Perspectives on Global Development 2017

INTERNATIONAL MIGRATION IN A SHIFTING WORLD

OECD DEVELOPMENT CENTRE

This chapter puts forward four scenarios of future migration that were developed through a series of workshops with migration experts and policy makers. The scenarios are hypothetical. They do not provide statements on what the OECD considers to be the future. Rather, they are designed to open up space for exploration and dialogue on migration in different contexts.

- "Slower shifting wealth" (Scenario 1) foresees business as usual, with economic convergence between OECD and non-OECD countries continuing, but at a slower pace than in the last 15 years. Global co-operation and co-ordinated action are also becoming more difficult in this scenario.
- "SDG success" (Scenario 2) presents a more positive vision of the state of the world in 2030, and assumes significant progress towards achieving the United Nations Sustainable Development Goals (SDGs).
- "Crisis with attempt for co-operation" (Scenario 3) describes a world shaken by a global financial crisis originating in the developing world, but in which countries are aspiring to co-operate to address major challenges.
- "Rapid automation and conflicts" (Scenario 4) depicts a global labour landscape drastically changed through rapid automation, and conflict-dogged countries in many developing regions.

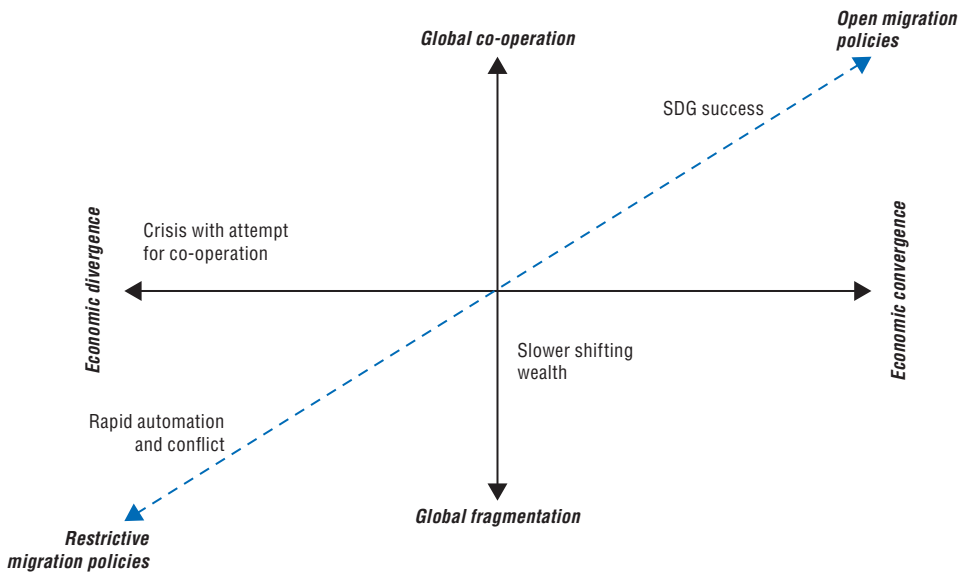
These four scenarios illustrate possible and plausible states of the world in 2030 and how the world could move to each condition between 2016 and 2030. They are **not** predictions about what **will** actually happen. All the scenarios are written as if the year were 2030.

The description of the migration patterns resulting from and in turn shaping the different states of the world in each scenario was developed with migration experts, and the underlying transmission mechanisms from migration to the economy and vice versa are those explained in the previous chapters.

Migration is recognised as an important factor for development in origin and destination countries as well as developed and developing countries. The scenarios reveal that there are varying policy options (related to migration) that can be fostered to improve development outcomes in developing, emerging and developed economies, depending on how the world is evolving. Nonetheless, there does exist a set of migration-related polices that is likely to improve outcomes, whether the world is crisis-ridden or prospering. One purpose of the scenarios is to create awareness among policy makers that the world can move in many different directions and thus migration patterns and implications for migration-related policies may also be very different.

The scenarios are developed along three axes (see Figure 9.3), taking into account three dimensions. The horizontal axis shows economic convergence versus economic divergence in per capita incomes between OECD and non-OECD countries. The vertical axis relates to different degrees of co-operation at the international level. Global co-operation is defined as more co-operative international relations and aspiration towards global governance in several policy areas. The diagonal axis shows more open versus more restrictive migration policies. This diagonal axis is added to highlight the focus on migration in this report and to recognise the importance of migration policies in shaping different conditions of the world.

Figure 9.3. **Four illustrative future scenarios are developed along three axes**



The diagram reads as follows. The point where the three axes cross corresponds to the world today in terms of convergence/divergence, co-operation/fragmentation and open/restrictive migration policies. The further away a scenario (or state of the world in 2030) is positioned from the origin, the more the world in that scenario moves in the respective directions along the three dimensions over the next 15 years.

Economic convergence versus divergence. With respect to economic convergence in per capita incomes, the world is moving fastest towards convergence in "SDG success". Most developing countries experience strong growth, while advanced countries have stable but relatively low growth rates. New growth poles, particularly in China, India and Nigeria, support growth in lower-income countries. In "Slower shifting wealth" the convergence

process is still positive but slower, reflecting the current much lower growth projections over the medium term in large emerging economies compared with the 2000s.

In "Crisis with attempt for co-operation" and "Rapid automation and conflict" the convergence process is reversed because of very low, or even negative, growth in most developing and emerging economies in both of these scenarios.

Global co-operation versus fragmentation. In each scenario, the scope of global co-operation/fragmentation is different in terms of geography and policy areas, which makes this dimension complicated and the respective specificities in each scenario require careful attention. The scenario "SDG success" describes a state of the world in which global co-operation is strongest, with countries signing and ratifying multilateral agreements across a broad range of policy areas, from trade and investment to the environment and migration. At the other end of the axis is global fragmentation, defined as conflictual international relations and an inability or unwillingness to co-operate to reach meaningful global agreements. The scenario "Rapid automation and conflicts" depicts a world where the degree of international co-operation is the weakest in all four scenarios. Countries are unwilling to reach global or multilateral agreements, and some existing agreements are ignored or even abandoned. The highest degree of co-operation that states achieve is generally at the bilateral level. The other two scenarios ("Crisis with attempt for co-operation" and "Slower shifting wealth") describe states of the world in which international co-operation falls between these two more extreme cases and patterns of global co-operation or fragmentation are different in each. For example, in "Crisis with attempt for co-operation", there is global governance in some policy areas, but this global governance is led by a small number of advanced countries. In the description of each scenario, more details are provided on what level of global co-ordination/fragmentation is in place.

Open versus restrictive migration policies. There are also specific characteristics to the migration policy dimension in each scenario (see Annex 9.A1). Overall, migration policies are much more open in "SDG success" and much more restrictive in "Rapid automation and conflict". In the other two scenarios, openness to migration is similar to today although it varies within each of these scenarios. In all scenarios, migration policies become increasingly selective and targeted, except in "SDG success", where migration is determined largely through market-led forces. While migration policy is mostly set at the multilateral level in "SDG success", regional migration agreements dominate in "Slower shifting wealth", bilateral agreements are most common in "Crisis with attempt for co-operation" and in "Rapid automation and conflict" high-income countries operate unilateral migration policies.

Beyond the economic, global governance and migration policy factors, the scenarios also explore the technological, demographic, social, environmental, conflict and political dimensions.

There are different ways to think about very negative or positive scenarios. Heaven and hell scenarios, in which everything is positive or negative, optimistic or gloomy, are intentionally avoided. In all the conditions of the world presented, both challenges and opportunities are highlighted.

Some assumptions are common to all scenarios. The impacts of climate change are a feature in each. The global mean temperature will increase by 0.5-1.2 degrees Celsius between 2015 and 2035, regardless of socio-economic trends and climate policies (IPCC, 2014). Because of this global warming, climate change will amplify existing risks and create new risks for human and natural systems. Significant sections of plant and animal species face extinction risks. The frequency of natural hazards, such as floods, droughts, typhoons and hurricanes, is already increasing because of climate change. The number of people exposed to droughts is expected

to increase by 9% to17% in 2030 and 50% to 90% in 2080. The number of people exposed to river floods is expected to increase by 4% to 15% in 2030 and 12% to 29% in 2080 (World Bank, 2016). Coastal systems and low-lying areas are at increasing risk from sea level rise, which will continue for centuries even if the global mean temperature is stabilised (IPCC, 2014).

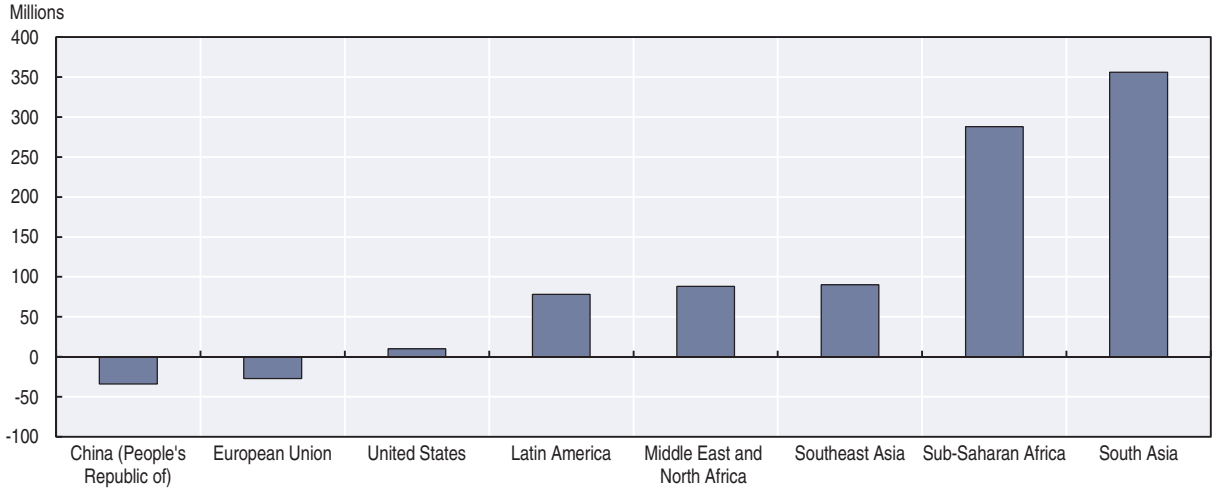
Climate change poses a significant threat to food security. Fisheries' productivity as well as wheat, rice and maize production in tropical regions will be severely challenged. Water scarcity will become an increasing problem in light of the projected reduction in renewable surface water and groundwater resources. Climate change is also expected to have an impact on human health largely by exacerbating existing health problems and diseases, such as malaria and diarrhoea. Moreover, climate shocks will disproportionately affect poorer people in developing countries because they are more exposed to such shocks, are more vulnerable to their effects and have less support to help prevent and manage these effects.

It is extremely difficult to predict the numbers of people who could be displaced because of environmental factors, and even current levels of displacement are unknown given a lack of data (Ionesco, Mokhnacheva and Gemenne, 2016). This reinforces the case for using foresight methodologies to explore different scenarios of migration that could arise as a result of environmental change and its interplay with other social, economic and political factors. The migration scenarios do not systematically explore different climate change scenarios,[2] but have some variation depending on assumptions about economic growth and global co-operation.

Demographic shifts are largely constant across all four scenarios, characterised by ageing in advanced and some large emerging economies (e.g. Brazil, China and the Russian Federation) and a youth bulge in sub-Saharan Africa, the Middle East and South Asia (Figure 9.4). For example, it is assumed based on UN population projections that the total labour force will shrink by 27 million in the European Union and by 34 million in China between 2010 and 2030, whereas in sub-Saharan Africa the working age population will increase by 288 million, and in South Asia an additional 356 million people will enter the workforce in the same time period.

Figure 9.4. **Millions more workers will be entering the job market in sub-Saharan Africa and South Asia**

Growth in working-age population, 2010-30 (millions)



Source: United Nations (2015), *World Population Prospects: The 2015 Revision (DVD Edition)*; ILO (2015), *World Employment and Social Outlook, Trends 2015*.

StatLink http://dx.doi.org/10.1787/888933422870

Migration from countries with growing populations to those with shrinking ones can lead to large benefits for both sending and receiving countries. Sending countries will relieve some of the pressure of the youth bulge on the labour market, and also benefit from remittances and knowledge transfer from diasporas and return migration. Receiving countries will partially decrease the negative consequences of ageing populations (such as less tax contribution, increased public spending, increased costly health services and lower per capita income due to the lower workforce) by limiting the decrease of their workforce. However the youth bulge in developing countries, particularly in sub-Saharan Africa, South Asia and the Middle East, is likely to generate more potential migrants than high income countries will be able to absorb.

In all the scenarios it is assumed that very highly skilled migrants will always be sought after and face relatively fewer obstacles to their mobility than workers with lower skills. Finally, in all scenarios it is assumed that emigration rates for developing countries will increase as their GDP per capita increases.

Scenario 1: Slower shifting wealth

In "Slower shifting wealth", the global economy has moved in the direction projected by major private and public research institutions back in the mid-2010s (see for example, Braconier, Nicoletti and Westmore, 2014; IMF, 2015; and Chapter 2). Accordingly, the growth differential between OECD and non-OECD countries has narrowed further relative to the pre-2008/09 crisis period. Per capita income convergence has continued over the last 15 years, although at a much slower pace compared with the 2000s as governments failed to implement the necessary structural reforms and sufficient fiscal stimuli to relaunch strong growth. Overall, global growth performance over the last 15 years has been moderate with significant differences across the main countries and regions.

In particular, since 2016 growth in emerging and developing economies has slowed, compared with the post-2000 period. This slowdown has primarily been triggered by the weaker performance of some large emerging economies, particularly China, and countries exporting natural resources, such as Brazil and the Russian Federation.

Advanced economies have generally benefited from lower commodity prices and thereby boosted domestic demand. The United States, in particular, returned to a higher and more stable growth path driven by well-managed macroeconomic policies. Other advanced economies, particularly in Europe, are still dealing with the legacy of the crisis, including underemployed production factors and high private and public debt. In addition, European growth has slowed over the last 15 years because of the exit of some members from the European Union and increasing protectionism. This led to slower overall global growth compared with the period 2000-15.

In spite of the slower growth in developing countries, there are still many poles of growth in the developing world and global economic weight has further shifted towards the emerging world, albeit more slowly. China is now a high-income country. India is an upper-middle-income country. On the other hand, lower commodity prices over the last 15 years and political as well as geopolitical challenges have brought the Russian Federation back down to upper-middle-income status and Brazil and other Latin American countries have not reached the high-income brackets. Growth in Africa has been steady over the last 15 years. While investment in the region has increased, lower commodity prices have put a brake on exports in what is still a region very dependent on natural resources.

Adoption of new technologies in the production of goods and services (including energy) and the emergence of innovative devices and applications for consumer purposes have continued smoothly, but the scale has not been sufficient to boost global growth significantly. The trend for automation, especially of routine, manual jobs, has continued steadily, but has not dramatically changed the labour market, particularly in developing countries which remain far behind the technology frontier.

While the process of economic convergence has continued over the last 15 years, today's world of "Slower shifting wealth" is subject to big challenges regarding the dichotomy between ageing societies in developed and some emerging economies (notably Brazil, China, and the Russian Federation) and emerging youth bulges in Africa, the Middle East and South Asia – much more so than was felt in 2015. Financing pension and other social security systems is a fundamental challenge for all ageing economies. Government debt has accumulated further and is increasingly unsustainable. On the other hand, economic performance that is only moderate in regions with an increasingly young working-age population has not generated enough jobs for the millions of young people entering the job market for the first time.

In both ageing developed and emerging economies and young developing societies, moderate growth and heightened demographic challenges have led to increased incidents of social disruption and tensions over the last 15 years. In some European countries with previously high levels of welfare benefits and rapidly ageing populations, public pensions and other public goods and services have been cut in order to reduce the debt burden, which affected people in need of public support most dramatically (e.g. retired blue collar workers) and further raised inequalities within countries. These domestic social pressures in ageing societies mean that they are less willing to co-operate globally on economic issues. New forms of protectionist measures such as local content requirements, discriminatory rules for public procurement but also export subsidies are continuously implemented and extended.

Regions with emerging youth bulges have had yet more serious challenges to sustain or develop social inclusion over the last one and a half decades. Millions of young people are without jobs and remain extremely poor; many that reached the poverty threshold of USD 1.25 per day in 2015 have fallen back into poverty. Many of these people benefited from some education during their childhood and youth, which increased expectations as to what life can offer. Their frustration has resulted in increased incidents of significant social disruptions – some of them emulating the Arab Spring – over the last 15 years. This has also led to more unstable governments in these regions, and as such, to more strained, unreliable co-operation with these countries.

In the area of the environment, new but small global commitments to reduce greenhouse gas emissions and thus to diminish climate change and adapt to it have been reached over the last 15 years. China has not committed itself to globally agreed emission requirements. It does, however, engage on climate change discussions with key strategic partners, particularly the United States, and is the global leader in the production of sustainable technologies and energies. But environmental challenges remain unresolved. The most significant environmental challenges include frequent severe droughts in Africa, China, the Middle East, South Asia and the United States. Other natural disasters such as floods, typhoons and hurricanes are also very frequent. In the world's youth bulge regions, many livelihoods are based on subsistence farming but that is becoming increasingly challenging because of the problem of droughts. Larger scale farming is also seriously affected. Hunger is a rising challenge, not only for small-scale farmers but also for poor people in urban areas, as food

prices increase sharply. Droughts are also more widespread in many developed regions (including the United States and Southern Europe), but these regions are managing the situation through new technologies such as desalination of seawater and infrastructure to transport water over long distances.

Simmering tensions in many youth bulge countries, in sub-Saharan Africa and the Middle East but also in some South Asian economies, combined with increasing environmental challenges in these regions have increasingly led to conflict.

Migration in this scenario

Globally, the share of migrants in the world population has not increased much beyond the 3.3% level it was in 2015 because of increasingly selective policies in most countries, although this share varies by region. The actual numbers of migrants, however, have increased in line with global population growth, increasing migration pressures.

Migration policy is characterised increasingly by regional and bilateral agreements, regulating labour migration to address the need for foreign workers for specific job categories in ageing countries (particularly in the care economy), and to ensure that sending countries benefit from the supply of workers to other countries, for example through lower costs to send remittances. There is a lack of political will and commitment to negotiate multilateral agreements on migration management as the issue is seen as too politically charged. Without more encompassing migration policies and agreements, and with increasing migration pressures, irregular migration has increased.

Migration of highly skilled workers, however, has been largely unrestricted as countries compete to attract the brightest and the best. Highly skilled migrants find it easy to migrate and move in all directions: from developed to emerging and developing countries, and vice versa. With increasing competition at the technological frontier among a larger number of highly advanced economies – now also including the BRIICS (Brazil, Russian Federation, India, Indonesia, China and South Africa), some Gulf states and other emerging economies – there is huge global competition for highly skilled and specialised workers. Even though it tends to be regionally and bilaterally regulated and partly restricted, migration has helped lend support to global economic growth and economic convergence between rich and poor nations.

The strongest labour migration pressures are from sub-Saharan Africa and Middle Eastern countries because of the youth bulge. The workforce in sub-Saharan Africa has increased by nearly 50% since 2015, but jobs have been created for fewer than 60% of the young people who have entered the labour force. Many of those who left without jobs are now trying to work abroad, mostly in wealthier neighbouring countries (e.g. Côte d'Ivoire, Nigeria, South Africa and some North African countries). However, restrictive labour regulations, particularly in South Africa, are preventing increased labour force participation and thus employment for both foreign and domestic workers. In African countries with strong economic performance and some creation of new employment, jobs have been filled mostly by the growing domestic workforce (e.g. in Côte d'Ivoire or Nigeria).

Overall, immigration of workers from the Middle East and Africa to Europe has not increased much despite the implicit labour demand in ageing Europe, as the region is increasingly closed to migration, although irregular flows are increasing. The demand for foreign workers in the developed world is severely outnumbered by the potential supply of migrants from the Middle East and Africa. What has increased is the number of migrants in so-called "transit countries". Many migrants find themselves in the countries bordering

Europe, hoping to make the final leg of their journey at some point in the future, however slim the prospects. This type of migration tends to be unrecorded, and migrants make a living in the informal sector. Sporadic crack-downs on informal settlements by the governments of these transit countries disrupt migrants' livelihoods and networks temporarily, but rarely result in migrants deciding to return to their home countries. More commonly, groups of migrants disperse and then relocate again.

Similarly, China is ageing and has the potential to absorb many of these foreign workers to keep labour costs down and to continue their development model of low cost, low value added manufacturing. However, China has a very restrictive migration regime, only granting work visas to highly specialised foreign workers, while automating many activities. With people unable to migrate to more prosperous regions, and poor economic prospects at home, there is growing social unrest in many countries in the Middle East and Africa.

As a result of limited opportunities for people to migrate from developing to developed countries, people from developing countries have increasingly been seeking work opportunities in countries within the same continent, particularly mid-skilled workers such as mechanics, plumbers or carpenters. This pattern has been driven by the continuation of the economic convergence process over the last 15 years which has been characterised by increased heterogeneity of income and wage levels between countries within regions, particularly in Asia and Latin America.

New migration corridors have emerged. In Southeast Asia, emigration rates from Myanmar have fallen substantially, reducing flows significantly in the Myanmar-Thailand corridor for example. Thailand remains an attractive destination for workers in the region however, as do Indonesia and Viet Nam. Migration patterns in the region resemble those in the European Union at the beginning of the 21st century, when countries such as Germany and the United Kingdom attracted migrants from Eastern Europe.

In Latin America, migration to resource-exporters such as Brazil has decreased as their growth prospects falter. The strong growth performance of the United States means it is still a main corridor of low- and mid-skilled migrants with migrants coming from Mexico and increasingly from other Central American countries. The United States is attractive not only for workers from South American countries, but also some African and Asian economies, particularly with respect to high-skilled migrants.

The Russian Federation is no longer an attractive destination country for migration in the Commonwealth of Independent States (CIS) region. Weak economic performance as a result of depressed oil prices has reduced opportunities and job prospects there. Many people in the CIS region instead now look eastwards to Asia for opportunities. The "One Belt, One Road" initiative, an enormous road, rail and sea port infrastructure development programme linking East Asia and Europe, started by China in the mid-2010s has strengthened the economic integration of the CIS region, driving higher rates of migration.

Although India has been booming over the last one and a half decades, it has not become an important destination for migrants. Newly created jobs in India are being filled by the growing domestic workforce, with many people migrating internally from rural areas to urban and industrial centres. The growth in the emigration rate from India is now slowing as the county has firmly established its upper-middle-income status.

The Gulf countries, once a major destination for Indian and other South Asian workers, are struggling to grow because of depressed oil prices. Consequently, the demand for foreign workers has fallen, in particular in the construction sector. There is still a relatively strong

demand for care workers. Migrant workers now represent about 20% of the population of the Gulf Cooperation Council (GCC) region, compared to over 40% in the 2010s. The fall in work opportunities in the Gulf has reduced flows of remittances to South Asian countries and changed household-level decision-making and strategies. People considering migrating now look more to growth poles in the Asian region or countries with linguistic or cultural ties, for example, preferring countries of destination where English is widely spoken.

The number of displaced people has increased further over the last 15 years as a result of tensions and conflict in states with large and growing young populations and environmentally stressed areas. The European Union has been unable to agree on a system to distribute refugees among all members and countries have reinstated border controls to regulate the free movement of people across the continent: the Schengen area (with its passport-free travel) was abandoned both in practice and as a political objective by the late 2010s. Individual member states are making asylum policy decisions unilaterally, with some countries taking on more of the burden than others. In South Asia, environmentally displaced people (for example from Afghanistan and Bangladesh) are also increasingly seeking refuge in other countries, including in India. However, India itself is facing environmental challenges, and historical tensions with some neighbouring countries mean that many humanitarian migrants have been blocked from entering the country, leading to a major crisis.

Scenario 2: SDG success

Back in 2015 countries came together to pledge themselves to the Sustainable Development Goals, a new agenda for global action. That pledge resulted in the concentration of political efforts and financial resources of governments, donors and other development actors including grassroots movements on a set of 17 goals to achieve by 2030. The goals were wide-ranging, spanning targets for poverty reduction and inequality, food security, health and well-being, education, gender, environment and resource use, economic growth, infrastructure, industrialisation and innovation, cities, consumption patterns, justice, and global co-operation.

Since then, there has been, and continues to be, a growing commitment to global norms and international institutions. Countries strive to co-operate to secure global public "goods" and mitigate global public "bads" and many policy issues are governed at the global level. A large number of international agreements are struck at the multilateral level, in organisations with global mandates. For example, trade agreements are predominantly negotiated and agreed on through the World Trade Organization (WTO), rather than through bilateral channels. International tax co-operation has helped to reduce tax evasion and avoidance, boosting the resources available for public spending.

While not all the goals have been fully achieved, huge progress has been made in the last 15 years. The progress towards per capita income convergence between countries has been significant thanks to high growth rates in most developing countries, especially low-income countries, and stable but relatively low growth rates in the advanced economies. Many countries that were classified as low-income in 2015 have joined the ranks of middle-income countries. These newly middle-income countries have consequently graduated from being eligible for Official Development Assistance, but have been able to access other forms of international co-operation and finance. Some of the middle-income countries of 2015 – such as China, Colombia, Costa Rica, Indonesia, Kazakhstan, Mexico, South Africa and Turkey – are now high-income countries.

The sources of this growth have been diverse. Freer global labour mobility has boosted global growth by 10%. Massive investment in infrastructure, including regional and trans-border infrastructure, has also improved the conditions for economic development in many areas that had previously been unable fully to participate in global trade and value chains – especially least developed and landlocked developing countries. Many of these countries were thus able to jump on the bandwagon towards convergence through their economic integration with prospering growth poles in Asia (led by China and India) and Africa (led by Nigeria). These growth poles greatly supported the success of the SDGs and thus the possibilities for most developing countries to move towards convergence. Some of the boost in economic growth also came through the greater participation of women in the labour force globally, as women's rights in relation to economic resources, access to ownership of land and other assets, were strengthened through legal reforms and effective public campaigns.

Youth bulges in many countries in the Middle East, sub-Saharan Africa and South Asia have emerged. Existing demographic trends of fast population growth were reinforced as the result of improved healthcare systems in many developing countries that succeeded in significantly lowering infant mortality rates. Thanks to enhanced family planning programmes and improved levels of quality education, especially of women and girls, fertility rates are now beginning to drop in these regions which will lower population pressures in the future.

The most impressive global development achievement has been to reap the demographic dividend in countries experiencing youth bulges. Most of these countries have created millions of new jobs both in rural and urban areas. While manufacturing sectors have experienced a boom in these regions, job creation has gone beyond manufacturing. Investment in physical infrastructure for the construction of mid-sized cities, basic services (water, sanitation, basic education, health and government) created many jobs in the more rural areas. The world is also increasingly interconnected (including through the Internet) and thus opportunities for knowledge workers with very flexible skill sets have been opened up. These workers are based all over the world, including in youth bulge countries, and often provide services remotely. The expanding field of green technology is also creating large numbers of jobs. This has helped to absorb some of the youth bulge that emerged over the past 15 years.

The challenge of ageing societies in Europe and in Brazil and China has been reduced as stable growth has allowed these economies to secure public goods and services. Growth and effective government systems in these economies have also reduced social pressures.

Many of the former middle-income countries, which in 2015 accounted for most of the world's poor, put greater emphasis on inclusive growth, virtually eliminating extreme poverty. While extreme poverty still exists, today it is confined to a relatively small group of low-income countries which are dogged by conflict, especially in Central and Eastern Africa (Central Africa Republic, Democratic Republic of the Congo, Eritrea, Somalia, South Sudan and Sudan). Latin American countries which had already begun to reduce levels of inequality in 2015 have by 2030 achieved much lower levels of inequality (on a par with levels of inequality in European countries back in 2015) thanks to progressive fiscal policies. Advances in technology, in particular inclusive innovation, that address the needs of people on low incomes, has helped lower inequality by improving access to key goods and services.

Because social and economic pressures in the Middle East, sub-Saharan Africa and South Asia are lower, there are far fewer conflicts today. Conflicts that do emerge are often de-escalated through effective international co-operation, leadership, diplomacy and

peacebuilding efforts. The threat of extremist groups globally has been fading. Nonetheless, conflicts in some African countries are proving more difficult to resolve.

By 2020 there was full implementation and enforcement of the Doha Declaration on the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), which affirmed the right of developing countries to use the provision in the agreement regarding flexibilities to protect public health. This has transformed the global health landscape. Low-cost, effective treatments for AIDS, for example, are now widely available, changing the fortunes of the millions of people affected by the disease worldwide. Intensified efforts of the donor community and foundations have meant that other communicable diseases, such as tuberculosis, have been virtually wiped out and co-ordinated actions on fighting antimicrobial resistance have led to good progress.

One of the biggest challenges over the last 15 years has been to achieve the goals relating to the environment in a context of strong economic growth in developing nations. A great achievement which helped to diminish further climate change has been the expansion of access to renewable energy sources. India, for example, succeeded in its goal of creating a country-wide dedicated transmission network for power from renewable energy projects, fed by a series of mega solar power projects. China is the world leader in climate technology and pioneered the development of batteries to store solar power. Many countries have also eliminated or phased out fossil fuel subsidies. Similarly, upgrading infrastructure, retrofitting industries to make them more resource-efficient, and adopting clean technologies and industrial processes helped alleviate some of the environmental strain and reduced emissions. Massively lowered local pollution in cities has supported people's well-being in the ageing world. Transnational grassroots movements have also had huge successes in influencing consumers' behaviour towards more sustainable patterns of consumption.

However, the environmental effects of climate change that were already in motion are changing lives and livelihoods. Many areas in sub-Saharan Africa, South and Southeast Asia are now considered uninhabitable as a result of either droughts or more frequent extreme weather events. Finding solutions to water scarcity has been difficult. The increased investment in rural development and agricultural research has therefore been focussing on drought-resistant or drought-adapted agricultural systems, although the scale of the challenge is large. Many countries have also been proactively planning for such an eventuality for the last decade. Governments in countries such as China, Indonesia and Viet Nam have been resettling populations away from high-risk areas in a managed way, supported by climate change adaptation funds raised through multilateral action.

Migration in this scenario

In line with the SDGs, migration is considered as a potential engine of development in both countries of origin and destination and in developed and developing economies alike. This has led to various multilateral arrangements that facilitate and foster the regular flow of migrants at all skill levels. The stock of migrants to global population has increased to above 4% with increased circular migration. Some of the migration-specific SDG commitments have been met. For example, the cost of remittances is just 3% globally, thanks to better co-ordination and regulation. This has freed up private resources that are now used for consumption but also productive investments. Transfer of skills across countries and regions is facilitated by international curriculum standards so that the particular country in which a person is educated and acquires professional skills is now less important. Welfare provisions

and pensions are largely portable across countries. In most countries, migrants have the same right to work, to education and access to healthcare as citizens.

To respond to some of the tensions that a more multicultural society can generate, governments are investing in social integration policies. Political leaders have used effective communication strategies to inform the public accurately of the economic, social and cultural contribution that migration can bring. These actions have allayed fears and eased the transition to more culturally heterogeneous societies. As a result, the welcoming culture in host countries has become more open and positive. In this way, coherent and well-managed migration policies have contributed to the process of global economic convergence.

As GDP per capita in low-income countries has been rising over the last years, emigration rates from these countries have also been rising. The share of global migrants emigrating from sub-Saharan African countries in particular – which formed the majority of low-income countries in 2015 – has therefore been increasing. This is being driven by several factors, including the changing demographics in Africa, with many countries experiencing a youth bulge; rising incomes meaning that people have more resources to finance their migration; and improved access to communication technology enabling more people to be informed about opportunities abroad, among others. Countries that were large and emerging in 2015 (e.g. China, India, etc.) now have upper-middle- or high-income status and the growth in their emigration rates has slowed. They are even seeing significant returns of their diaspora community.

With more open migration policies, flows of migration are determined largely by market forces, as migrants respond to variations in labour demand across the world. Countries also take proactive measures to attract migrants with the skills needed in their economies: jobs are advertised internationally, streamlined procedures make it easy for people to move from one country to another, and integration policies help people to settle in and feel part of the wider society. The issue of "transit countries" is no longer such an issue, as people can more easily travel directly to the intended destination country.

The share of South-South migration has increased, and in particular the share of global migration flows within geographic regions is much larger. However, in contrast to the world of "Slower shifting wealth", increased within-region migration is not a result of increased heterogeneity between front and late runners of economic development. As migration policies become more open, people take up temporary assignments in neighbouring countries, but tend to keep their country of origin as their home base. The costs associated with family disintegration – e.g. family separation, absence of parents etc. – that had previously been associated with migration are therefore lower.

Temporary work opportunities in other countries are the outcome of a work culture that is changing globally, where very specialised, but adaptable, skills may be used for a certain period and long-term work engagements are fading. People reskill themselves constantly, while developing a certain skill and work portfolio that can be put into action anywhere in the world. Moreover, with an increasing participation of women in labour markets globally, women's share in global labour migration has also been increasing. China is actively trying to encourage female immigration because of the gender imbalance in its population. Irregular migration has fallen around the globe thanks to more open and better managed migration policies that benefit from the use of advanced technological tools.

While there has been good progress in terms of economic convergence and social inclusion, pressures on the environment have increased, forcing people to relocate. Water scarcity in sub-Saharan Africa and South Asia has made small-scale farming there almost

impossible. Many people in those regions have been displaced and are looking for new economic opportunities in cities and neighbouring countries. These environmental challenges have put new pressure on irregular migration flows in certain localised geographic regions, but in general more open and positive attitudes towards migration prevent people from being contained in areas where sustaining a livelihood is no longer feasible. The proactive measures of governments to resettle populations living in climate-sensitive areas averted potential crises. Furthermore, "environmental refugees" now have legal status under international law facilitating international resettlement.

The global stock of refugees is at its lowest point since the 1970s, at around 4 million. There are few remaining refugee camps. Instead, greater emphasis is placed on finding alternatives to camps, including solutions in urban areas. Furthermore, 50 countries take part in The Office of the United Nations High Commissioner for Refugees' resettlement programme to grant permanent settlement to refugees who are not able to return home.

Scenario 3: Crisis with attempt for co-operation

In this scenario, the world is still recovering from a major global economic crisis which began in the 2020s. Unlike the 2008/09 crisis, the origin of which was in developed economies, in particular the United States, this time the crisis originated in emerging economies. Given these economies' large weight in the world economy, the crisis had implications for the rest of the world. It began with the bursting of asset price bubbles, leading to a severe financial crisis which spilled over into the real economy. High levels of corporate debt in emerging economies became unsustainable and led to large capital outflows. This created problems for these countries' balances of payments and debt repayments and led to a significant economic crisis. Even though the crisis started in the developing world it had major effects on financial markets and the real economy in developed countries because of their great financial exposure in these countries, their fragile and overleveraged financial markets and their significant economic integration through foreign direct investment (FDI) and global value chains.

The crisis affected global trade, investment and consumption. Commodity prices have continued to stay low over the last 15 years, something that has created significant challenges for currency stability in countries reliant on commodity exports, such as Australia, Brazil, Canada, the Russian Federation, and many African countries.

The worst effects of the crisis were felt in developing and emerging countries. China's economic development was pushed back and so was its re-emergence as a global economic power. Today it seems far from regaining its position as a lead exporter of both lower and higher value added products and services. Beyond the challenges related to the economic crisis, livelihoods are seriously under pressure as a result of serious water shortages in some of its most populated north-eastern regions. Many countries in Africa, Latin America and Asia, but also some resource-rich developed countries such as Australia and Canada suffered a lost decade of stagnant or negative growth in the 2020s. Many people's livelihoods came under pressure in the developing world. A large proportion of the billion people living just above the poverty line in 2020 is now living in poverty.

In addition, many developing countries are dealing with huge youth population bulges, especially in the Middle East, Africa and South Asia. Environmental challenges such as droughts and floods have intensified in those regions. The accumulation of all these challenges has resulted in severe armed conflicts in many African countries as well as in South Asia.

The wage gap between advanced economies and developing and emerging economies is growing rapidly. In contrast to the great recession starting in 2008/09, during which emerging and developing countries recovered relatively quickly and many advanced economies suffered crisis legacies several years after the start of the crisis, most advanced economies recovered relatively fast from the 2020 crisis. This recovery has largely been credited to the important structural reforms and other policy steps implemented after 2010. The United States has regained its position as the biggest economy in the world, with a more stable Europe in its shadow.

Technological advances and the speed of automation have slowed with the crisis and thus economic growth in advanced economies is moderate. Moreover, growth markets in most emerging economies have to a great extent disappeared, also lowering prospects for fast economic expansion in advanced economies.

Social pressures in advanced economies intensified during the economic crisis because unemployment rates increased temporarily, but social inclusion was quickly re-established and today is not a major issue. This has partly been built on a stabilisation of sectors relying on low-skilled labour that no longer face competition from emerging markets. Also, social security systems had been renovated before the crisis and their sustainability has been proven during the recovery process.

By contrast, the crisis in developing economies has resulted in serious social instability. Populations that had benefited from two decades of relatively strong, constant growth quickly turned against their governments. This led to regime changes in many developing economies. In other developing countries, revolutionary movements have been met with heavy government crackdowns.

Just as the 2008/09 global economic crisis led to increased international co-operation, particularly the emergence of the G20 and its successful financial market stabilisation, the aftermath of the 2020 crisis also led to an increased attempt for global co-operation and co-ordination. However, in the latter, this co-operation among global powers was reduced to advanced economies, mostly the G7. US leadership was crucial in rallying G7 members to shore up the global system and provide support to China and other developing countries in deep crisis, convincing an initially sceptical public back home that such actions were in the interests of everyone. New agreements between advanced economies have also emerged. For example, the Transatlantic Trade and Investment Partnership (TTIP) between the United States and the European Union was signed five years ago, in 2025.

Economic and geopolitical co-operation among emerging and developing nations weakened, after it had gained some momentum in the 2010s. For example, institutions that emerging economies had developed to counterbalance traditional international organisations to affirm their increased relevance in global governance have scaled back their operations considerably.

Migration in this scenario

Migration pressures have increased over the last 15 years with low or negative growth in developing economies and moderate growth in the richer world translating into economic divergence and a growing wage gap. The demographic dichotomy between an ageing developed world and the youth bulge in many developing economies in sub-Saharan Africa and Asia have also increased migration pressures.

Increasing poverty in the developing world has had ambiguous implications for migration. On the one hand, it has led to increased pressure because people want to leave, but on the other, people have less money to pay for migration. Which force has prevailed has varied between countries and regions. Migration between countries within developing regions affected by the financial crisis has been reduced, including international student migration. China has seen a rapid increase in emigration following the crisis. Overall, the share of migrants of total world population has not increased much from the 3.3% in 2015, in spite of increased pressures. The number of refugees, however, has increased dramatically, with periodic peaks in refugee flows resulting from the outbreak of armed conflicts.

With the attempt for global co-operation to re-establish the global system after the 2020 crisis, many developed economies in Europe, Asia and North America engaged in bilateral agreements on selective migration at all skill levels to reduce some of the challenges related to their ageing societies. In fact, it has been empirically proven that recent inflows of migrants have considerably supported economic growth. Nonetheless, these countries have not been prepared to absorb large numbers of migrants. Bilateral agreements often stipulate that migration flows should be circular – with workers travelling back and forth between home and host countries according to the labour demand. Protecting jobs of domestic workers is a priority. Developing country governments, however, are actively promoting emigration and are keen to negotiate bilateral deals with advanced economies in the hope of boosting flows of remittances.

Given the poor economic climate in most developing regions, the proportion of migrants moving to low- and middle-income countries, whether from other developing countries or from advanced economies, has decreased. Many migrants who had been working in developing countries before the crisis have returned home, but have found little support to reintegrate into local labour markets. The supply of migrants from developing countries has increased. From the perspective of Middle Eastern, African and South Asian countries, the pressures related to their youth bulges could not be significantly lowered, despite some outflows to Europe and other developed economies. In fact, bilateral agreements with developed countries mostly made possible the selective migration of skilled people and thus these and other developing economies have experienced a wave of "brain drains", further slowing their recovery from the crisis. Some skilled migrants with sufficient resources adopt a "two-step strategy", moving to relatively more prosperous countries within their region before trying to move to work in a high-income economy in Europe or the United States. In Africa, the African Union has taken on the role of trying to help countries co-ordinate and better manage migration flows within the continent. Outflows of migrants from China and Latin American countries have also increased, and the United States, where there are large diaspora groups, remains their preferred destination. The United States remains the largest destination country for migrants globally.

Over the past 15 years, the number of refugees has more than doubled. In crisis-hit countries, social disruptions and challenges to people's livelihoods have fuelled the rise of extremist groups, led to violent government reactions against uprisings, and precipitated outbreaks of fighting. This development, combined with huge environmental stress, including droughts and other natural disasters, has led to many more people being displaced in developing countries. While many people have been internally displaced, the level of cross-border refugees has also increased. Rather than a steady increase over the last decade and a half, this phenomenon is marked by sudden, large population movements across borders in response to specific episodes of violence and conflict.

Leaders in advanced economies have engaged in impressive co-operation to deal with this humanitarian challenge. An international fund was established to which advanced countries contribute on an annual basis, in order that the necessary funds are available to support refugee populations and their initial countries of refuge (often neighbouring, developing countries) during peaks of refugee flows. Countries have also put in place systems to redistribute refugees, taking into account destination countries' populations, gross national income and other economic factors such as unemployment rates. This humanitarian mechanism is combined with skills-matching schemes designed to fast-track refugees with skills demanded by host countries. The multilateral agreement has its origins in the commitments made among EU members in the late 2010s, but now extends to all major advanced economies including Canada and the United States. The integration of refugees into their host countries is aided by full and speedy access to labour markets for those of working age, and access to schooling for their children.

Scenario 4: Rapid automation and conflict

In this scenario, global co-operation is near breaking point. Countries fail to reach new multilateral agreements under organisations such as the World Trade Organisation, and some existing agreements are routinely flouted or even abandoned. The relevance of international organisations is fading. Protectionist policies are widespread. More restrictive migration policies and an ageing society in developed and some emerging economies have triggered profit incentives to automate production processes. Developing countries are not automating. Because of the lack of opportunities for people to improve their lives many new and military conflicts emerge.

Rapid automation in high-income countries (which now include China) has led to significant job losses in many sectors in those countries. Automation has boosted productivity and thus accelerated economic growth in advanced economies, but this growth has been largely jobless or where there have been new jobs created they are biased towards very high skills. The use of robots, 3D printing, artificial intelligence, data analytics and the Internet of Things is becoming widespread. Automation is not only replacing lower-skilled jobs (e.g. in transportation/logistics, production and administration), but also high-skilled activities (including jobs in management, science and engineering, the arts, and the legal and medical fields). For example, solving a legal case or diagnosis based on a patient's symptoms is now increasingly done through "big data analytics" – applying powerful computer programmes to very large data sets. China is at the forefront of the automation revolution and invests heavily in new technologies. Even the care sector in China is increasingly automated, whereas there is more resistance to this change in other advanced economies, particularly the United States and Europe.

Advanced countries are therefore going through a painful period of adjustment. Workers are struggling to adapt given the speed of the automation process, which has been faster than previous technological revolutions which altered the jobs landscape in the past. As a result, most people whose jobs have been automated have failed to adapt fast enough and find it difficult to make a living. Some new jobs have emerged, but overall there are not enough new jobs to allow everyone to be employed. There is some demand for traditionally produced goods and services (e.g. traditionally produced agricultural goods), which has led to a re-emergence of some jobs for mid-level skills, but even many highly skilled people are unemployed.

A by-product has been soaring inequality which has not been reined in due to a failure or unwillingness to use potential policy levers. A small portion of people have captured the wealth created by automated processes. The rest make a living in a very marginal economy. With less fiscal revenue because fewer people are earning wages, and at the same time more people in need of social security support (both old and working-age people), government debt has accumulated unabated and is unmanageable. Governments struggle to finance pension and other social security systems. As a result, social unrest and protests against major corporations and the government are commonplace. Some advanced economies have tried to address this issue by introducing a guaranteed minimum income, financed by a tax on capital, but there are doubts about the efficiency and sustainability of this policy as there are signs of capital flight to countries which do not impose this tax.

The situation in newly emerging, middle-income countries is different. These countries protect their emerging markets from the automated world with discriminatory measures and thereby manage to develop new and non-automated value chains to serve regional and domestic markets. These countries are trying to catch up on the technological and productivity ladder with more advanced countries and are able to create many jobs at all skill levels. In those countries, there is some degree of automation, but to a much lesser extent.

By contrast, in many developing countries, the automation process has been much slower. These countries are therefore no longer competitive, even in low-cost, low value added sectors in value chains linked with the automated, developed world. Many activities that had been off-shored are now done by developed country firms again. There is still room for traditional economic activities, but goods and services produced by people typically serve the domestic consumer market and neighbouring markets. They may also increasingly be integrated in new, more regional value chains with emerging countries. Despite some limited opportunities, these economies are growing at a much slower rate than advanced economies and average per capita incomes are even diverging from those of fast-moving developed and automated countries. Jobs have not been created fast enough for the rising working-age population. This challenge is greatest in African, Middle Eastern and South Asian economies which face a bulge of young people entering the labour market with very limited prospects of finding decent work and improving their lives.

Environmental pressures, particularly droughts, have made life yet more difficult for people in developing countries, especially those still living in rural areas. A lack of international co-operation and solidarity with those affected has worsened the consequences of environmental changes. It has become almost impossible to survive as a subsistence farmer in many countries in sub-Saharan Africa, some parts of North Africa, India and Pakistan. Pandemics are also frequent and severe, as appropriate medication cannot be accessed. Millions of people have died due to famines and pandemics in the last decades.

The lack of opportunities for people to improve their lives is fuelling conflict. Extremist groups have gained influence in many of the most challenged developing countries as they can more easily recruit people whose alternatives and life prospects are limited. This has led to new armed conflicts in more than 20 countries in Africa and Asia since 2015. Western countries intervene in these conflicts when access to resources is in jeopardy. They use sophisticated artificial intelligence warfare systems and drone attacks, rather than risk putting troops on the ground. The real security threat for heavily tech-dependent advanced economies is now cyber-attacks, rather than traditional warfare.

Migration in this scenario

More restrictive migration policies in an increasingly xenophobic and generally less co-operative world combined with an ageing society in advanced and some emerging economies have increased firms' incentives to automate production processes. Increased inequalities as a result of automation in the richer world have further fuelled anti-migration sentiment. The total stock of migrants to global population falls below 3%.

The share of global migration from developing countries to advanced economies is falling. Although many people in developing countries have aspirations to migrate, their limited financial means prevent them from being able to turn this aspiration into a reality. Aggravating this situation, the economic context in the wealthier economies is reducing the demand for labour. Immigrants are competing for the same, shrinking number of jobs as native workers. As a result, and aided by increasingly effective hi-tech border security, both regular and irregular migration flows into developed countries have been reduced significantly. However, the share of irregular total migration flows has increased. Migration of care workers from developing to ageing developed economies (especially into the EU) has increased. Similarly, highly skilled foreign people working in programming and data analytics are increasingly recruited in advanced economies. More open migration policies narrowly targeting this type of highly skilled worker are common, while very restrictive quota systems regulate flows of lower skilled workers. Advanced economies tend to set migration policies unilaterally, rather than trying to reach bilateral or regional agreements.

The journeys of humanitarian and economic migrants attempting to enter developed countries often end in detention camps, frequently located in developing countries that border developed countries, and financed by developed countries. Applications for asylum or visas to reside and work in the desired destination country are processed slowly, and very few people are granted the right to enter. International resettlement programmes for registered refugees have effectively ceased to exist. Developed economies also give advanced border control technologies to countries that would otherwise be transit countries for large numbers of migrants, essentially extending their border control measures beyond their sovereign territory.

The share of migration between developing countries, however, has increased over the last 15 years. The poles of attraction within developing regions are those countries that are conflict free, have still relatively low levels of automation, and where there are no pandemics. These new, emerging economies attract people at all skill levels, particularly highly specialised technical experts, as firms in these countries aspire to catch up with the levels of automation taking place in advanced economies. The relatively limited capacities of national administrations, combined with a lack of international co-operation on managing flows, mean that an increasing share of migration is irregular.

In addition, skilled workers displaced by automation in advanced countries are increasingly migrating to the new emerging economies in developing regions. In these cases, migration patterns reflect historic cultural or linguistic links between countries and can be seen as a reversal in the traditional direction of migration: for example, workers from Portugal seek opportunities in Mozambique, Spanish workers go to the Dominican Republic and Dutch workers establish themselves in Indonesia. These regions in the process of automation have increased their capacities for higher education, particularly in technical fields, and are investing to attract talented foreign students.