



# ECONOMIC DEVELOPMENT IN AFRICA REPORT 2018

## Migration for Structural Transformation

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Africa is on the cusp of tremendous change, with the recent agreements on the establishment of the African Continental Free Trade Area (AfCFTA), the Protocol on the Free Movement of Persons and the launch of the Single African Air Transport Market. It is in this context that this Report contributes to a better understanding of the implications of intra-African migration for the continent's socio-economic transformation.

As the dream of the Single African Passport is within reach, the report provides evidence on the intimate correlation between two sides of the same coin: migration and trade. The report's analysis of the role of intra-African migration in Africa's development trajectory should make it a reference document for defining an African position in the Global Compact on Migration to be adopted in Marrakesh in December 2018. The report ends with a series of recommendations for African policy-makers, as well as for other actors willing to implement the necessary policy and regulatory changes for increasing the economic and trade benefits of migration within Africa.

# MIGRATION'S IMPACT ON ECONOMIC DEVELOPMENT AND STRUCTURAL TRANSFORMATION



“ Ongoing continental-level efforts to facilitate intra-African mobility, trade, investment and technology must complement the positive contribution of African migrants to the economies of origin and destination countries. ”

– Professor Aderanti Adepoju

Coordinator, Network of Migration Research on Africa

Mamadou is a 35-year-old husband and father of four children living in Ouagadougou, Burkina Faso. He is married to Ramatoulaye, a 30-year-old market trader with a university degree in history. Both are migrants from Senegal. Mamadou, a welder, has been unemployed for 12 months, and has exhausted most of his financial resources. He's getting desperate and is considering that migration from Ouagadougou is the only realistic livelihood option left available to him.

As this report reveals, Mamadou's decision to migrate or not critically depends on the characteristics of his **household**. The underlying migration decision-making process of Mamadou is influenced by his education level, transferable skills, financial and physical assets, the intra-household allocation of labour, vulnerability to poverty, savings, levels of income and a family or community history of migration. The same variables will also to some extent determine where Mamadou chooses to go depending on the expense/affordability of getting to the new destination and the existence of social or kin networks there that can facilitate his immigration. Beyond the household, there are also national level drivers at work such as spatial gaps in wages and earnings, limited labour market opportunities where he lives, the frequency of political crises, the impact of climate change on livelihood opportunities etc. This report considers the national level drivers of migration and their role as "push" or "pull" factors in the process.

As it is not too costly, and he speaks French, Mamadou and Ramatoulaye decide that he should travel without his family to Abidjan in Côte d'Ivoire, the main migration hub in West Africa. However, international migration to neighbouring states (perhaps even within a regional economic community) without adequate provisions easing freedom of movement, further limit Mamadou's range of options. This report focuses on **regional level** constraints and facilitators of migration such as, visa requirements, access to financial resources, information on the migration recruitment industry and limited infrastructure. With little prospect for a better life in Abidjan, Mamadou decides to risk everything and move to Johannesburg in South Africa, as he has heard that there are plenty of jobs there for welders and metalworkers. He is short of funds and decides to travel by road to Johannesburg, finding en route that trying to cross the various African borders by coach or bush taxis is very hazardous. Direct road networks are almost non-existent and are of poor quality. In addition, their complex security, crime or bribery systems, are not only very expensive, but also unsafe. At times, Mamadou wonders whether he will make it to Johannesburg.

After many long weeks on the road, once he arrives in Johannesburg, potential employers demand that he provides certificates attesting to his acquisition of technical skills. Mamadou has some school certificates, but these are not considered bona fide due to translation and skill recognition requirements in South Africa. With no such certificates,

he decides to start his own welding business. He discovers that as a foreigner, and not being a high skilled, affluent candidate for a business visa, there is little chance of his case being considered. Unfortunately, despite ongoing efforts at the **African Union level** to pursue mutual recognition of academic qualifications and skills – and right of establishment rules for African migrants across the continent – progress has been patchy and slow. Mamadou is in precisely the same situation he was back in Ouagadougou and is considerably poorer for the experience. This report provides recommendations for improving the decision making of households and individuals such as Mamadou. It shares good practices in tools and mechanisms for enhancing the benefits of migration in origin and destination countries and considers how the African Union and regional economic communities can better enhance the contribution of migration to economic development and trade.

Finally, Mamadou is unaware of **multilateral level** efforts that African Governments have engaged in through the African Union's Migration Policy Framework and the provisions for Labour Mobility and Free Movement of People in Africa. Nor does he know that the **international community** is engaged in the preparatory process for the negotiations of the **United Nations global compact for migration** in 2018. There are great hopes for the compact and its potential for delivering the right provisions for Africa. If well crafted, the compact could help transform the economic migration prospects for Mamadou and his family. This report provides insights on how African countries can leverage partnerships at the multilateral level for increasing resources to be devoted to migration management within Africa. This could be done through building coalitions around key drivers of migration such as security and climate change.

Migration should always be a choice and not a necessity. To exercise his freedom of movement as one of the fundamental rights recognized by article 13 of the Universal Declaration of Human Rights, Mamadou needs to have full access to accurate labour market information on opportunities within and outside of the continent. Mamadou feels stuck in Johannesburg and like many migrants, is of necessity now planning his next move. Taking advantage of their occasional phone calls, Mamadou and Ramatoulaye discuss the possibility for her eventually joining him in Libya if he makes the journey there, and dream about travelling to Europe together. They debate this option and the debts that they are likely having to incur. This report provides insights on the **migration recruitment industry** and on what the migration journey means for hundreds of thousands of women such as Ramatoulaye and what should be done to address their specific circumstances.

If all the above is adequately addressed as proposed in this edition of the Economic Development in Africa Report, there would be less of a need for Mamadou to undertake the riskiest journey of all, across the Sahara Desert and the Mediterranean Sea.

## Objectives and organization of the report

Africa has the fastest rate of demographic growth in the world. The continent is now at a crossroads. The question is whether its growing working population will lead to a much hoped for demographic dividend. In recent years, images of African youth attempting to cross the Mediterranean Sea to reach Europe have dominated 24-hour news channels and contributed to increased attention to the international dimension of migration. The flow of migrants out of Africa to other regions, particularly to Europe, has dominated political debates. As boats have continued making their way through the Mediterranean Sea, African migration gradually became one of the top topics in international affairs. By contrast, there is an intra-African dimension, characterized by the flow of migrants in and out of countries or regions within the continent, that has received little attention in the migration and development discourse, despite its economic importance.

The *Economic Development in Africa Report 2018: Migration for Structural Transformation* attempts to put together key pieces of the puzzle of African migration and what migration means for the continent's structural transformation. The report draws on existing knowledge on the theoretical and empirical underpinnings that link migration and structural transformation. Compiling diverse sources of highly aggregated and microlevel household data, the report uses a range of analytical tools, both qualitative and quantitative, to provide an account of how intra-African migration can contribute to socioeconomic development in origin and destination countries. It also discusses what Africans have gained from migration to the North as well as to other parts of the world.

Putting an African lens to the migration narrative, this report investigates how African countries could capitalize on the economic potential of the continent's domestic and foreign human resources both at home and abroad to drive structural transformation. Three main objectives underlie the approach used.

First, the report seeks to provide a better understanding of the multiple dimensions of migration in Africa and how they are interwoven with economic and trade factors at the household, regional and continental levels. Though intra-African migration is relevant to regional and continental integration, knowledge gaps persist on its socioeconomic and trade impact.

Second, the report aims at drawing out thematic recommendations that span policy and institutional frameworks on how intraregional and interregional migration in Africa can better contribute to structural transformation in both origin and destination countries.

Finally, the analysis is with a view to proposing how actors at the multilateral level can partner with Africa in addressing structural drivers of extra-continental migration, such as environmental factors, peace and security. The report thus advocates for two sets of measures, one on devoting more resources to ongoing projects and initiatives designed to support migrants and would-be migrants in the short and medium term, and the other in support of Africa on its sustainable development journey by means of adoption of long-term economic and trade policies.

The report has six chapters, organized as described here.

Chapter 1 provides the background to why trends in the global environment warrant a better understanding of intra-African migration. It situates African migration at the heart of global challenges that influence human experiences the world over. The chapter also provides the situational context for the exploration later of the underlying dynamics of migration in Africa. Chapter 2 examines the contemporary nature of intra-African migration, including current trends, patterns and dynamics within and across regions.

Chapter 3 provides a human face and development dimensions of migration by examining who the migrants are. The chapter examines gender dimensions in intraregional migration. While migration is generally associated with men (and increasingly with male youths) seeking employment or business opportunities, the report also identifies sectors where women migrants are most likely to work and analyses the challenges to their journeys. The chapter takes a closer look at types of migrants, i.e. whether they are highly skilled or semi- or low-skilled, as well as their education levels, and seasonal and/or short-term migrant workers, by regional economic communities. It explores what drives individuals to migrate by drawing on data detailing household-level characteristics in a sample of African countries.

Chapters 4 and 5 focus on the interface between migration, trade and economic development. Chapter 4 aims at contributing to a better understanding of economic and trade channels in relation to migration and structural transformation in destination countries in Africa. It also probes the widespread assertion of deteriorating social conditions in migrants' host countries, as a consequence of high levels of immigration. Taking expectations on the benefits of emigration as a starting point, chapter

5 analyses the extent and role of remittances in origin countries. It uncovers how resources from migration may contribute to establishing the necessary conditions for long-term economic development.

Finally, chapter 6 draws on the findings of previous chapters to offer policy recommendations and insights on how all stakeholders can harness the benefits of African migration. The report builds on the diversity of drivers of migration to establish links between migration and humanitarian, security and environmental issues at the global level. The chapter thus lists thematic areas and corresponding action points of relevance to stakeholders in Africa and to all parties involved in the multilateral negotiations of the global compact for migration.

