Research Newsletter

RESEARCH NEWSLETTER

The Future of Migration and Forced Displacement | December 2023

FEATURED RESEARCH

Global Migration in the 21st Century: Navigating the Impact of Climate Change, Conflict, and Demographic Shifts

Globally, approximately 184 million people, or 2.3% of the world population, live outside their country of citizenship. This highlights the growing complexity of human mobility, which will increasingly be driven by factors like climate change, conflict, divergent demographic trends, and income inequality. These forces are not only pushing more people to relocate for better opportunities but also presenting growing challenges and opportunities for migration policy across various levels of development in the decades to come.

The debate over migration policy is often polarized and contentious. While empirical studies show positive impacts of migration on

The debate over migration policy is often polarized and contentious. While empirical studies show positive impacts of migration on about the debate over migration policy is often polarized and contentious. While empirical studies show positive impacts of migration on a labor markets, business performance, and health outcomes in host countries, public opinion often views immigration with apprehension and fear.

In a recent Policy Research Talk, World Bank Development Research Group economists Quy-Toan Do and Çağlar Özden delved into the subject of migration, highlighting key findings from World Development Report 2023: Migrants, Refugees, and Societies.

Both migrants themselves and seasoned researchers in the topic, Do and Özden co-directed the report (along with Xavier Devictor), which starts with the recognition that cross-border movements inherently involve complex policy trade-offs. At the same time, it distinguishes between the different factors motivating migration in order to better tailor policy responses to distinct types of movement.

To shed light on the decision-making process and policy trade-offs, Do and Özden presented the primary framework featured in the report—the innovative Match and Motive Matrix. The Matrix gives policy makers a powerful tool by integrating many key issues related to migration into a single graph. They also highlighted three global forces—climate change, conflict, and diverging demographic transitions—that will shape migration in the 21st century in ways that are still only partially understood.

Read the Feature Story » I Presentation I Video I Event Information

RESEARCH HIGHLIGHTS



Outcomes for Internally Displaced Persons and Refugees in Low- and Middle-Income Countries

Kirsten Schuettler and Quy-Toan Do, Policy Research Working Paper 10278, January 2023

Research on forced displacement has dramatically expanded in the past ten or so years. The literature has progressively moved beyond issues specific to forcibly displaced populations—such as the impact of humanitarian and other social assistance programs for refugees and internally displaced persons (IDPs)—to also include issues common to the larger field of migration research, such as socioeconomic integration, host community perceptions, and long-term outcomes. This paper takes stock of the growing quantitative literature on outcomes for the forcibly displaced in low-and middle-income countries, where 85 percent of refugees and nearly all internally displaced persons live. The main takeaway is that forced displacement research has now become a full-fledged sub-field of the migration literature. While the availability of data still restricts the geographical scope of analyses, the literature has made significant progress in understanding not only how well refugees and IDPs fare at their destinations, but also the conditions under which their outcomes have improved.

√ Field and Natural Experiments in Migration

David J. McKenzie and Dean Yang, Policy Research Working Paper 10250, December 2022

Addressing causal questions in migration research requires navigating the inherent self-selection present in migration choices. Field and natural experiments offer methodological approaches that enable answering these causal questions. This paper discusses the key conceptual and logistical issues that face applied researchers when applying these methods to the study of migration, as well as providing guidance for practitioners and policy makers in assessing the credibility of causal claims. The paper outlines what makes for a good natural experiment in the context of migration and discusses the implications of recent econometric work for the use of difference-in-differences, instrumental variables, and regression discontinuity methods in migration research. A key lesson is that it is not meaningful to talk about "the" impact of migration since impacts are likely to be heterogeneous.

For more Policy Research Working Papers from the Development Research Group: Web I Email Notifications

JOURNAL ARTICLES

✓ Least Protected, Most Affected: Impacts of Migration Regularization Programs on Pandemic Resilience

Maria José Urbina, Sandra V. Rozo, Andrés Moya, and Ana María Ibáñez, AEA Papers and Proceedings, Vol. 113, May 2023 I

Working Paper Version

Can regularization programs improve forced migrants' resilience to shocks? Forced migrants are highly vulnerable to adverse shocks and were particularly at risk during the COVID-19 pandemic. Forced migrants posed an additional challenge for countries attempting to control the pandemic; high infection rates within migrant communities may have contributed to speeding the transmission of the virus. Typically, programs for forced migrants have concentrated mostly on providing humanitarian assistance while restricting migrants' access to labor markets and regular social services. However, by promoting migrants' rapid integration and greater self-reliance, regularization programs may not only improve the lives of migrants but also reduce short-term impacts on the local population. This paper finds that Colombia's regularization program for Venezuelan forced migrants promoted better

health access, thereby facilitating adherence to prevention guidelines. Eligible migrants also had better housing and labor conditions, suggesting regularization programs are a promising pathway to improving the lives of forced migrants.

Impacts of Temporary Migration on Development in Origin Countries

Laurent Bossavie and Caglar Özden, The World Bank Research Observer, April 2023 I Working Paper Version

Temporary migration generally refers to episodes during which individuals live in a destination country for a period of time and then return to their origin country or move to a third country. While temporary migration is quite common, especially in certain corridors, migration literature has traditionally analyzed the impacts of permanent migration. And because of data constraints, most analysis has focused on destination countries. Over the past decade, however, evidence on the effects of temporary migration on origin countries has grown. This paper highlights that the economic development impacts, especially on low- and middle-income origin countries, are complex, dynamic, context-specific, and multi-channeled. There are five main pathways identified: (a) labor supply; (b) human capital; (c) financial capital and entrepreneurship; (d) aggregate welfare and poverty; and (e) institutions and social norms. Multiple factors shape these pathways and their eventual impacts, including initial economic conditions at home, the scale and double selectivity of emigration and return migration, whether migration was planned to be temporary ex ante, and employment and human capital accumulation opportunities experienced by migrants while they are overseas. In all of these channels, the immigration policy environment plays a critical role in enhancing the gains.

Fears and Tears: Should More People Be Moving within and from Developing Countries, and What Stops this Movement?

David McKenzie, The World Bank Research Observer, January 2023 I Working Paper Version

While both internal and international migration promise substantial benefits for individuals, only around one billion people, or one in seven of the world's population, have ever migrated. This raises a crucial question: if migration is so beneficial, why don't more people do it? Commonly recognized potential reasons for this lack of movement include information failures, liquidity constraints, high costs and policy barriers, and risk. While these reasons are important, this paper argues that there are two other reasons for lack of movement that have been less a part of economic theories of migration. Firstly, fears about the uncertainty involved in migrating inhibit movement, especially when many of the factors people are uncertain about may be difficult to quantify the risk of or to insure against. Secondly, tears that accompany migration reveal the attachment people have to a particular place. This analysis suggests new avenues for policy interventions that can help individuals better visualize the opportunity costs of not moving, alleviate their uncertainties, and help shift their default behavior from not migrating.

Do Immigrants Shield the Locals? Exposure to COVID-Related Risks in the European Union

Laurent Bossavie, Daniel Garrote-Sanchez, Mattia Makovec, and <u>Cağlar Özden</u>, Review of International Economics, April 2022

Does the prevalence of immigrants in a labor market affect different types of native workers' exposure to employment and health risks associated with COVID-19? This paper provides evidence that not only were immigrant workers more susceptible to the economic and health shocks of the pandemic, but they also acted as a protective buffer for native-born workers. Using data from the European Union Labour Force Survey for 2011–2018, this paper shows that the greater risk exposure stems from differences in the occupations in which immigrant and native-born workers are concentrated. Immigrant workers have significantly lower

presence in occupations that can be performed remotely and are more likely to take on work that is deemed to be essential and require face-to-face contact. By selecting into higher risk occupations before COVID appeared, immigrants enabled native-born workers to move into jobs that could be undertaken from the safety of their homes or with lower face-to-face interaction with customers and co-workers. Thus, immigrant workers are more likely to bear a greater share of the economic and health risks of the pandemic than native-born workers.

▼ The Globalization of Refugee Flows

Xavier Devictor, Quy-Toan Do, and Andrei A. Levchenko, Journal of Development Economics, vol. 150, May 2021 I Working Paper Version

By analyzing the flow of refugees from 1987 to 2017, this paper establishes facts about refugees today compared to past decades. Refugees still predominantly reside in developing countries neighboring their country of origin. However, compared to past decades, refugees today (i) travel longer distances, (ii) are less likely to seek protection in a neighboring country, (iii) are less geographically concentrated, and (iv) are more likely to reside in a high-income OECD country. The findings bring new evidence to the debate on refugee responsibility-sharing.

▼ Blessing or burden? Impacts of refugees on businesses and the informal economy

Onur Altındağ, Ozan Bakış, and <u>Sandra V. Rozo</u>, Journal of Development Economics, vol. 146, September 2020 I <u>MENA Seminar</u> <u>Series Presentation</u>

By the end of 2018, conflict and violence had forcibly displaced 70.8 million people around the globe, an all-time high in the modern history of humanity. Given that 85% of refugee populations find shelter in developing countries, large inflows of refugees can lead to profound economic shocks in host economies. This paper studies the effects of the inflows of more than three million Syrian refugees into Turkey on Turkish firms' behavior. Using yearly firm census data from 2006 to 2015, the researchers document that refugee inflows induced a positive impact on the intensive and extensive margins of firm production. The paper also finds that refugee arrivals substantially increased the number of new firms, especially those with foreign ownership. Furthermore, the impacts of refugee inflows on firms are concentrated in the informal or shadow economy.



World Development Report 2023: Migrants, Refugees, and Societies

World Bank, Washington, DC, 2023

Approximately 2.3 percent of the global population, or 184 million individuals, resides outside their country of nationality. As the world struggles to cope with global economic imbalances, diverging demographic trends, and climate change, migration will become a necessity in the decades to come for countries at all levels of income. *World Development Report 2023* introduces an integrated framework designed to optimize the developmental impacts of cross-border movements. Rooted in labor economics and international law, the framework utilizes a "match and motive" matrix, focusing on the alignment of migrants' skills with destination country needs and the motivations driving their movements. This approach enables policy makers to distinguish between different types of movements, assess the policy trade-offs for each situation, and design migration policies accordingly.

Violence without Borders: The Internationalization of Crime and Conflict

Muhammad Faisal Ali Baig, <u>Quy-Toan Do</u>, Daniel Garrote-Sanchez, Lakshmi Iyer, Chau Le, and Andrei Levchenko, World Bank Policy Research Report, June 2020

Just like nearly every aspect of human experience, crime, conflict, and violence have become increasingly global. As of 2020 when this report was published, civil wars—of which there were more than at any time since the end of World War II—displaced greater numbers of people ever farther from their countries of origin. Transnational terrorism reached a 50-year high, in terms of both its incidence and the number of reported fatalities. Cross-border criminal markets—illicit drugs, human trafficking, wildlife trade, and so forth—were also taking a heavy toll on the many societies they affect. This Policy Research Report offers a unified framework to take stock of the theoretical and empirical literature on crime, conflict, and violence and to discuss how the international community organizes itself to address security as a regional and global public good. The increasingly global effects of crime and conflict require an equally global response.

✓ Moving for Prosperity: Global Migration and Labor Markets

Cağlar Özden, Mathis Wagner, and Michael Packard, World Bank Policy Research Report, 2018

The rich have many assets while the poor have only one—their labor. When moving from a lower to higher-income country, incomes for workers increase three to six times. Migration is, therefore, the most effective way to reduce poverty and share prosperity. Almost every empirical study finds that increased labor mobility leads to gains for immigrants, through immediate and longer-term wage gains, and positive overall gains for the destination country, through increased productivity and lower labor costs. Yet, a very high number of respondents to political opinion polls rate the arrival of immigrants in their countries as among their worst fears. The empirical evidence indicates that the negative impact is mostly felt by only a subset of native-born workers who are concentrated in certain regions, industries, and occupations where migrants are concentrated. This Policy Research Report is an attempt to address the tension between academic research and public discourse by focusing on economic evidence. It presents key facts and findings, research methods and data sources on economic migration and refugees, the determinants of their decisions, and their impact on labor markets in both source and destination countries. The aim is to inform and stimulate debate, contribute to better policies, facilitate further research, and identify prominent knowledge and data gaps.

RECENT & UPCOMING EVENTS FROM THE DEVELOPMENT RESEARCH GROUP

- November 14, 2023: Innovations for Poverty Action Best Bets Webinar Series: Entrepreneurial Mindset and Soft Skills
 Training for Business Growth I Recording
- December 4, 2023: World Bank-WTO Services Trade Policy Database 2023 Global Update & New STRI Dashboard I Recording
- March 7–8, 2024: 8th Urbanization and Poverty Reduction Research Conference
- March 14–15, 2024: Humans Lacea Network Conference I Call for Papers: Due December 15, 2023
- April 29–30, 2024: Globalization: What's Next? I Call for Papers: Due February 8, 2024
- May 13–17, 2024: Research Track of the World Bank Land Conference 2024: Securing Land Tenure and Access for

Climate Action

September 12–13, 2024: <u>Trade and Uneven Development</u> I Call for Papers: Due April 15, 2024

See more events I Sign up for event email notifications.

CALL FOR PAPERS

2nd Call for Papers: Humans Lacea Network

The Humans Lacea Network was created to improve the dissemination of high-quality research in the specific area of migration in Latin America. Although the predominant focus of the conference is on work related to migration (internal and international) for the Latin American region, papers for any country are also welcome. Both theoretical and empirical contributions are welcome too.

The deadline for submitting complete papers is December 15, 2023. Full papers, in PDF format, should be submitted online via humanslacea@gmail.com. The authors of accepted papers will be notified by email on January 31st, 2024. The conference will be held at the Headquarters of the World Bank in Washington DC on March 14 and 15, 2024. More information

Globalization: What's Next?

Banque de France, CEPR, the World Bank, and University of Surrey are jointly organizing a workshop to explore current developments in international trade and cross-border economic activity. We invite submissions of empirical and theoretical contributions that analyse the above and related topics with an emphasis on a policy perspective. It will take place at the Banque de France's Paris Office on two half-days, 29 and 30 April 2024.

The deadline for submissions is Thursday, 8 February 2024, 18:00 GMT. Only papers submitted by the deadline will be considered. Travel and accommodation costs for presenters of accepted contributions will not be covered. Learn more & submit

Trade and Uneven Development

While international trade has historically been a force for development and poverty reduction, it is increasingly viewed as contributing to inequality and risk. As a result, protectionism is on the rise and policy makers are increasingly resorting to unilateral solutions, internationally and domestically, often at odds with the lessons from economics research. To discuss the role of international trade on development outcomes and their sustainability and inclusivity, the World Bank and the editorial team from the Journal of International Economics are hosting a research conference in Washington, DC on September 12-13, 2024.

For consideration in the program, papers must be submitted using this form by midnight EST April 15, 2024. Submissions from early-career scholars and individuals belonging to historically underrepresented groups in economics are particularly welcome.

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The Repository contains three collections: Policy Research Working Papers, for all papers published in the World Bank's working paper series; Journal Articles, for academic journal articles authored by World Bank staff or consultants, and World Bank Reports, for flagship reports and other analytical outputs.

Access the repository

EVENT RECAP: NINTH IMF-WBG-WTO TRADE CONFERENCE

On October 24–25, 2023, the Ninth IMF-World Bank-WTO Trade Conference brought together the three international organizations at a time of historically low trade growth, rising trade tensions, and a surge in industrial policy measures across Advanced and Emerging Economies. Key takeaways from the event include:

- Industrial Policy: A panel discussion on industrial policy emphasized the risks associated to poor design of government intervention and to cross-border spillovers. The panel stressed the critical role of international organizations in supporting authorities by providing data and analysis of policies to inform decisions and to promote dialogue in this area.
- Geoeconomic Fragmentation: Presentations showed the potential for rising trade barriers to have significant negative
 economic impacts with the effects greatest for developing economies and low-income households.
- Trade and Climate: Presentations highlighted the positive role of trade in facilitating technology transfer to enable
 countries to reduce emissions, and the importance of coordinating trade and domestic policies with a role for carbon
 pricing, subsidies and open trade in tackling climate change.
- Services Trade: Presentations showed the significant welfare gains from the liberalization of barriers to trade in services, including the benefits of increased access to trade finance for low-income countries.
- Inclusion and Trade: Presentations stressed gender inequality in international trade and found that non-trade policies, such as digitalization, having the greatest potential to address gender biases in trade.

Additional resources are available on the <u>conference website</u>. Presentations from members of the Development Research Group's <u>Trade and Integration Team</u> include:

- Strategic Subsidies for Green Goods (Carolyn Fischer)
- Fertilizer Import Ban, Agro-exports, and Welfare: Evidence from Sri-Lanka (Devaki Ghose and Ana Fernandes)
- <u>Crops, Conflict and Climate Change</u> (Erhan Artuc and Bob Rijkers)
- Trade, Outsourcing and the Environment (Erhan Artuc)
- The Gains from Foreign Multinationals in an Economy with Distortions (Roman Zarate)

SOCIAL MEDIA

Development Impact Blog Job Market Guest Post Roundup

Now in its 13th year, the Development Impact blog hosts an annual series of blog posts by job market candidates on their job

market paper. This roundup includes all the posts so far:

- December 4: No train, (because of) no gain? Under-training by employers in spot labor markets
- December 1: Locusts and livelihoods: dynamic impacts of agricultural shocks on long-run conflict risk
- November 29: Industrial policy is back! But do countries have the capacity to successfully implement it?
- November 28: <u>Innovation on the rise</u>, <u>math scores take a dive</u>: <u>Unraveling the potential and perils of teaching innovation in</u> schools
- November 27: Firms have a hard time too! Leveraging employment agencies to reduce search frictions for firms
- November 22: <u>Intergroup Dialogue</u>: A <u>Novel Community-Based Approach to Facilitate Integration of Displaced Individuals</u> into Host Communities
- November 21: <u>Having a good excuse</u>: <u>Incentives' visibility increases the sharing of stigmatized mental health information</u> among refugees
- November 20: Revealing buried grievances: How China's anti-corruption crackdown emboldened workers to strike
- November 17: Jobseekers' point-of-view: How expected discrimination affects job search
- November 16: What prevents Indian housewives from local flexible work opportunities?
- November 15: Come Together: Employment Decisions and Joint Commuting in Urban Côte d'Ivoire
- November 14: <u>Do Higher Prices Screen Out Lower-Benefit Buyers?</u>
- November 12: <u>Growing Problems: How Farmers Learn About and Adapt to Climate Change</u>
- November 8: Adopting an algorithm improves tax equity when bureaucrats undervalue the wealth of the richest
- November 7: <u>Coping with Weather Disasters through International Migration: The Role of Search Frictions and International Migrant Demand</u>

Tech increases access to contraceptives in Cameroon

Berk Özler I X I November 21, 2023

If you have 20 mins, you can enjoy this delightful podcast on our <u>@ScienceAdvances</u> paper on the effects of personalized recommendations on contraceptive uptake through the tablet-based counseling app we developed. @Susan_Athey is particularly brilliant. Starting at minute 13:40.

This week on @SOEPTech; an #app that helps women choose #contraceptives to suit them – a trial in #Cameroon @GSBsiLab @Susan_Athey @BerkOzler12 @WorldBank @ScienceAdvances. @WebSummit brought >70K techies together, did they discuss much #techforgood? https://www.buzzsprout.com/2265960/14013886-tech-increases-access-to-contraceptives-in-cameroon

View the Post

Weekly links November 10: blogging, economics job trajectories, where philanthropy should put its money on jobs, and more....

David McKenzie | Development Impact | November 10, 2023

"The October issue of the Royal Economic Society newsletter focuses on public communication. I was asked to write a short piece on the evolving role of blogs in economic communication (ungated link). "I've come to see one of the main additional benefits of

blogging (on a technical, rather niche, blog) as being part of the effort to help unlock the so-called "hidden curriculum" of knowledge and tools needed to enter and succeed in the economics profession. While such discussion occurred on Twitter, it is bite-sized and ephemeral. In contrast, posts we have written on the journal publication process, on using new methods and code, and on public policy topics remain searchable and end up on syllabi, and occasionally being cited."

Read the blog

Weekly links November 3: cleaner air and worker productivity, Indian young women and their labor market challenges, critiquing climate economics, and more...

<u>David McKenzie</u> I Development Impact I November 3, 2023

"On Let's Talk Development, Teevrat Garg, Maulik Jagnani and Nancy Lozano Gracia report very promising early results from an RCT in Bangladesh that put air purifiers in textile factories. "After a three-month observation period (data collection and digitization of productivity data remains ongoing), we observed remarkable effects resulting from the use of air purifiers. Factories equipped with air purifiers experienced a 37% reduction in indoor air pollution..."

Read the blog

Government policy efforts on job search and intermediation: what works and what should be done better?

David McKenzie, Eliana Carranza I Development Impact I October 30, 2023

"In a previous blogpost we summarized recent evidence on the role and effectiveness of developing country governments in providing job training, based on a forthcoming JEP paper. However, even if workers have the skills that employers want, there are concerns that they have a lot of difficulties finding the right match for these skills. This might be especially true for workers in fragmented and largely informal labor markets, where spatial and informational search frictions are pervasive, and for young workers without much work experience who may have unrealistic expectations of the labor market. The second part of our paper summarizes evidence on job search and intermediation policies designed to overcome these frictions, and we highlight some lessons here."

Read the blog

Weekly links October 27: the rewards of campaign work, getting research ideas, cricketonomics, and more...

<u>David McKenzie</u> I Development Impact I October 27, 2023

"Things I learned from reproducing 18 papers" — Nour Elashmawy, who is currently working with me under the Robert S.

McNamara Fellowship program, shares some of her takeaways from attempting to work through other people's code. One of the big takeaways is the potential trade-off between code efficiency and code readability and reusability: having lots of locals, globals, and loops, as well as a whole set of files that all need to be run in a specific order can make for coding efficiency, but can make it a lot more difficult for someone who wants to just understand how to reproduce a particular table or figure from the paper. A post on Let's Talk Development shares a summary of Nour's post as well as experiences from three of the other fellows."

Read the blog

Updated estimates of the Prosperity Gap

Zander Prinsloo, Aart Kraay, Christoph Lakner, Berk Özler, Benoît Decerf, Dean Mitchell Jolliffe, Olivier Sterck, Nishant Yonzan I Data Blog I October 26, 2023

"In 2019, around 80% of the world lived on less than \$25 per day, which is around the value of the typical poverty line of high-income countries. \$25 per day is also very close to the income or consumption of a typical person living in a country that moves from middle income to high income status. The Prosperity Gap is a new measure that helps us track how far the world, or any society, is from the \$25 per day income threshold. It can be used to measure the World Bank's goal of promoting shared prosperity. Formally, the Prosperity Gap is the average factor by which individuals' incomes must be multiplied to attain a prosperity standard of \$25 per day for all. The Prosperity Gap is a distribution sensitive welfare measure: the gap improves (narrows) when all incomes increase, and it improves faster when incomes of poorer people increase."

Read the blog

To read more of our blogs, see: <u>Let's Talk Development I Development Impact I All About Finance</u>

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