Foreword

D*eveloping countries host more than one-third of international migrants in the world. Most immigrants are migrant workers and are employed either formally or more often informally in their countries of destination. Immigration thus plays a key role in the destination countries' economic development. A number of low- and middle-income countries, however, lack evidence and awareness of how immigrants can contribute to different segments of the economies and very few have developed and implemented appropriate policy frameworks. A large informal economy associated with weak labour migration management capacities and a lack of active labour market policies prevent many destination countries from making the most of immigration.*

The OECD Development Centre, the International Labour Organization (ILO) and the European Commission have worked together to address these challenging questions. Working across different contexts, the goal of our collaboration is to help developing countries design effective policies for leveraging immigration for positive development outcomes. This includes expanding the evidence base on the contribution of immigration to development, providing advice on the governance of comprehensive immigration systems and linking development strategies for policy coherence within a country and across countries.

This report, How Immigrants Contribute to Developing Countries' Economies, *is a step forward in assessing the contribution of immigration to development and improving the design of migration and development strategies. It builds on the joint OECD-ILO project* Assessing the Economic Contribution of Labour Migration in Developing Countries as Countries of Destination *(ECLM). The project carried out comparable analyses for ten low- and middle-income countries – Argentina, Costa Rica, Côte d'Ivoire, the Dominican Republic, Ghana, Kyrgyzstan, Nepal, Rwanda, South Africa and Thailand – to present a greater understanding of the different ways immigrants contribute to the economies of their host countries. Different key components of the economy are explored through a combination of quantitative and qualitative methodologies.*

The report examines empirically how immigrants affect three key components of the economy: the labour market, economic growth and public finance. It analyses the political and historical context of immigration in each country and suggests ways to enhance the contribution of immigrants in different contexts through appropriate policy responses. The report highlights the fact that the impact of immigration is not straightforward. It depends on the country context and economic conditions, as well as on the characteristics of immigrants. However, any country can maximise the positive impact of immigration by adopting coherent policies aimed to better manage and integrate immigrants so that they can legally invest in and contribute to the economy where they work and live, while staying safe and living fulfilling lives.

The report also provides a basis for dialogue and policy guidance for development practitioners and policy makers who attempt to integrate immigrants into their economy and society for the benefit of both immigrants and native-born citizens. Following the discussion on guidance for actions with

key stakeholders and policy makers to be held in each country, the OECD Development Centre and the ILO look forward to continuing their co-operation with partner countries with a view to enhancing the contribution of immigration for better economic and development outcomes.

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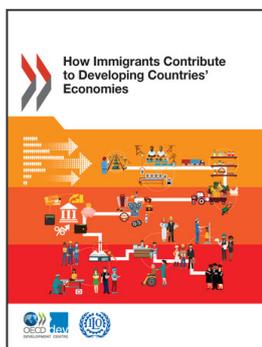
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