

IN BRIEF

# GLOBAL MIGRATION'S IMPACT AND OPPORTUNITY

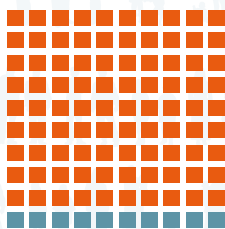
Migration is a key feature of a more interconnected world. Despite significant concerns about its economic and social implications, the movement of people across the world's borders boosts global productivity. The countries that prioritize integration stand to make the most of this potential—improving outcomes for their own economies and societies as well as for immigrants themselves.

- More than 90 percent of the world's 247 million cross-border migrants moved voluntarily, usually for economic reasons. The remaining 10 percent are refugees and asylum seekers who have fled to another country to escape conflict and persecution. Roughly half of these 24 million refugees and asylum seekers are in the Middle East and North Africa, reflecting the dominant pattern of flight to a neighboring country. But the recent surge of arrivals in Europe focused the developed world's attention on this issue.
- Roughly half of the world's migrants have moved from developing to developed countries, where immigration is a key driver of population growth. From 2000 to 2014, immigrants contributed 40 to 80 percent of labor force growth in major destination countries.
- Workers moving to higher-productivity settings boosts global GDP. MGI estimates that migrants contributed roughly \$6.7 trillion, or 9.4 percent, to global GDP in 2015—some \$3 trillion more than they would have produced in their origin countries. North America captured up to \$2.5 trillion of this output, while up to \$2.3 trillion went to Western Europe. Migrants of all skill levels make a positive economic contribution, whether through innovation, entrepreneurship, or freeing up natives for higher-value work.
- Employment rates are slightly lower for immigrants than for native workers in top destinations, but this varies by skill level and by region of origin. Refugees typically take longer than voluntary migrants to integrate into the destination country. Immigrants generally earn higher wages by moving, but many studies have found their wages remain some 20 to 30 percent below those of comparable native-born workers.
- Extensive academic evidence shows that immigration does not harm native employment or wages, although there can be short-term negative effects if there is a large inflow of migrants into a small region, if migrants are close substitutes for native workers, or if the destination economy is experiencing a downturn.
- The costs of managing entry are typically less than 0.2 percent of GDP across major destinations but can escalate when there is a large wave of refugees. Most studies indicate that immigrants have a small but net positive fiscal impact in their destination countries and play a positive role in easing pension burdens.
- The economic, social, and civic dimensions of migrant integration need to be addressed holistically. An examination of 18 major destination countries reveals that not a single one is addressing all three of these aspects effectively. We identify more than 180 promising interventions from around the world that can improve integration outcomes. Some of their guiding principles include changing the narrative to recognize the economic opportunity inherent in immigration; beginning integration interventions early and sustaining them over the long term; empowering local stakeholders to implement initiatives that work for their communities; making integration a two-way process between native-born and immigrant communities; and building partnerships with the private sector and NGOs.

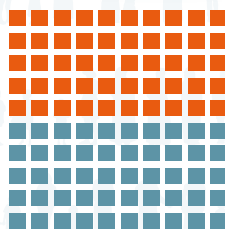
Narrowing the wage gap between immigrant and native workers from 20–30 percent to 5–10 percent through better economic, social, and civic integration would translate into an additional \$800 billion to \$1 trillion in global output annually. The success or failure of integration across areas such as employment, education, health, and housing can reverberate for many years, influencing whether second-generation immigrants become fully participating citizens or remain in a poverty trap.

# People on the move: Global migration's impact and opportunity

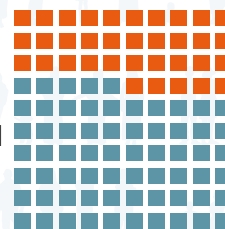
## 247 million people live outside their country of birth



**90%** are voluntary or economic migrants, while **10%** are refugees or asylum seekers



**50%** have moved from developing to developed countries



**35%** are high-skill migrants with tertiary education or above

## Economic impact of migrants



### Labor force

**40–80%** of labor force growth in top destinations between 2000 and 2014 was contributed by migrants



### GDP

Migrants contributed **9.4%** of global GDP, or **\$6.7 trillion**—some \$3.0 trillion more than they would have produced in their origin countries



### Productivity

Migrants of **all skill levels** contribute to the productivity effect in top destinations



### Employment

Migrants **do not harm** the long-run employment or wages of native workers

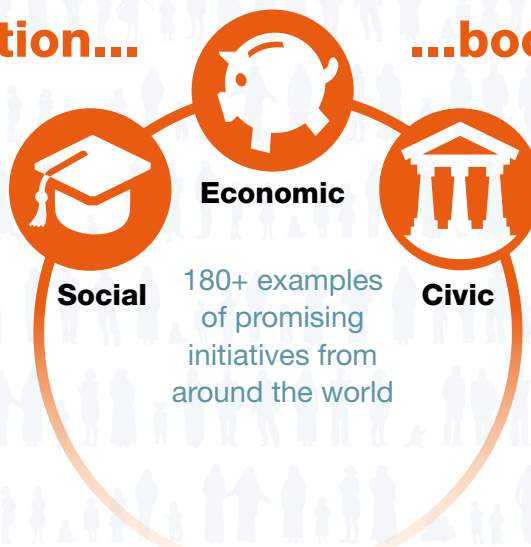


### Wages

The average wage gap between native and migrant workers with similar skills is **20–30%**

## Holistic integration...

Successful integration has **3 critical, interlocked dimensions**



**Social**

**Economic**

**Civic**

180+ examples of promising initiatives from around the world

## ...boosts global GDP

Better integration outcomes could increase the economic contribution of migrants by up to **\$1 trillion** annually