US in exchange for corn, so that Chinese get cheaper food and Americans cheaper TVs. With trade expanding the economy in both countries, there should be less economically motivated migration.

The theory that trade and migration were substitutes seems to be borne out by the trans-Atlantic evidence.³¹ Europeans migrated to North America until restrictive legislation in the 1920s almost stopped the flow. When these migration restrictions were relaxed in the 1960s, European economies were expanding more rapidly than the US economy, narrowing wage and income gaps and reducing transatlantic migration to a trickle despite lowered barriers to migration. A similar story of narrowing wage and income gaps due to freer trade and investment explains why emigration from southern European nations such as Italy and Spain slowed in the 1970s and 1980s just as Italians and Spaniards won the right to live and work anywhere in the European Union.

The US Commission for the Study of International Migration and Cooperative Economic Development, reviewed the historical record in its quest for mutually beneficial ways to reduce unwanted migration. It came down squarely on trade as a substitute for migration, concluding that: “expanded trade between the [migrant] sending countries and the United States is the single most important remedy.” (1990, p. xv). Trade has expanded rapidly, and so has migration. In 2005, merchandise trade topped \$10 trillion for the first time, equivalent to almost a quarter of the world’s \$45 trillion GNP.³² Germany and the US are the world’s leading exporters of goods, almost \$1 billion each, followed by China, which exported goods worth \$760 billion in 2005.

Transatlantic migration and south-north migration in Europe involved countries that were not “too far” apart. The US Commission recognized that the result may be different if there were wider wage and income gaps between countries that were mostly closed to trade and shifted to freer-trade policies. In such cases, free trade can lead to a short-term migration hump, reflecting the fact that “the economic development process itself tends in the short to medium term to stimulate migration.” (1990, p. xvi).

³¹ Hatton Timothy J. and Jeffrey G. Williamson. 1998. *The Age of Mass Migration: Causes and Economic Impact*. Oxford University Press. This book focuses on the period between 1850 and 1914, when 55 million Europeans emigrated.

³² World Bank. 2007. *World Development Indicators*, Tables 1 and 5.

For example, freer trade between Mexico and the US stimulated by NAFTA in 1994 accelerated the closure of TV factories in the United States and the displacement of Mexican corn farmers. Displaced US workers were unlikely to migrate to Mexico, but some of displaced Mexican corn farmers migrated to the United States, highlighting the fact that shifting toward freer trade can increase migration. This migration hump can be smaller and shorter if freer trade also increases foreign investment that creates jobs in labour-sending countries.

Foreign direct investment or FDI totaled \$665 billion in 2004, but over two-thirds went to high-income countries, as when British firms buy US firms. FDI seeks profits, and China received almost a quarter of the total \$211 billion invested in developing countries in 2004, far more than emigration countries such as Mexico, which received \$17 billion, the Philippines, \$470 million, or Moldova, \$80 million.³³ In most developing countries, about \$10,000 in foreign investment is associated with one “good job” that makes out-migration less attractive, demonstrating that FDI in emigration areas would have to rise substantially to reduce emigration pressure.

As with trade, the FDI that reduces migration in the long term may increase it in the short term. Three examples highlight this seemingly counterintuitive FDI migration hump. First, foreigners investing in other countries usually send professionals to manage their investments, so FDI is often accompanied by at least some migration. Second, some countries receiving FDI employ migrants to staff production lines, as in Singapore and Malaysia. Third, FDI may increase internal migration, as when FDI attracts Mexicans to border-area maquiladoras and some continue to the United States.

AID AND INTERVENTION

Official Development Assistance (ODA) are funds given or lent to developing nations to speed their economic growth. In 1970, the United Nations recommended that donor countries contribute aid equivalent to 0.7 percent of their GDP, a target achieved by few industrial countries.³⁴ In 2005, the OECD nations that are members of the Development Assistance Committee provided a record \$107 billion in ODA, equivalent to 0.33 percent of their GDP, about half the recommended level of giving. Almost two-thirds of ODA was provided by five countries: US, \$28 billion, Japan, \$13 billion, and the UK, Germany, and France, \$10 billion each.³⁵

There have been many appeals for more aid as well as more redirections in aid to promote equitable development. At the UN's Social Summit in Copenhagen in March 1995, the Group of 77 (130 developing nations) pledged to follow a 20-20 distribution formula with any additional aid received, using 20 percent of ODA to meet basic human needs, such as building and staffing schools and hospitals and devoting at least 20 percent of government expenditures on basic human needs. The 20-20 formula was superseded by debt relief in the late 1990s, reflecting the fact that many developing countries assumed significant external debt. With interest on foreign debts eating up an increasing share of government revenues, the Heavily Indebted Poor Countries initiative between 1996 and 2006 approved debt-reduction packages for 30 countries, including 25 in Africa.³⁶

³³ FDI data are from Table 5 of World Bank. 2007. World Development Indicators.

³⁴ The Netherlands, Denmark, Sweden, and Norway consistently meet the UN's aid target.

³⁵ Aid Statistics at www.oecd.org/topic/0,3373,en_2649_34447_1_1_1_1_37413,00.html

³⁶ See www.imf.org/external/np/exr/facts/hipc.htm

Trade, investment, and aid take time to reduced emigration pressures, and may even increase emigration in the short run, producing a migration hump. But there are few viable alternatives to these time-tested policies. Furthermore, when wage gaps between labour-sending and receiving countries are narrowed to 4 or 5 to one, migration often slows sharply, especially if economic growth is faster in the poorer out-migration country.

There are few viable alternatives to slow but steady economic progress as a remedy for unwanted migration. Humanitarian intervention, military intervention to head off emigration, has a decidedly mixed track record. The US intervened to restore deposed Haitian President Jean-Bertrand Aristide to power in 1994 in part to reduce Haitian migration to Florida. The cost of military intervention was \$140 million a month, the equivalent of Haiti's GDP in less than a year. The US had spent \$2.4 billion in Haiti between 1994 and 2000 when the State Department's special Haiti coordinator, Donald Steinberg, testified that "the record [of US intervention] has been decidedly mixed."

REMITTANCES

Remittances are among the fastest growing international financial flows, as is evident in ads for Western Union, the largest money transfer firm, with 245,000 offices in over 200 countries and territories.³⁷ Formal remittances (those that go through banks or regulated financial institutions such as Western Union) to developing countries doubled between the late 1980s and mid-1990s to almost \$60 billion a year, doubled again by 2002, and almost doubled again to \$206 billion in 2006. The total flow of remittances is larger, because some are sent home informally, with friends or relatives or via unregulated transfer agents.³⁸ In 2006, India received the most remittances, \$27 billion; followed by Mexico, \$25 billion; China, \$22 billion; and the Philippines, \$15 billion.

Table 6. Remittances to Developing Countries, 1995-2006

Year	\$Billions
1995	58
2000	85
2001	96
2002	116
2003	143
2004	161
2005	189
2006	208

Source: World Bank

<http://econ.worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTDECPROSPECTS/0,,contentMDK:21352016~menuPK:3145470~pagePK:64165401~piPK:64165026~theSitePK:476883,00.html>

³⁷ www.westernunion.com/

³⁸ World Bank Migration and Remittances Factbook.

<http://econ.worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTDECPROSPECTS/0,,contentMDK:21352016~menuPK:3145470~pagePK:64165401~piPK:64165026~theSitePK:476883,00.html>

International organizations such as the World Bank advocate more labour migration to generate more remittances and speed economic development in the migrants' countries of origin: "Managed migration programs, including temporary work visas for low-skilled migrants in industrial countries, could help alleviate problems associated with a large stock of irregular migrants, and allow increased movement of temporary workers."³⁹ There can be a multiplier effect from the spending of remittances, as when migrants buy materials and hire workers to improve their housing, and banks can expand their loan capacity by using remittance deposits as the basis of lending for business development.

Research and experience agree that the best way to maximize remittances is to ensure that migrant-sending countries have sound economic policies, including an appropriate exchange rate and a banking system that is cost-efficient and friendly to remitters and recipients. Most remittances are spent on consumption, reflecting the fact that the breadwinner is abroad, but the portion saved and invested in the home country can be increased if the savings and investment climate favors these activities, meaning that there is little risk of devaluation or having local savings taxed or expropriated; there must also be opportunities to launch profitable small businesses. In other words, the same sound economic policies that ensure remittances are invested wisely help to make emigration unnecessary.

The UN held a high-level dialogue on International Migration and Development in September 2006 that acknowledged the importance of remittances for the development of migrant countries of origin. One outcome was the Global Forum on Migration and Development,⁴⁰ a non-UN body that brings governments together in annual meetings that rotate between migrant-sending and migrant-receiving countries. One goal of the GFMD is to increase cooperation between migration and development agencies to promote coherence in the policies each pursues and thereby speed the development impacts of migration.

Labour migration plays a prominent role at the GFMD, which in 2008 is focused on migrant rights, guest worker programs, and governance of migration. In 2007, GFMD discussions focused on brain-drain issues, the development impacts of guest workers, the role of the private sector in temporary labour migration, and circular migration and development (GFMD Final Report, 2007, 19). The final report echoed others by asserting that "temporary labour migration can work to everyone's advantage if it is legal, protective, and linked to real labour market needs." However, the report acknowledged the lacuna in "linkages between development and temporary labour migration." (GFMD Final Report, 2007, 65).

³⁹ World Bank's Global Economic Prospects 2006 report (www.worldbank.org/prospects/gep2006)

⁴⁰ The first Global Forum meeting was held in 2007 in Brussels; the second is scheduled for 2008 in Manila. www.gfmd-fmmd.org

CONCLUSIONS

The number of international migrants—people living outside their country of citizenship—reached an all time high of 191 million in 2005. Although migrants are only three percent of the world’s people, “migrant nation” would be the world’s fifth largest if collected in one place. Furthermore, international migration is likely to increase faster than world population growth.

Individuals and families cross national borders because of demand-pull factors in receiving countries, supply-push factors in sending countries, and networks that create the communications and transportation infrastructures that allow migrants to learn about opportunities abroad and move take advantage of them. Trying to manage migration by adjusting migrant rights, such as making it harder to apply for asylum or restricting welfare benefits, is widely considered suboptimal, but is nonetheless used by policy makers unable to wait until other policies reduce migration pressures.

Almost all countries participate in the international migration system as destinations, transit countries, or migrant countries of origin, and many participate in all three ways. Most migrants do not move far from home, and each of the world’s continents has a migration system with unique characteristics, including the large number of unauthorized migrants in the US, the unexpected settlement of guest workers in Europe, and the very high shares of foreign workers in the private sector of Gulf oil-exporting countries.

Trade, investment and aid can accelerate economic growth in ways that narrow the demographic and economic differences promoting international migration by speeding up economic development. However, the economic development path in migrant-sending countries is often narrow and winding rather than wide and straight, suggesting frequent roadblocks on the way to development. Even if sending and receiving countries reach free trade and investment agreements that can reduce migration in the long term, these same policies can produce a migration hump in the short run increase,. Many international organizations and governments in developing countries have recognized the importance of remittances, money sent home by migrants abroad, and are seeking ways to use these migrant savings to accelerate economic development.

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