

United Nations
Economic Commission for
Latin America and the
Caribbean

Policy Brief
LC/CAR/2024/7
16 September 2024

Policy considerations to harness international migration for sustainable development in the Caribbean

Introduction

The Caribbean is undergoing a demographic transition with declining birth rates and increasing life expectancy. From 2000 to 2020, the population grew from 39 million to 44 million, with an annual growth rate of 0.64%, lower than the Latin American and Caribbean average of 1.29%. Life expectancy rose from 67.4 to 70.8 years for males and 72.6 to 76.2 years for females, and under-5 mortality decreased from 47 to 35 per 10,000 births. The ageing population, driven by these dynamics and the substantial emigration of the working-age population, saw the median age rise from 24 to 31 years and is projected to reach 33 years by 2050, with those over 50 comprising a quarter of the population (UN-DESA, 2022).

This demographic transition towards an ageing population mirrors more of what is expected of advanced economies rather than the developing countries of the Caribbean. An ageing population produces many ramifications for economic development as it negatively affects labour productivity and strains pension systems. Managing the demographic transition necessitates policies that help promote the economic growth needed to sustain pension, healthcare, and elderly care systems. Policies harnessing the benefits of international migration constitute a critical pillar of the population policies available to Caribbean governments to manage the demographic transition and assure sustainable development.

Caribbean international mobility has historically been characterized by emigration. Between 2000 and 2020, the proportion of Caribbean emigrants increased from 16.6% to 21.6% in relation to the population of the subregion, with most Caribbean emigrants residing in Europe and North America. The immigrant population also rose slightly from 3.2% to 3.7%, with intra-Caribbean migration growing notably from 1.4% to 1.9% (Leon and Abdulkadri, 2024).

Key recommendations

- **Develop policies to attract and integrate skilled migrants to rejuvenate Caribbean labour forces and boost productivity.**
- **Implement strategies to retain human capital and curb brain drain.**
- **Harness brain circulation within the Caribbean diaspora through the promotion of transnational entrepreneurial networks.**
- **Improve data utilization, including better use of administrative data sources, to inform migration policies and strategies.**

International migration has profound implications for sustainable development in the Caribbean, particularly given the demographic transition of the subregion. The Global Compact for Safe, Orderly and Regular Migration (UNGA, 2018) emphasizes managing migration through data-driven policies. Regionally, Chapter F of the Montevideo Consensus on Population and Development accounts for the need to analyse international migration trends and migration policies, as this phenomenon produces interconnected outcomes on multiple Sustainable Development Goals (SDGs), such as those related to the reduction of poverty and inequality, and the promotion of decent work and economic growth (SDGs 1, 8, and 10) (ECLAC, 2013).

Multiple policy options are available to Caribbean policymakers to harness international migration for sustainable development. Policies can attract skilled migrants to rejuvenate ageing and declining labour forces. Crucially, migration policies should curb brain drain from substantial emigration from the subregion, adversely impacting labour productivity. These policies include the retention of human capital and the promotion of brain circulation policies.

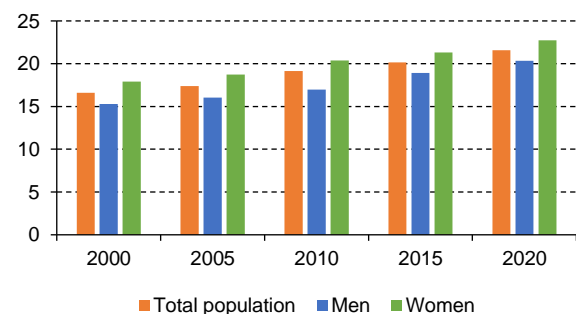
Background

International mobility in the Caribbean has been substantial for several decades. In the twentieth century, linguistic and colonial ties influenced migration, with Europe being the primary destination for Caribbean migrants. However, by the late twentieth century, the United States of America had surpassed Europe as the main destination for Caribbean emigrants. Additionally, the nature of migration has shifted from predominantly unskilled to more labour migration (IOM, 2017).

A recent ECLAC study analysed international migration trends in the 16 Caribbean member States and 12 associate member countries (except Sint Maarten) of the Caribbean Development Cooperation Committee (Leon and Abdulkadri, 2024). During the period

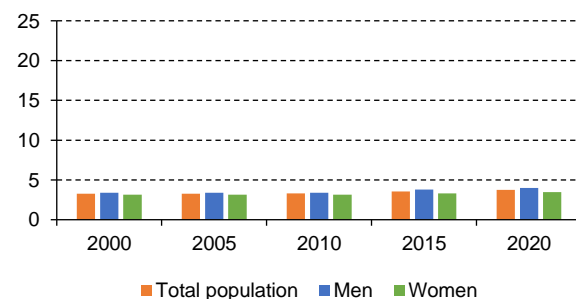
2000 to 2020, the net emigrant stock of the Caribbean increased from 16.6% to 21.6% relative to the total population of the subregion (figure 1).¹ In 2020, 18.4% of Caribbean citizens, relative to the total Caribbean population, resided in Europe and North America. In the same year, about 73% of all Caribbean emigrants resided in North America, the main destination for citizens of the subregion. Notably, more Caribbean women emigrated to Europe and North America (19.9% of the Caribbean’s female population) compared to men (16.7% of the Caribbean’s male population). Higher enrolment of women in tertiary education and careers in high-demand fields like healthcare and teaching (Abdulkadri and others, 2022) helps explain the relatively higher share of emigrant women relative to men. This trend of Caribbean emigration contrasts the global and historical trends of men tending to emigrate more than women (Anastasiadou and others, 2023).

Figure 1: Caribbean emigrant stock by gender, 2000 to 2020 (Percentages)



Source: Leon and Abdulkadri, 2024.

Figure 2: Caribbean immigrant stock by gender, 2000 to 2020 (Percentages)



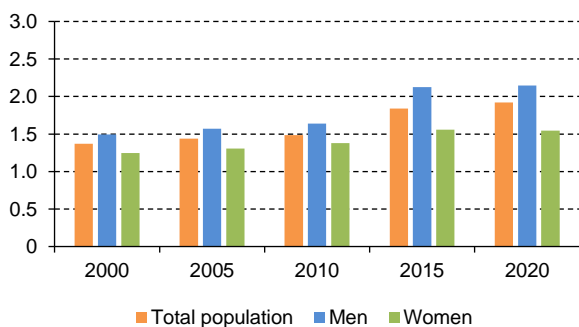
Source: Leon and Abdulkadri, 2024.

¹ All averages are population weighted averages of the 28 analysed Caribbean countries.

The Caribbean immigrant stock also rose slightly, from 3.3% in 2000 to 3.7% in 2020 (figure 2), though it remains significantly lower than the emigrant stock, indicating that the Caribbean is a net emigrant region. Most extra-Caribbean immigrants came from North America and Europe, but the immigrant stocks from these Global North regions decreased from 1.3% in 2000 to 1% in 2020. Meanwhile, the immigrant stock of people from South America increased from 0.3% to 0.5% between 2000 and 2020, driven largely by the Venezuelan migrant exodus after 2015 (Leon and Abdulkadri, 2024).

Intra-Caribbean migration has also become more substantial from 2000 to 2020. The intra-Caribbean migrant stock grew from 1.4% in 2000 to 1.9% in 2020 (figure 3). By 2020, just over half of the Caribbean immigrant stock was nationals from within the subregion.

Figure 3. Intra-Caribbean immigrant stocks by gender, 2000 to 2020 (*Percentages*)



Source: Leon and Abdulkadri, 2024.

Subregional cooperation through existing protocols for the movement of persons has encouraged intra-Caribbean migration. The Revised Treaty of Chaguaramas, implemented by the member States of the Caribbean Community (CARICOM), promotes international mobility by guaranteeing the free movement of skilled CARICOM nationals within its 15 member States. The Revised Treaty of Basseterre, establishing the Organisation of Eastern Caribbean States (OECS), further encourages migration within the subregion by providing freedom of establishment for the nationals of its seven member countries.

However, data gaps suggest that intra-Caribbean migration might be underreported (Leon and Abdulkadri, 2024).

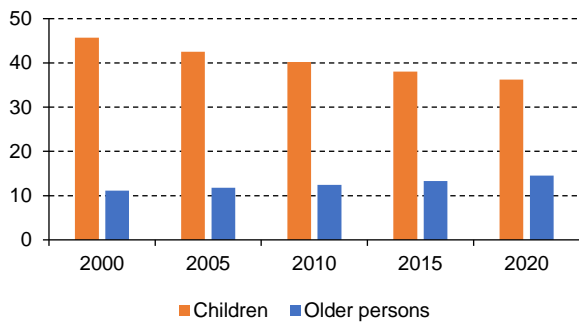
The impact of international migration on sustainable development indicators in the Caribbean has been substantial. The increasing net emigration stock of the Caribbean has led to significant remittance inflows, exceeding 8% of GDP in Dominica, the Dominican Republic, Guyana, Haiti and Jamaica in 2020. Remittance inflows constitute a non-trivial portion of GDP in the other Caribbean member States, except Trinidad and Tobago, where these inflows constituted less than one per cent of the GDP. Crucially, all Caribbean member States apart from the Bahamas are net emigrant countries, indicating a clear correspondence between net emigration and remittance inflows. Furthermore, the transnational social spaces created by international migration can also enhance foreign direct investment (FDI) inflows. However, the correlation between FDI and net emigration stocks is unclear (Leon and Abdulkadri, 2024). Nevertheless, one of the main impacts of international migration in the Caribbean relates to its relationship with a shrinking labour force and stagnating labour productivity, which necessitates policy intervention in the subregion.

Impact

International migration in the Caribbean, through both emigration from the subregion and immigration into it, impacts sustainable development, compelling policy interventions to harness its potential and reduce its negative consequences. As stated in the introduction, the population of the Caribbean grew at half the rate of the regional Latin American and Caribbean average from 2000 to 2020. The subregion is more advanced in the demographic transition than other parts of the developing world. Figure 4 shows that the average dependency rate of children fell by about nine percentage points from 2000 to 2020, while the dependency rate of older persons increased by 3.5 percentage points during the same period. Lower population growth rates indicate demographic trends towards an ageing population as lower birth

rates means that the population of children and youth grow similarly to the population of older persons. Based on the population trends in figure 4 above, the median year by which the working-age population of Caribbean countries will stop growing and start shrinking is 2026 (UN DESA, 2022).

Figure 4. Average Caribbean dependency rates of children and older persons, 2000 to 2020 (Percentages)



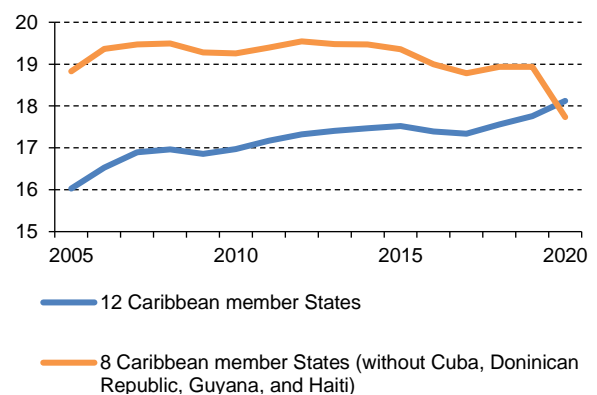
Source: Leon and Abdulkadri, 2024.

Policies harnessing international migration to manage the demographic transition of the subregion are central to expanding the tax base and promoting productivity. Shrinking labour forces in the Caribbean have implications for the sustainability of the pension and elderly care systems of these countries, as shrinking labour forces translate into reduced income taxes and value-added taxes on workers' consumption. These tax revenues are key to governments' ability to finance pension and elderly care systems. In the context of population ageing, the need to devote greater amounts of public funds to finance these systems will even grow. Therefore, countries experiencing an increasing trend of older persons' dependency rates, especially when accompanied by a declining rate of child dependency, stand to benefit from the rejuvenating effect of the immigration of younger persons to replace the ageing labour forces of the Caribbean.

However, the net emigration trend of the Caribbean negatively impacts its sustainable development prospects beyond accelerating the demographic transition by promoting brain drain. The net

emigration of the mostly skilled, working-age Caribbean nationals adversely impacts labour productivity in the subregion. Figure 5 shows the average output in GDP (constant 2017 international US\$ at PPP) per hour worked from 2005 to 2020 in 12 Caribbean member States² with available data, accounting for about 90% of the Caribbean population in 2020. This indicator illustrates the subregional average labour productivity as a simple average of national average labour productivity rates in the analysed countries.

Figure 5. Output per hour worked (GDP constant 2017 international US\$ at PPP)



Source: ECLAC based on estimates modelled by ILO (2023).

The subregional trend shows labour productivity increasing from 2005 until 2010, after which it stagnated at about US\$17 per hour worked until 2017. Labour productivity then increased to US\$18 between 2017 and 2020 (figure 5). Increase in subregional labour productivity in the late 2010s was driven by the Dominican Republic, Guyana and Saint Vincent and the Grenadines. These were the only countries that experienced increased labour productivity after 2010. All other countries experienced either stagnant or declining labour productivity from 2010 to 2020. Importantly, except for the Bahamas, all nine Caribbean countries with stagnant or declining labour productivity after 2010 were net emigrant countries during 2000-2020, (Leon and Abdulkadri, 2024).

² Bahamas, Barbados, Belize, Cuba, Dominican Republic, Guyana, Haiti, Jamaica, Saint Lucia, Saint Vincent and the Grenadines, Suriname and Trinidad and Tobago.

The trendline of the Caribbean member States in figure 5 shows eight Caribbean countries, excluding Cuba, the Dominican Republic, and Haiti, outliers due to comparatively high populations, and Guyana, another outlier due to rapidly increasing GDP from exceedingly high hydrocarbon windfalls after 2015. This trendline shows a downward trend in labour productivity rates after 2012. Saint Vincent and the Grenadines is the only country to have experienced increasing labour productivity in this trendline during this period. Hence, stagnant or declining labour productivity rates corresponded with net emigrant stocks in six of these eight countries.³

The analysis above shows that the net emigrant status of many Caribbean countries corresponds with stagnant or declining labour productivity rates, which raises concerns about the developmental effect of the substantial presence of brain drain from the Caribbean. Countries in the subregion are losing skilled labour to higher-wage economies in the Global North. This human capital is often subsidized by government-funded education of the sending countries in the Global South (Docquier and Rapoport, 2012). Brain drain can aggravate the mismatch between labour supply and industry demands in the Caribbean countries of origin, worsening labour productivity rates.

Therefore, policy interventions by Caribbean governments are required to reduce brain drain by retaining skilled labour or encouraging the return migration of their skilled emigrants, which will positively impact labour productivity in the subregion.

Threats and opportunities

Some Caribbean countries are exploring ways to increase the immigration of young workers to rejuvenate labour forces and enhance labour productivity lost to brain drain. For example, Barbados outlined the importance of rejuvenating the labour force through migration to ascertain a sustainable population dynamic that does not

endanger the sustainability of its pension and elderly care systems (Barbados Population Commission, 2021). Jamaica, a country with a net emigrant stock in 2020 of about 39% of its population (Leon and Abdulkadri, 2024), has included the development of return migrant strategies in its 2030 Agenda. These strategies for voluntary and involuntary return migrants aim to assist in their transition and resettlement in the country, thus allowing them to utilize their human capital (Jamaica, 2017).

Regarding channelling immigration to rejuvenate ageing and shrinking labour forces, designing pathways to match immigration flows with labour force needs is complex. Motivations for migration vary, with economic opportunities driving some and safety concerns driving others. Economic migrants are more likely to match labour needs in destination countries, whereas forced migrants may not (World Bank, 2023). Furthermore, large immigration flows from high-population countries to small-population ones, as exemplified by the inflows of Venezuelan migrants and refugees to the southern Caribbean, strains limited national capacities (Dietrich Jones, 2021). Large immigration flows can particularly threaten social cohesion and increase polarization when these flows occur in areas where unemployment is high (Albarosa and Elsner, 2023). Yet, the lack of migration policies to harness the potential of immigration to rejuvenate labour forces in the subregion threatens to harm labour productivity further as the labour forces are set to shrink.

Dealing with brain drain in the Caribbean is equally challenging. Accelerating economic growth is the most basic policy prescription to curb brain drain, as increased growth closes productivity gaps between countries of origin and destination, thus reducing the economic incentive to emigrate. However, as the Dominican Republic shows, a decades-long streak of high economic growth and increased labour productivity does not alone reduce the drivers of emigration if other socioeconomic factors, such as inequality, remain high (Morales and Rodriguez, 2022).

³ Barbados, Belize, Jamaica, Saint Lucia, Suriname and Trinidad and Tobago.

High inequality means the country has substantial low productivity sectors and areas, which drives emigration motivations. Measures restricting exit migration are inefficient and undesirable. However, realistic policy options are available to Caribbean governments to encourage human capital retention and their return to prevent brain drain due to emigration from harming labour productivity (Wickramasekara, 2013).

Policy recommendations

Immigration policies ought to encourage skilled migration and their integration to rejuvenate labour forces in the Caribbean and boost labour productivity. Collecting granular and disaggregated data on the labour and economic needs of the countries is essential to guide policies that encourage the immigration of younger persons with skills in demand by the local economies. Nevertheless, countries need to balance protecting forced migrants and integrating skilled immigrants. The skill sets of forced migrants may or may not match local demand, which requires policies to (re)train them to match local labour demands. However, migration policies should discourage inflows into high unemployment areas to avoid detrimental effects on social cohesion.

Policies to curb brain drain are critical to prevent labour productivity declines in the Caribbean. The policy options available to governments to help curb brain drain are retention of human capital and tapping into the diaspora of the countries, particularly promoting brain circulation (Wickramasekara, 2013). The latter approach stands to be more beneficial.

Retaining skilled nationals requires matching labour with existing local demands. Retaining human capital requires eliminating the driver of low productivity in the country of origin compared to choices abroad. More broadly, improving quality of life through rapidly increasing economic growth, reducing unemployment and inequality, tackling crime and violence improving healthcare services, and creating enabling environment for opportunities for entrepreneurship are the best policy prescriptions,

but these will not curb brain drain in the short- to medium-term.

Policies promoting brain circulation are promising options for curbing labour productivity losses produced by brain drain. Data in the Caribbean on the return of emigrants is severely lacking. However, tapping into diasporas refers to more than just encouraging return migration, as its benefits are not clear cut (for example, retirees returning to their country of origin contribute to overall consumption but do not increase labour productivity). Promoting brain circulation stands to produce short- to medium-term benefits for the labour productivity of countries of origin and curb brain drain, which governments can promote through policies permitting and incentivizing the establishment of transnational entrepreneurial networks. As exemplified by the development of sister Silicon Valleys in Bombay, Shanghai, and Taipei, transnational entrepreneurs serve as channels of foreign direct investment and bring back crucial know-how that increases productivity in the countries of origin, even if they do not return permanently. The Caribbean diaspora stood at 21.6% in 2020 (figure 1), indicating the productivity-enhancing potential of enacting brain circulation policies in the subregion.

Timely and quality data collection and dissemination is essential to develop evidence-based policies harnessing international migration and sustainable development in the Caribbean. Countries of the subregion have incorporated UN-recommended questions on international migration into national censuses and use administrative data to collect information on mobility indicators. Despite this, gaps remain, particularly in data on labour and international student mobility (Leon and Abdulkadri, 2024). Utilizing administrative data, like border records and work or study permits, leverages the existing capacities of countries to improve data on international migration for evidence-based policymaking. To this effect, inter-agency coordination is vital to enhance data collection and dissemination at the national and international levels.

Conclusion

The demographic transition of the Caribbean, as shown by an ageing population from 2000 to 2020 and labour forces projected to start declining this decade, necessitates policy interventions to prevent challenges to the sustainability of pension and elderly care systems. Given the context of the demographic transition, international migration policies in the Caribbean stand to impact sustainable development in the subregion positively. Immigration policies should focus on attracting young, skilled workers to rejuvenate the labour force and expand the tax base.

Conversely, high emigration rates, particularly of skilled workers, exacerbate brain drain and reduce labour productivity. Policies to curb or reverse brain drain are, therefore, crucial. These policies include facilitating skilled labour migration and integration to rejuvenate labour forces in the Caribbean and fostering brain circulation by promoting transnational entrepreneurial networks that tap into the vast potential of the large Caribbean diaspora. Nevertheless, policy effectiveness rests on the timely availability of quality data, allowing governments to enact evidence-based migration policies harnessing the benefits of international migration for sustainable development in the Caribbean.

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