# International expert meeting on

**Assessing the economic contribution of labour migration in developing countries as countries of destination**

OECD Headquarters (23-24 February 2015)

## Day One: Monday, 23 February 2015 (Room E)

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<tr>
<td>08:30 – 09:00</td>
<td>Registration</td>
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<td>09:00 – 09:30</td>
<td>Opening remarks</td>
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<td></td>
<td>- Françoise Millecam (European Commission)</td>
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<td>- Michelle Leighton (ILO)</td>
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<td>- Mario Pezzini (OECD Development Centre)</td>
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<td>09:30 – 10:00</td>
<td>Introduction of the project</td>
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<td>- David Khoudour (OECD Development Centre)</td>
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<td>- Theo van Leeuwen (ILO)</td>
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### Session I – Labour markets

Migration increases the local labour supply. Theory tells us that absent other adjustments, this supply shock should be matched by a change in wages. However, the consensus in the empirical literature is that the estimated effects of migration on labour markets are usually close to zero, although low-skilled native citizens may be negatively affected. A heterogeneous workforce, imperfect substitutability between immigrant and native workers, specialisation and (internal) migration by native workers, capital and other firm-level adjustments can account for these results. For developing countries, evidence is sparse. Different labour market structures, policy contexts and immigrant populations could cause effects to differ from those in high-income countries.

**Chair:** Carl Dahlman (OECD Development Centre)

**Setting the scene:** Jesse Mertens (ILO)

**Interventions:**
- Christine Fauvelle-Aymar (CNRS, Tours)
- Rosalia Vazquez-Alvarez (ILO)

Followed by open discussion

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<td>10:00 – 11:15</td>
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### Session II – Human capital

**11:30 – 12:45**

The inflow of migrants directly affects the human capital stock of the country of destination. Moreover, there could be secondary effects that have the potential to affect the development trajectory of the country of destination in the long run. For example, the arrival of migrants can change the returns to education and therefore the incentives to invest in education. The presence of migrants can also affect the functioning of the educational system.

Chair: *Andrew Bell* (OECD, Directorate for Education and Skills)

Setting the scene: *Shinyoung Jeon* (OECD Development Centre)

Interventions:
- *Ryuichi Tanaka* (National Graduate Institute for Policy Studies, Tokyo)
- *Irmgard Nübler* (ILO)

Followed by open discussion

**12:45 – 14:15**

Lunch (Roger Ockrent Room)

### Session III – Productivity, production and entrepreneurship

**14:15 – 15:30**

Immigration may increase entrepreneurship and boost productivity and technological change, with the mechanisms including increasing worker specialisation and productivity-enhancing characteristics of immigrant workers. Empirical studies in general find a positive relationship between immigration and various forms of innovation and entrepreneurship, but they are usually based on OECD countries and seldom present causal evidence. Immigration can also alter the manner in which firms organise their production process, an outcome that is often not researched given the lack of suitable data.

Chair: *Hillel Rapoport* (Paris School of Economics)

Setting the scene: *Marcus H. Böhme* (OECD Development Centre)

Intervention:
- *Anna Maria Mayda* (Georgetown University)

Followed by open discussion

**15:30 – 15:45**

Coffee break
### Session IV – Economic growth

**15:45 – 17:00**

Immigration can affect per capita GDP and GDP growth through aggregate supply and aggregate demand effects, some of which are positive and some negative. Theoretically, the overall effect depends on the complementarity between the immigrant and native workforce, returns to scale in production, and the degree to which other inputs (such as land) are key for the production process and are fixed. The empirical evidence on the growth effects of immigration is mixed, and only rarely considers low and middle-income countries specifically.

**Chair:** Mariya Aleksynska (ILO)

**Setting the scene:** Theodoor Sparreboom (ILO)

**Interventions:**
- Jeff Werling (Inforum, College Park)
- Philip Martin (University of California, Davis)

Followed by open discussion

### Session V – Public finances and public goods

**17:15 – 18:30**

The question whether immigrants 'pay their way' is a frequent topic of public debate in many immigrant-receiving societies. Economic theory provides little guidance as to whether immigrants are net contributors, but the field has generated many empirical studies on the welfare dependency and on the overall fiscal balance of immigrants in developed countries. Empirical studies on developing countries are few and far between. Large informal sectors in many low and middle-income countries complicate measurements. The related question of whether immigration affects the quality of public good delivery has received limited attention in both developed and developing countries, and its analysis is complicated by measurement challenges and by the fact that the effects are not only driven by economic but also political factors.

**Chair:** Tommaso Frattini (University of Milan)

**Setting the scene:** Sarah Kaps (OECD Development Centre)

**Interventions:**
- Corrado Giulietti (IZA, Bonn)
- Giovanni Facchini (University of Nottingham)

Followed by open discussion

**18:30 – 20:00** **Cocktail-Dinner (Roger Ockrent Room)**
Day Two: Tuesday, 24 February 2015 (Room D)

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<td>Chair: Steven Kapsos (ILO) Setting the scene: Marcus H. Böhme (OECD Development Centre)</td>
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| Interventions: | • Çağlar Özden (World Bank)  
• Aurelia Segatti (ILO) |

| 10:45 – 11:00 | Coffee break |

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<th>Session VII – The big picture</th>
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| 12:00 – 12:30 | Closing remarks  
• Cyril Cosme (ILO Office for France)  
• Nicola Harrington (OECD Development Centre) |

| 12:30 – 14:00 | Lunch (Roger Ockrent Room) |