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**WORLD BANK WORK PROGRAMME ON MIGRATION  
AND REMITTANCES\***

Dilip Ratha\*

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\*The paper represents the views of the author and not those of the United Nations.

\*\*Senior Economist, The World Bank, Washington, D.C.

## **World Bank Work Program on Migration and Remittances**

The Bank's interest in migration derives from its links to development and poverty reduction. The Bank has an active research program on migration and remittances. Almost all the regional departments are also beginning to look into the implications of migration and remittances for their operational work..

The research effort on migration includes extensive data-gathering and analysis on the development impact of migration, so as to identify migration policies, regulations and institutional reforms by developed and developing countries that will lead to improved development outcomes. The migration effort considers the determinants of migration; the impact of migration and remittances on development; brain drain; temporary movements of persons; the link between trade, foreign direct investment (FDI), and migration; social protection issues (including the issue of portability of social security benefits for temporary migrant workers); and governance.

The migration research effort is complemented by a work program on international remittances that covers improving remittances data; reducing costs and strengthening financial infrastructure; understanding the development impact of remittances; and enhancing the integrity of money transfer systems. For example: The Bank, together with the IMF, leads a working group of statistical agencies, formed at the request of the Group of Eight Industrialized Countries, to better record remittances in national statistics. Its draft report is due in the Spring of 2006. As part of the efforts to reduce the cost of remittances, the Bank co-chairs with the Bank for International Settlements' Committee for Payment and Settlement Systems a Task Force to address the needs of international policy coordination for remittance payment systems.

Some general findings from the Bank's migration and remittances work program include:

- The benefits of increasing the labor force of high income countries (by 3 percent, say) through immigration from developing countries would exceed the gains from current levels of aid or from liberalizing merchandise trade. The benefits to countries of origin accrue mainly in the form of remittances sent by the migrants.
- But many small countries suffer because of massive emigration of their skilled workers—the so-called brain drain effect may outweigh the positive impact of remittances.
- The surge in workers' remittances in recent years has made them perhaps the largest sources of external financing in developing countries, especially in small countries.
- Evidence shows that remittances generally reduce poverty in the receiving countries, enabling receiving households to spend greater shares of their income on education and health.

- However, remittance flows – simply that share of income that migrant workers decide to send home – should not be confused with public or private aid.

### **Recent and Upcoming Bank Publications on Migration and Remittances**

- *Global Economic Prospects 2006: Economic Implications of Remittances and Migration*, to be launched on November 16, 2005, will discuss a scenario analyzing increased international migration; the impact of international migration on migrants and countries of origin; the size of remittances and recent trends; their impact on developing countries at the macro level and at the household level; and possible measures to reduce remittance costs.
- A book entitled *International Migration, Remittances and the Brain Drain*, edited by Maurice Schiff and Caglar Ozden and published in October, 2005, comprising four country case studies on the impact of remittances on poverty and expenditure patterns; and four chapters on brain drain, including a large database on the brain drain; and analyses of the brain gain, brain waste, and the impact on productivity in destination countries.
- *Remittances: Development Impact and Future Prospects*, edited by Samuel Maimbo and Dilip Ratha and published in June 2005, discusses recent trends in remittance flows, and examines the key challenges countries face in harnessing these flows for development.
- *Migrant Labor Remittances in South Asia* discusses the remittance industry's policies, processes and infrastructure in South Asia.
- Several corridor studies (US-Mexico, Canada-Vietnam) have been completed; and more underway.

*Dilip Ratha  
Senior Economist  
World Bank*