

December 2019

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IN THIS DIGEST

Dear Colleagues,

As we are approaching the year 2020, we would like to use this opportunity to reflect on arguably the second “hottest” issue of 2019, after climate change, “Migration”. In the World Bank Group, 2019 was marked by two important milestones: first, the presentation and publication of a paper to the Board on how economic migration could be leveraged for development, and second, the publication of new data on remittances showing that these flows to low and middle-income countries, at \$551 million, not only exceeded official aid, they were also on track to exceed foreign direct investment flows.

A key message from the Board paper, titled “Leveraging Economic Migration for Development,” is that migration should be viewed through a development lens; it is not a substitute for development at home but can be leveraged for development. In this edition, we also report on a recent **launch at the Bank**, hosted by its chief economist, of a new book by Esther Duflo and Abhijit Banerjee, the 2019 Nobel laureates “Good Economics for Hard Times”. The book features a significant chapter on immigration with a surprising policy message: poor people do not like to migrate, so governments may have to offer incentives to them to move, to escape adverse shocks or difficult economic realities. Finally, we feature the Venezuelan Migration Report which highlights that Venezuelan migrants will boost the

economies of their destination countries over the long term.

We wish you happy festivities and a great start in the New Year 2020!

Your December issue guest editors,

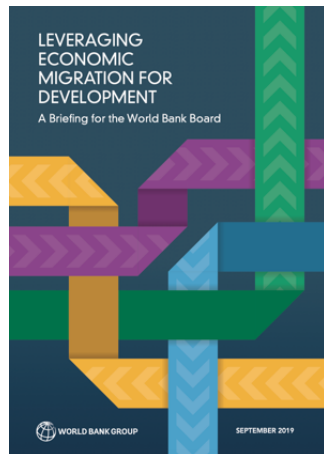


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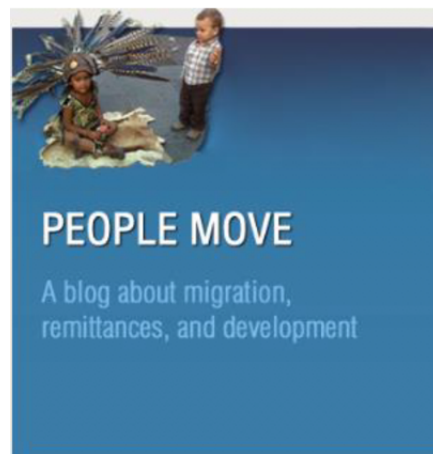
LEVERAGING ECONOMIC MIGRATION FOR DEVELOPMENT



Leveraging Economic Migration for Development: A briefing to the World Bank Board

World Bank | Report
| September 2019

The report has three key messages: (i)
Migration is set to increase, driven by
income gaps, demographic imbalances and



Data release: Remittances to Low- and Middle-income Countries on Track to Reach \$551 Billion in 2019 and \$597 Billion by 2021

World Bank Migration and Remittances
Team | Blog | October 2019

The contribution of migrants to
development in their countries of origin

climate change; (ii) Migration is not a substitute for development at home. It can generate substantial welfare gains for sending and receiving countries. But migration also brings challenges; and (iii) International Financial Institutes such as the World Bank can support global efforts to support safe and legal migration and maximize returns for sending and receiving countries.

can be realized through remittances and investment. However, the cost of sending international remittances remains high.

Cyclical factors also affect growth of remittances, namely: economic growth in migrant destination countries, the price of oil and variation in exchange rates. The blog features **latest data** on worldwide remittance flows, remittance projections and costs.

Good Economics for Hard Times

Barnejee & Duflo
Book | November 2019

The second chapter of this book ("From the Mouth of the Shark") highlights some drivers of migration. A surprising policy message from the authors however is that taking care of poor people affected by adverse shocks could require offering these people incentives to migrate.

Four Myths About Venezuelan Migration and Why They're Wrong

LCR Communications Team | Blog |
December 2019

This blog summarizes key messages from a recent report that invalidates some of the common myths surrounding migration. Additionally, the report suggests that migrants will ultimately contribute toward the economic prosperity of their respective destination countries.

ESSENTIAL READINGS

Europe and Central Asia Economic Update, Fall 2019: Migration and Brain Drain

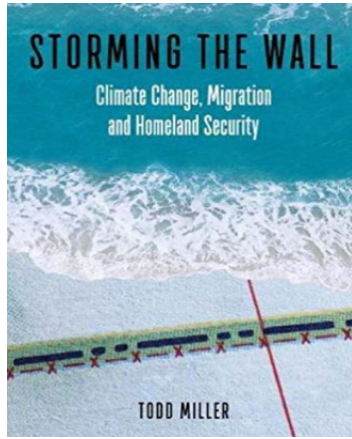
World Bank | Book | October 2019

This book focuses on the design of policies on labor mobility and presents the trends, determinants, and impacts of low- and high-skilled labor.

A Good Provider Is One Who Leaves: One Family and Migration in the 21st Century

Jason DeParle | Book | August 2019

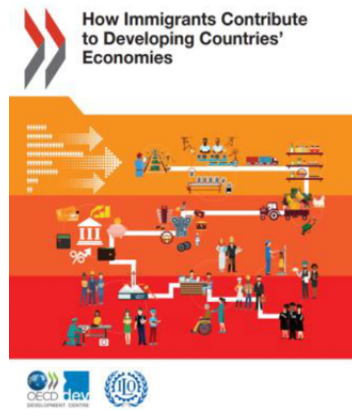
The book sheds light on current migration trends and globalism as well as the economic, political, and cultural aspects of immigration in North America.



Storming the Wall: Climate Change, Migration and Homeland Security

Todd Miller | Book | August 2017

Todd Miller's book discusses climate-driven migration and emphasizes the need of embracing unity in order to attain social justice and ecological sustainability by taking into consideration the well-being of immigrants and improving the quality of institutions.



How Immigrants Contribute to Developing Countries' Economies

OECD/ILO | Report | January 2018

An assessment of the contribution of immigration to development is important within the context of developing countries. This will ultimately affect the formulation of policies and facilitate the process of reaping maximum benefits associated with improved economic and development outcomes.

THE BROADER JOBS AGENDA

FROM THE WORLD BANK

Markups, Market Imperfections, and Trade Openness: Evidence from Ghana

Kaku Attah Damoah | Working Paper
| December 2019

Firms compress real wages to offset loss of market power in the product market due to increased international competition. This gives rise to an increase in the market imperfection gap, which gradually erodes the pro-competitive gains from trade.

A New Era of Work in the Middle East and North Africa: What is to Be Done?

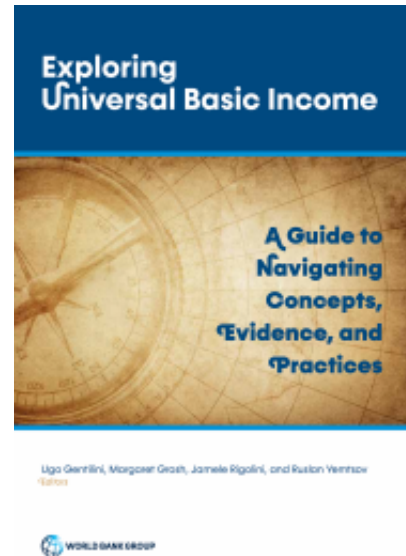
Federica Saliola | Blog
| December 2019

For the MENA region to achieve a prosperous future, the government must focus on three main reform agendas centered around job creation, modernization, and wide social inclusion.

Exploring Universal Basic Income: A Guide to Navigating Concepts, Evidence, and Practices

Gentilini, Grosh, Rigolini & Yemtsov | Book
| 2020

The book reviews past and current country experiences to examine how Universal Basic Income differs from or complements other social assistance programs in terms of objectives, coverage, incidence, adequacy, incentives, effects on poverty and inequality, financing, political economy, and implementation.



Progress and Challenges of Nonfinancial Defined Contribution Pension Schemes: Addressing Marginalization, Polarization, and the Labor Market

Holzmann, Palmer, Palacios & Sacchi | Book | 2020

The report offers insights into the political economy of successful and failed NDC reforms.

Gendered Laws

Hyland, Djankov & Goldberg
Working Paper |
December 2019

The paper finds positive associations between improvements in the law and several labor market outcomes, and establishes a small, but over time increasing, causal impact of more equal laws on higher female labor force participation.

FROM AROUND THE WORLD

Does a One-Size-Fits-All Minimum Wage Cause Financial Stress for Small Businesses?

Chava, Oettl & Singh | Working Paper |
December 2019

Immigration and Preferences for Redistribution in Europe

Alesina, Murard & Rapoport | Working Paper | November 2019

Increases in the federal minimum wage worsen the financial health of small businesses in affected states, such that it leads to lower bank credit, higher loan defaults, lower employment, lower entry and higher exit rate for small businesses.

Natives have lower support for redistribution when the share of immigrants in their residence region is higher. This is especially the case in regions with relatively large welfare states.

Conceptual Aspects of Global Value Chains

Pol Antras | Working Paper
| November 2019

This paper discusses the future of GVCs in light of the advent of an array of new technologies.

Why people should leave the countryside

The Economist | Blog
| November 2019

By moving from unproductive paddyfields to better jobs in factories and shops, individuals in China have made themselves and their country richer.

Parental Labour Supply Responses to the Abolition of Day Care Fees

Huebener, Pape & Spiess | Discussion Paper | November 2019

The paper finds that eliminating childcare fees in Germany improved mothers' working hours.

Why are Average Hours Worked Lower in Richer Countries?

Bick, Fuchs-Schündeln, Lagakos and Tsujiyama | Working Paper | December 2019

Income effects are the dominant force in lowering hours across the income spectrum.

PAST EVENTS



December 18th was International Migrants Day. The Bank's Peoplemove blog published a series of short articles on migration to mark this important occasion.

SAVE THE DATE

3rd Annual IZA/World Bank/NJD/UNU-WIDER Jobs and Development Conference "Better Jobs for Development"

May 21st and 22nd, 2020 in Warsaw, Poland

Deadline for submission of papers is January 20, 2020

CONTRIBUTORS

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Want to share your recent publication or event? Email kpela@worldbank.org



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