



**LaMP**

Labor Mobility Partnerships

# **GFMD 2020: Migration Lab**

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# What I am going to do

- Motivation of the need to create capability to manage and facilitate migration, with an eye to development
- Introduction to an approach and set of techniques for creating the capability to solve complex problems: PDIA (Problem Driven Iterative Adaptation)
- Outline of the rest of the day

## Why migration and development: two big facts about the world economy and its future

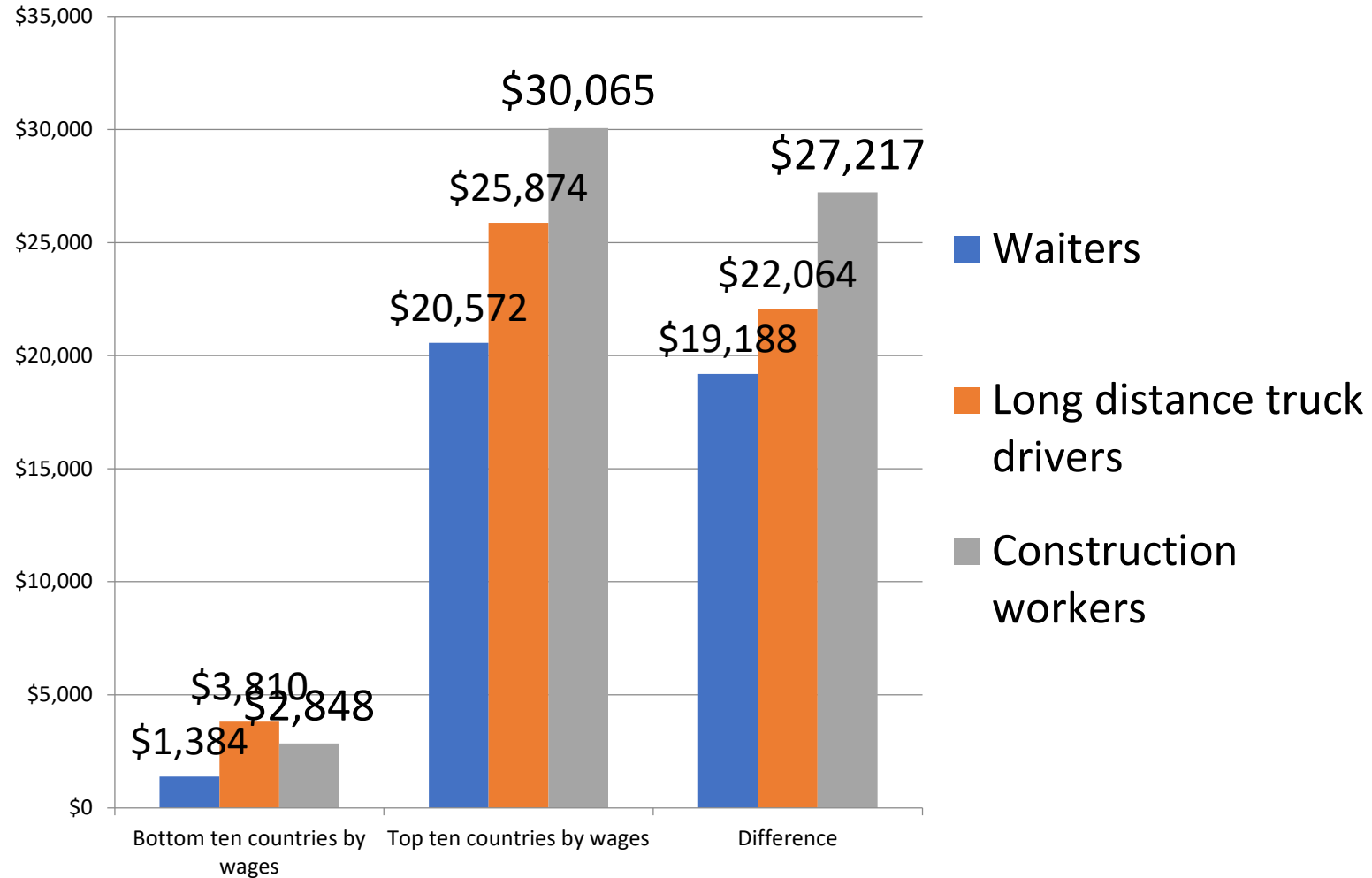
First: There is a massive “place premium”—*all* factors of production (capital, resources, and people) are far more productive in some places than in others and that productivity gap is not closing (very fast). This implies that wages *for exactly the same person* are much higher in some places than others *because that person is more productive in a productive place*

Second: Over the next 30 years there is going to be a massive demographic shift in the rich industrial world and the ongoing birth dearth is leading countries into unprecedented labor shortages...while in other parts of the world (not all) there is going to be continued growth of a labor force that will be very hard to employ productively.

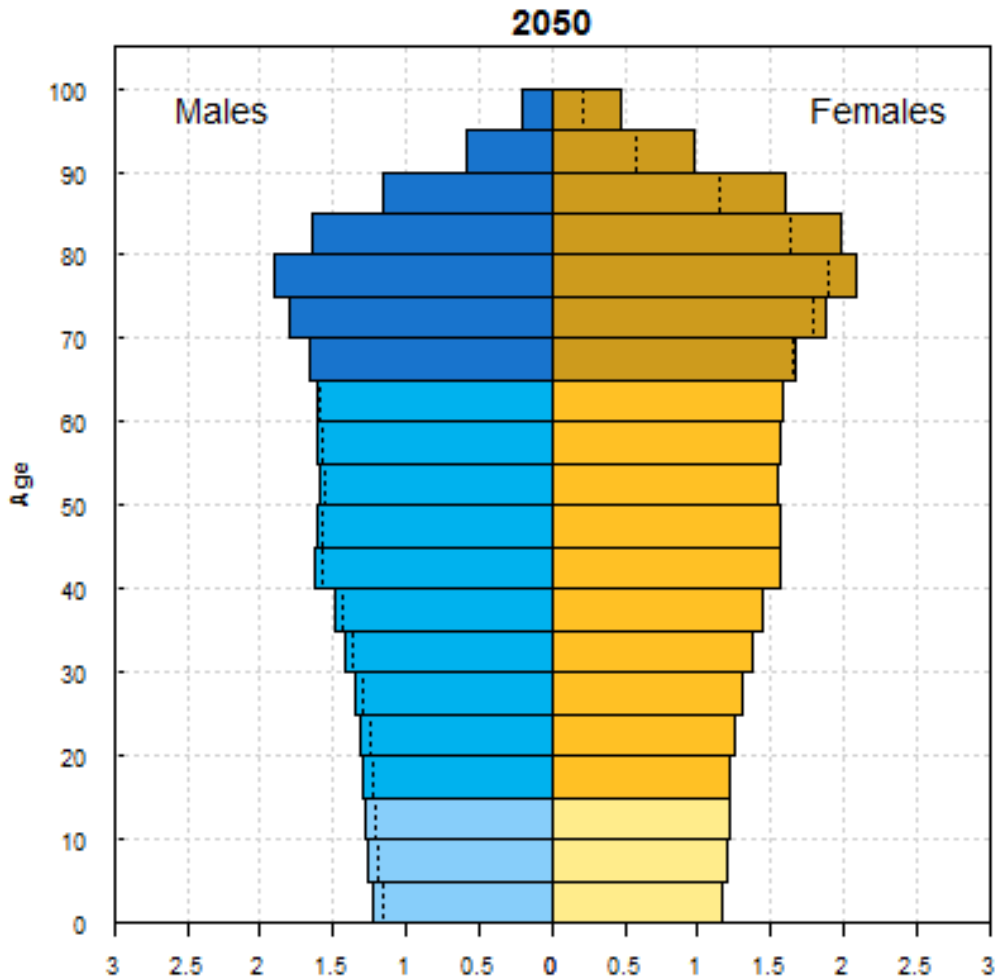
The typical gain in wages (in comparable purchasing power) for low-skill workers moving to the USA is around \$15,000 per worker per year...because they are more productive in a high productivity place

Country	Annual income of low skill worker in the US, \$/hour in 2000	Upper bound (using Altonji-Oster adjustment for selectivity) estimate of the annual wage in home country (adjusted for PPP) of the same, equal productivity, worker	<b>Gain from labor mobility for a low skill worker</b>
Yemen	\$23,042	\$1,408	\$21,634
Nigeria	\$18,689	\$1,186	\$17,503
Egypt	\$20,739	\$1,712	\$19,028
Cambodia	\$24,026	\$2,626	\$21,401
Vietnam	\$19,820	\$2,624	\$17,196
Cameroon	\$21,348	\$3,395	\$17,952
Sierra Leone	\$18,459	\$2,944	\$15,514
Ghana	\$20,179	\$3,238	\$16,941
Indonesia	\$21,194	\$3,423	\$17,771
India	\$23,846	\$4,021	\$19,825
Unweighted average (total for population) of 10 countries with largest wage gap	\$21,134	\$2,658	<b>\$18,476</b>

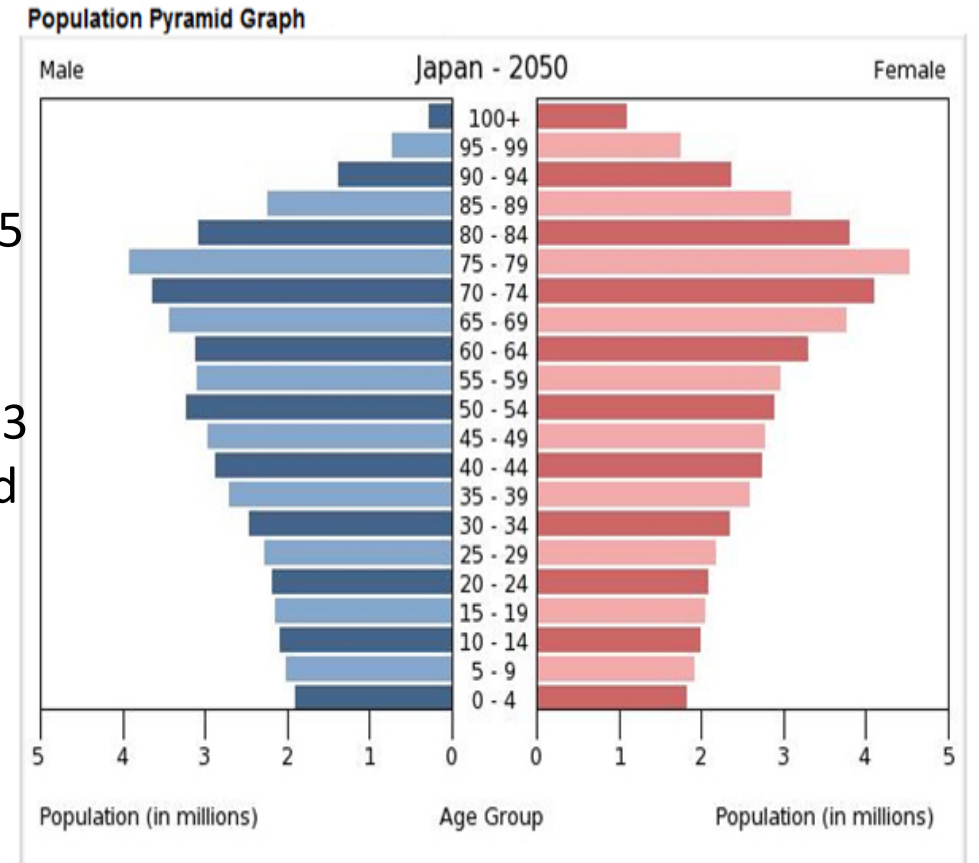
# The absolute wage gaps between high wage and low wage places are higher for more skilled workers



This is a phenomena the world has never seen at a country scale: More old than young, by substantial margins



Labor force aged (15 to 64) to 65 plus in Zero Migration UN Scenario falls to 1.33 and 1.37 in Italy and Japan



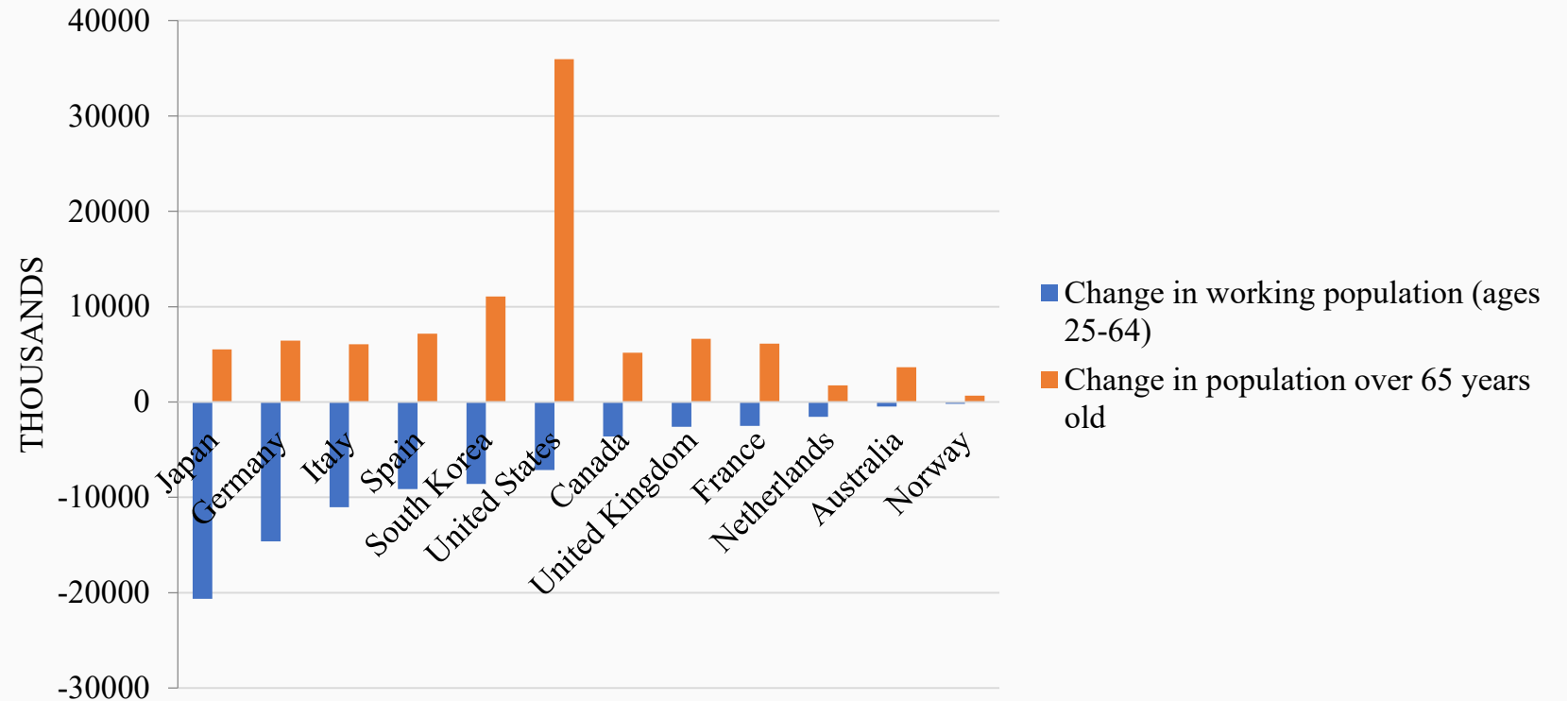
# Irresistible Force #1 – The working age population in most OECD countries is declining but the number of elderly is growing

By 2050, OECD countries will

**1** Lose more than **82 million workers** in total

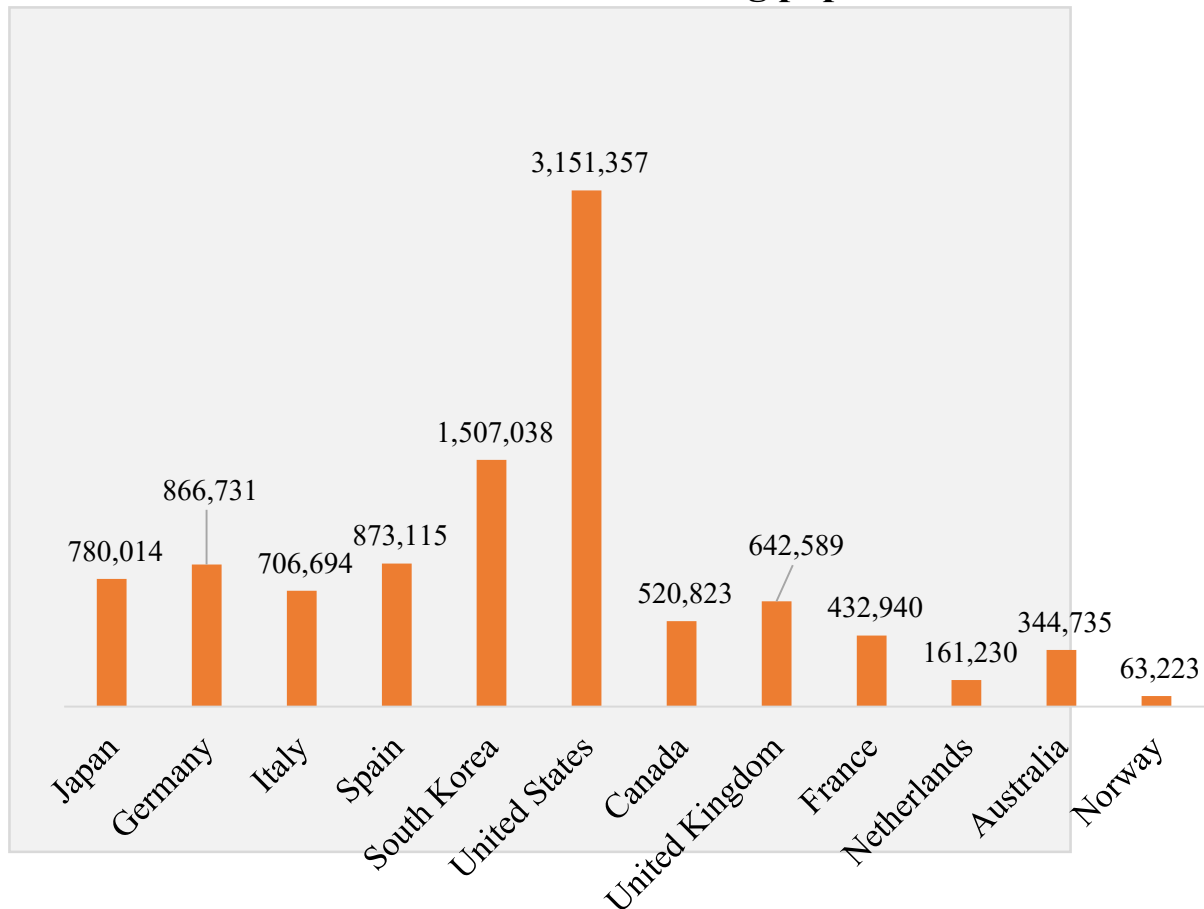
**2** Gain more than **96 million old individuals** (65+)

**A shrinking share of youth:** The change in total and working population (2015-2050)



# Irresistible Force #1 – and millions of workers are needed annually to balance the growing ageing population

Migrants needed per year between 2020 and 2050, to keep the same ratio of working population-to- 65+



Migrants needed per year (in these OECD countries):

+10 million migrants

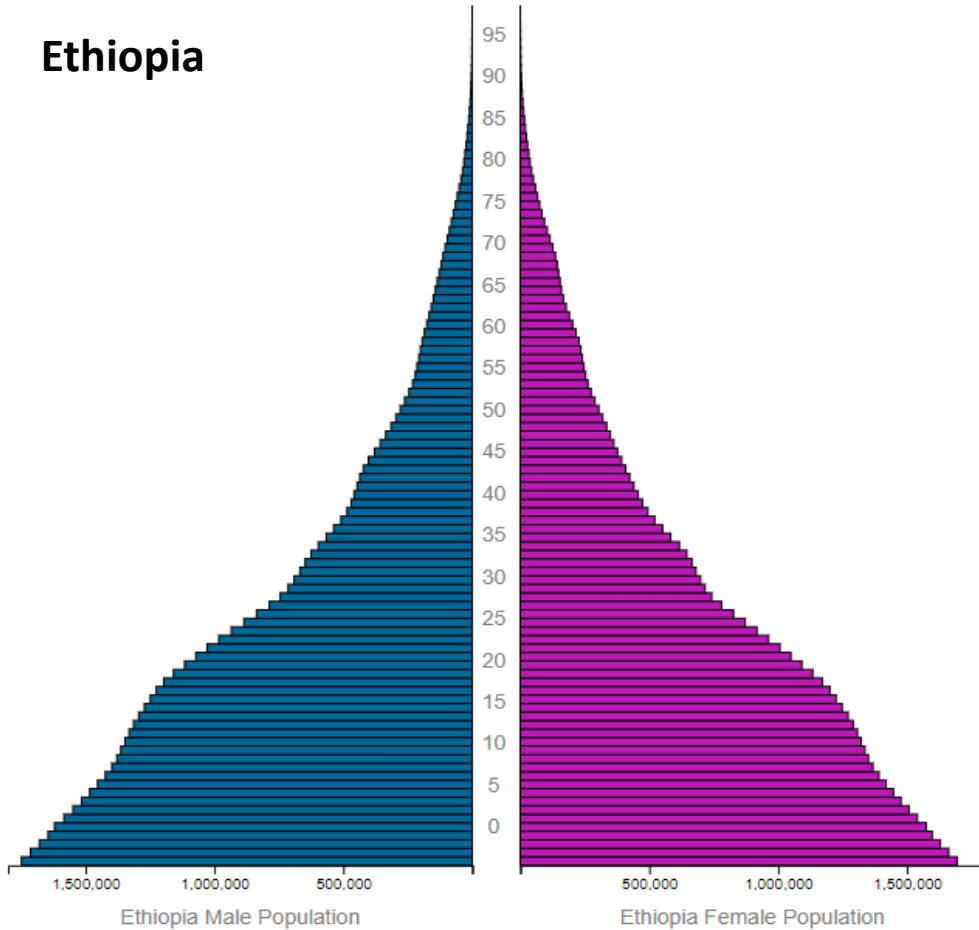
Total migrants needed between 2020 and 2050:

**+300 million migrants**  
(double the current global migrant population)

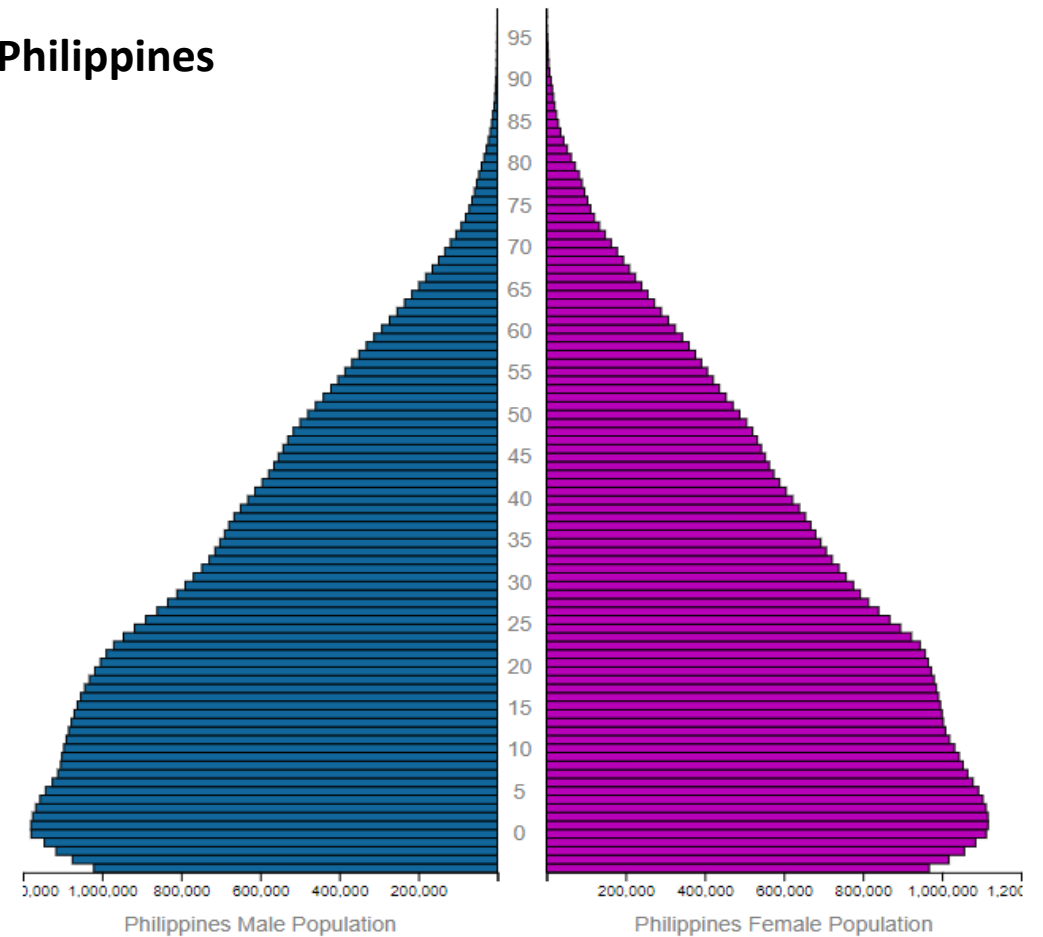


# Meanwhile, most developing countries have a growing youth population

**Ethiopia**



**Philippines**



Combine these two facts as there are massive potential gains from greater movement of people across national borders

- If there are 300 million more people in the OECD by 2050
- ...and each of these is producing \$15,000 more per year in the high productivity place
- ...This adds 4.5 *trillion* to global output (Germany is the world's fifth largest economy and its *total* output is 4.5 trillion, total new vehicle sales are less than 4.5 trillion)

But these future gains from migration are not inevitable...the future *of* migration depends on building capability to make the movement of people safe and reliable

- “more” mobility of people across national borders will need movement that is better for all parties: movers, people in receiving countries, sending governments, receiving governments
- The industry of moving people *can* be an industry for good and a good industry (but can also be exploitative and abusive)
- What is needed: An international, pluri-lateral, association and partnerships of people who move people with the capability to create more and better mobility...a safe and reliable industry

To move from possibility to scale requires create an array of organizations with capability—in the public and private sector—to create a safe and reliable (and regulated) industry



Potential: Kitty Hawk in 1903



4.4 Billion passengers traveled in 2018

From Possible Future to Realized Scale requires the creation of lots of organizations, themselves embedded in networks, associations and partnerships, with an array of capabilities embedded in knowledge and practices to create a safe, reliable and beneficial industry



22.7 trillion kilowatt hours consumed in 2017

PDIA (Problem Driven Iterative  
Adaptation) as an approach to *building  
capability of (state) organizations* by producing  
results

# Four Principles of PDIA (Problem-Driven Iterative Adaptation)

1. Local Solutions for Local Problems
2. Pushing Problem Driven Positive Deviance
3. Try, Learn, Iterate, Adapt
4. Scale Learning through Diffusion

# Local Solutions for Local Problems

- Good problems
  - Agenda for action focused on a locally nominated (through some process) concrete problem
  - Not “solution” driven that defines the problem as the lack of a particular input (e.g. “teacher qualifications”) or process (e.g. “EMIS”)
  - Rigorous about *measurable* goals in the *output/outcome* space (e.g. cleaner streets, numbers of new exports, growth of exports)—can we know if the problem is being solved?

# Examples of “problem driven”

## **Compliance Driven**

- Enforce existing regulations on workplace safety
- Hire teachers with required qualifications
- Comply with procurement regulations

## **Problem Driven**

- Reduce fatalities/accidents at work places
- Attract and retain teachers who help student progress
- Buy things effectively



# Pushing Problem Driven Positive Deviation

- Authorize some agents (not all) to move from process to flexible and autonomous control to seek better results
- An “autonomy” for “performance accountability” swap (versus “process accountability”)
- Only works if the authorization is problem driven and measured and measurable... increase the ratio of “gale of creative destruction” to “idiot wind”

# Policy Makers

Design policy based on global “best practice”

# Organizations & Agencies

Implement according to local constraints

Rent Seekers

Bureaucrats

Innovators

Policies include process barriers to prevent malfeasance

Process controls also prevent positive deviations

Space for Achievable Practice

Process Controls

Process Controls

Lower Outcome

Outcome

Higher Outcome

# Policy Makers

Design policy/project to allow designated innovators to search for local "Best Fit"

Internal authorization of positive deviation

Rent Seekers

Bureaucrats

Designated Innovators

Process Controls

Space for Achievable Practice

Process Controls

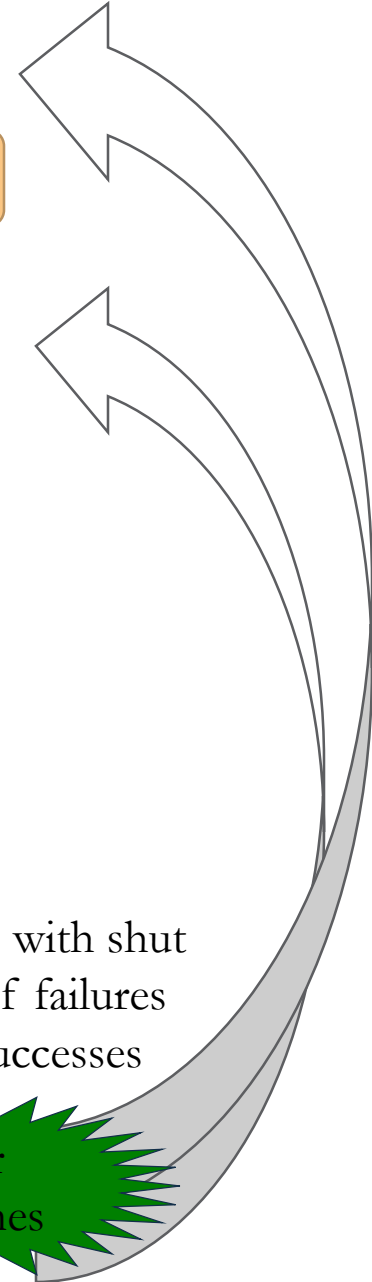
Policy Deviations

Feedback on Outcomes with shut down or modification of failures and/or replication of successes

Worse outcomes

Current outcomes

Better Outcomes



# Authorizing positive deviation

- Allow flexibility in methods against specified and agreed to problems
- “Fence breaking” activities that allow deviations from process controls for designated activities
- Rapid feedback loops to search over design space

# Try, Learn, Iterate, Adapt: It's all about MeE

- *Monitoring*: mainly internal, about inputs and process controls (e.g. was budget spent against acceptable items in acceptable ways)
- *Experiential learning*: Using the process of implementation itself to provide as tight as possible feedback loops on implementation
- *Impact Evaluation*. Evaluation (of the Big E type): mainly ex post, able to focus on *outcomes* and outputs and tell “with and without” project... with a longish time lag for a specific element of the design space

# Crawling the design space: Purposeful muddling through

## MeE

- *Strengthen* monitoring on outputs and outcomes (where possible)
- *Structured experiential learning* feeds back into real time management and changes in implementation
- *Impact Evaluation* is a supplement to this learning strategy

## This is not current practice...

- Monitoring is often about process compliance and inputs (disbursements)
- There is learning, but informal, on sparse data, and without specification of alternatives.
- “Impact evaluation” as the dominant mode of organizational learning is too expensive, too slow, too few and when “independent” doesn’t build organizational capability

# Scaling of better practices through diffusion

- “Cannot juggle without the struggle” or “only learning is learning”
- If we want to increase organizational practices by agents in complex practices then agents have to willing adopt practices as acknowledged to be better
- “Communities of practice” evolve “standard of care” in an evidence based “thick accountability” mode (e.g., not “top down” or “rigorous”)

# Outline of the rest of the day

- Goal is to work through a taste of the process of PDIA by working through concrete exercises from the PDIA toolkit.
- Session II: Problem construction and deconstruction
- Session III: Triple A analysis (Authority, Acceptance, Ability)
- Section IV: Getting underway crawling the design space
- I am not selling PDIA (it is free anyway) specifically as there are other similar frameworks for getting to success (that, reassuringly, share many features)—ours is focused in public policy (rather than private sector)—but there are many ways to fail at solving complex problems and one needs a structured approach.



## Rest of this session

- Raffaella Greco Tonegutti, ENABEL, Belgium will describe ENABEL's experience of successfully navigating the partnerships process to build a Global Skills Partnership between Morocco and Belgium (20 minutes)
- Rebekah Smith and Zuzana Cepla, LaMP (20 minutes) describing how we will do the rest of the day