

research for global prosperity

Center for Global Development 2017–2019 Migration Program Description December 2016

Overview. Migration policy today is a blunt instrument. Governments view migration policy essentially as a tool to restrict human mobility, to selectively exclude broad classes of people—including the vast majority of people born in poor countries. The goals of that exclusion are primarily those of protection: protecting workers, public coffers, security, and cultural institutions in wealthier countries.

The vision of CGD's work is that migration policy has the power to bring tremendous benefits globally, far beyond simply protection, but this requires institutions that do not now exist. It does not happen automatically. The world is rich with opportunities for 'smart' changes in migration policy to benefit everyone involved—the countries migrants arrive in, the countries they leave, and their own families. But most of those who could innovate are constrained. Identifying and exploring new forms of migration lies outside the mandate of immigration enforcement agencies, workforce agencies, and development agencies. Politicians are constrained because they must respond to today's constituents, not potential future beneficiaries. Business leaders are constrained by myriad regulatory barriers. And academic researchers are primarily rewarded for developing new abstract research methods, not new practical policies. In the resulting vacuum, the whole world misses big opportunities.

CGD works to fill this gap with compelling migration policy innovation, founded in rigorous research. Previous CGD research illustrates how migration can unlock the economic potential of low-income people who move, allowing them opportunities to contribute to and benefit from the world economy in ways that traditional development assistance cannot match. Countries of origin also gain new production capabilities, technologies, trade and investment ties, and social norms. These global gains build on the benefit of remittances, a financial flow several times larger than all foreign aid combined. International migration is a <u>sign of development success</u> and can be seen as an investment—*rising* along rising incomes—as countries rise from poverty to middle-income. Migration is an economic engine; better policy can harness its power.

CGD's work in this area differs markedly from that of most other organizations that address migration and development. Typical work by other organizations focuses on facilitating remittance flows to poor countries from existing migrants, and limiting high-skill emigration from poor countries. CGD, in contrast, explores how novel institutions can shape new migration from poor countries in ways that improve livelihoods across the world.

Scope of Work. Since 2005, CGD's <u>migration and development initiative</u>, led by senior fellow <u>Michael</u> <u>Clemens</u>, has produced extensive research and policy proposals on migration and development. Over the next three years we will continue to expand this work with a focus on 1) reframing the mobility discourse through more rigorous evidence on its drivers and impacts, 2) providing evidence-based proposals for new policies and institutions, and 3) convening experts to explore pathways for enacting these proposals.

The CGD migration team does university-quality research on how migration and economic development affect each other, both in poor countries and rich countries, and advances practical ideas for new policies and institutions based on that research. It utilizes CGD's core strengths of international development expertise,

policy and research innovation, and the successful <u>CGD Working Group</u> model of ideas-to-action and outreach and dissemination methods.

Below are detailed descriptions of the CGD migration team's envisioned core programming, and a potential "core program plus" that would allow for additional dedicated efforts towards migration research and policy outreach.

Core Program: FY 2017 - 2019

Bilateral Labor Agreements for temporary labor mobility

The U.S. and Mexico maintained a formal bilateral labor agreement from 1942 to 1964. Its collapse has led to a thriving black market for labor needs in the U.S. The number of Mexican unauthorized migrants in the U.S. remained near zero until the quota of low-skill work visas for Mexicans was slashed in 1964, and later eliminated entirely. This illegalization of formal labor mobility between the U.S. and Mexico led to a dramatic increase in the number of unauthorized migrants, with current numbers likely exceeding 5 million. Since 1964, the U.S. government has pursued largely unilateral regulation with little connection to the broad economic and demographic forces that shape labor mobility, and the Mexican government has largely pursued a "policy of having no policy." As current political debates and events have highlighted, these actions—or more aptly non-actions—are untenable.

Labor will continue to flow across borders, making a bilateral agreement a necessity to reap mutual benefits. From 2015 – 2016, CGD convened the CGD Working Group *Shared Border, Shared Future: A Blueprint for Regulating U.S.-Mexico Labor Mobility*, chaired by former Mexican president Ernesto Zedillo and former U.S. Secretary of Commerce Carlos Gutierrez, along with a bipartisan group of experts in labor, business, security, and diplomacy from both countries. This unprecedented group proposed and published a research-based model agreement, illustrating to U.S. and Mexican policymakers how a bilateral arrangement can be a viable option for mutual prosperity. This work includes a 'term sheet,' to model the legal clauses and components recommend by the working group for a viable regulation of low-skill labor markets.

The report is just the beginning: Throughout 2017 and beyond CGD will conduct a range of private and public meetings and events to ensure that the ideas of the *Shared Border* group are part of any discussion of U.S. immigration reform or U.S.-Mexico policy cooperation that will develop over the next few years.

The migration team has also begun work on several CGD-authored and commissioned background reports on wage effects of such an agreement; demographic forecasting on Mexican labor migration and the future needs in the U.S. employment sector; appropriate visa numbers, accounting for the demographic forecasting above; labor market mechanisms to regulate such movement; and fee numbers and structures related to a bilateral agreement. Further research may include the potential for linking a bilateral labor agreement with Mexico to the labor supply for any major new package of federal infrastructure investment that may emerge from the new U.S. administration.

Domestic Policy Evaluation

The migration team is also working to build on prior work assessing the domestic impacts of immigration regulation, adding to a nascent literature evaluating the impact of immigration policy on labor markets. There are only a handful of evaluations of immigration policy on immigration; most of the literature evaluates migration itself as if migration were a policy variable. In several projects described below, we ask not "what is the impact of *migration itself*?" but rather "how did a *specific migration policy* affect outcomes for all involved?" An example illustrates the critical difference between these questions: concerns about the effects of immigration from Mexico resulted in tight legal restrictions on that migration since the 1960s, which was followed by

massive illegal migration. The principal effect of post-1960s policy restrictions was less the reduction of migration than the shifting of legal mobility to illegal mobility. In this way the effect of migration itself (if it could be hypothetically determined by policy) differed greatly from the effect of a specific policy (the restrictions that helped build a vast black market in cross-border labor flows).

A major piece of ongoing work focuses on the *bracero* program, a series of laws legalizing Mexican farm contract labor in the U.S. from 1942 to 1964. Policymakers who pushed for the abolition of the program in 1965 stated that the principal goal of *bracero* exclusion was to raise wages and reduce unemployment for U.S. workers. As the sociologist Jorge Durand has written, the *bracero* program "has been widely criticized and not thoroughly studied." To address these limitations and comprehensively assess the impact of the program, we built an unprecedented historical database including hired farm labor and agricultural wage statistics in the United States. These new statistics enable us to produce the first quantitative evaluation of the *bracero* program, assessing the extent to which the *bracero* exclusion achieved the goal of improving labor market conditions in the U.S. by reducing the size of the workforce. The study will also be the first to evaluate the labor-market effects of a large increase in the immigration restrictions of a migrant-destination country (rather than the more commonly analyzed sudden increase in immigrant inflow). Given the current political context, the findings of this study have important implications for other proposed immigration restrictions.

Forced Migration

Considerable high-profile attention has been directed towards the causes of the 2015 European migrant and refugee crisis, with special attention to proposed revisions to refugee protection, resettlement, and integration systems. However, rigorous quantitative analyses, proposed policy actions, and long-term perspectives on forced migration more broadly have been mostly absent.

CGD's evidence-based research over the years on <u>labor migration</u> and the interface between <u>migration and</u> <u>development outcomes</u>, such as "<u>Economics and Emigration: Trillion-Dollar Bills on the Sidewalk?</u>" and "<u>Bounding the Price Equivalent of Migration Barriers</u>", have helped fill these gaps in knowledge. CGD will begin by conducting rigorous and nuanced quantitative data analysis to better inform governments, international organizations, and civil society of current trends and policy impacts. This work will view forced migrants through a development (versus solely humanitarian) lens, including economic and long-term considerations, and intends to develop concrete policy proposals that can be mutually beneficial to refugees and host countries.

Potential research includes evaluations of pilot policies at the labor migration-refugee nexus and analyses of the role of violence and natural disasters in non-refugee population movements. These planned outputs will form a foundation for convening a CGD Working Group to develop a proposal for a 21st century international survival migration regime. CGD will use its broad experience in forming similar working groups to reach out to a broad but relevant mix of international policy makers, academics, and thought-leaders with experience and insights in this area. It is envisioned these experts will discuss the components of an updated survival migration regime (e.g., international migration governance, national-level immigration laws, and global responsibility-sharing and safeguards) to develop recommendations culminating in a CGD Working Group Report. Through CGD's research and working group activities, the team seeks to inform policymakers' understanding of the holistic aspects of forced migration to devise better development policies aimed at potential and current migrants.

Global Skill Partnerships: Innovative Regulation of High-Skill Migration

Certain skills and industries, such as basic health care, are in high demand in advanced economies. Skilled

migrants from developing countries are likely to fill part of that demand. This continues to arouse fears that migration will harm development by "draining" both human and financial resources from origin countries. Building on previous research that demonstrates the values of migration, CGD has proposed a new form of institution to regulate skilled migration in a way that benefits origin countries, destination countries, and migrants: the <u>Global Skill Partnership</u> (GSP). A GSP is a bilateral public-private partnership that links skill creation and international skill mobility in a mutually beneficial and equitable way. Countries of migrant origin and destination agree ex ante who will bear the costs of training skilled migrants, and allow a small portion of the large economic gains from skill mobility to foster skill creation in origin countries. CGD has a memorandum of understanding to advance this research in partnership with the World Bank (WB) via a joint CGD-WB study group. The study group would aim to identify potential pilot partners to implement the GSP model, assist in implementing the program and assessing its impacts. CGD's migration team could also connect with European partners to present and debate this model in public fora.

Climate Change and Migration

As the earth's climate continues to change and global temperatures continue to rise, increased land degradation, drought, flooding, and other negative ecological shifts will disproportionately affect the world's poorest people and most vulnerable nations. These changes will likely increase the pressure on individuals and families to migrate, either due to sudden catastrophic events, or to seek better economic opportunities away from a resource base diminished by increasingly inhospitable locales. With this probable reality looming, there is a need for more quantitative research at the intersection of climate change and migration. CGD's expertise in both migration and <u>climate change</u> research makes the Center well-placed to analyze this intersection and develop policy recommendations based on empirical research.

The team intends to dive into the intersection of climate change and migration to determine the most appropriate and opportune approach to combatting these challenges. CGD's work in this area aims to explore themes including: 1) climate migration beyond involuntary migration from low-lying lands; 2) migration policy as a cost-effective method for climate adaptation that can also provide economic benefits to recipient countries; and 3) how current migration policies will likely affect individuals who move in the future due to climate change. Key research areas may include how different populations' migration aspirations are affected by both climate variables (e.g., temperature, rainfall, disasters, water availability) and economic development levels wealth while controlling for other factors – to increase the quantitative understanding of the costs and potential results of limiting emigration from countries hard-hit by climate change. This work has the potential to inform international discussions around appropriate levels and priorities of funding for climate adaptation. Another stream is to trace predicted climate-induced increases in migration to various destination countries, states, or cities, based on the insight that migration networks tend to persist through time. This research anticipates providing quantitative estimates of possible migration patterns as migration flows increase.

Research Team and Outreach:

Senior Fellow Michael Clemens has led CGD's <u>migration and development initiative</u> for the past ten years and has become an established thought leader in this space. Clemens' extensive research focuses on the effects of international migration on people in developing countries and on rigorous impact evaluation for aid projects The intersection of migration and development is a vast and multifaceted field that incorporates issues from economic migrants and refugees to bilateral relations between countries, which is why the team is seeking to increase capacity to address a broader array of topics and expand outreach. To increase CGD's capacity, the migration team aims to bring on board an experienced and migration-focused senior fellow and/or support staff member to tackle these critical issues and bring CGD's unique blend of rigorous and economic research to a wider audience.

Working alongside scholars, CGD's expert communications team develops and implements sophisticated

engagement strategies to share the insights gleaned from rigorous research with a wide range of audiences. The team of in-house communications and policy professionals spans the fields of strategic communications – including creative design, digital engagement, web development, event management, policy outreach and editorial support – and is expanding core research findings and policy recommendations through data visualization and infographics. The team gives specialized treatment to research reports and works closely with policy outreach, tailoring dissemination and outreach strategies to the nuances of the findings and the relevance of the topic.

CGD's outreach and dissemination methods facilitate effective engagement with the Center's extensive networks to ensure CGD's work reaches relevant audiences, including policymakers, advocacy groups, academics, program administrators, and interested citizens. Beyond CGD's research capabilities, CGD is an adept convener of public, private, and non-profit actors with a commitment to sharing the Center's independent research findings and policy recommendations for development.

Organizational Qualifications:

CGD is an independent, nonpartisan "think-and-do tank" that works to reduce global poverty and inequality through research and active engagement with the policy community. Headquartered in Washington, DC and with a rapidly-growing presence in Europe through its London-based <u>CGD Europe</u> office, CGD engages in work that melds rigorous research with strategic outreach and communications aimed at informing, promoting, and provoking meaningful policy change. We maintain a singular focus on global economic development, addressed through a range of channels including investment, trade, debt, migration, aid, global health, and environment. CGD has a strong track record of scholarship and action, and a well-established audience and network of influential individuals and organizations that depend on the value and ideas that the Center brings to policy debates around a range of development topics.

In our first fifteen years, CGD has succeeded in moving several significant <u>ideas to action</u>. The Center has influenced the policies of international financial institutions, the G-8 and G-20, and the US government—for instance, <u>providing the analytical foundation</u> for Nigeria's \$30 billion debt buyback, <u>promoting a \$1 trillion</u> <u>package</u> for developing countries during the global financial crisis, and creating the International Initiative for Impact Evaluation (3ie). CGD is now the leading US think tank on development policy, recognized for our "outsize influence among decision-makers" (*Washington Post*, November 20, 2010) and as "the premier policy shop working to reduce global poverty" (*Inside Philanthropy*, April 22, 2014).

As an independent research institution made up largely of development economists with extensive experience at the World Bank, the IMF, the Inter-American Development Bank, and other international financial institutions, CGD has the unique and comparatively advantageous role of being an "insider-outside" to many policy discussions—that is, an organization made up of individuals with experience in understanding the pressures, constraints and systems of government policymaking while maintaining external independence and credibility. The Center has extensive experience in organizing work that is related to proposals for specific, practical policy improvements into <u>initiatives</u>, such as <u>Development Impact Bonds</u>, <u>Cash-on-Delivery</u> <u>Aid</u>, <u>Preemptive Contract Sanctions</u>, <u>Oil to Cash</u>, and <u>More Health for the Money</u>. Much of the Center's work is conducted by <u>working groups</u> of experts across disciplines who come together to find solutions to difficult policy challenges.

CGD is an independent and nonpartisan research institution. As such, and as in the case of all donations to CGD, CGD will retain total discretion regarding the use of funds, subject only to our commitment to use these funds for the specific use of supporting the project described in the enclosed agreement. There can be no conditions or limitations on CGD's independence in research, findings, conclusions, or resulting publications. Where appropriate, CGD may welcome and consider comments or views from donors, but

CGD will retain total discretion and final decision-making authority regarding program and project research topics, speakers, and participants in activities, and on the contents of reports. CGD's employees and agents shall not engage in federal lobbying contacts or federal lobbying activity, as such terms are defined in the Lobbying Disclosure Act of 1995, 2 U.S.C. § 1601, *et. seq.*, as amended, on behalf of any donor. CGD shall not function directly or indirectly as a donor's representative or agent to the public at large. In carrying out the activities described in this agreement, CGD and its employees and agents shall not act as agents of any foreign principal as such terms are defined in the Foreign Agents Registration Act, 22 U.S.C. § 601 *et. seq.*, as amended.