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Migration is development: how migration matters to the post-2015 debate

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Today, more than a billion people rely on international and internal migration to escape poverty and conflict, adapt to environmental and economic shocks, and improve the income, health, and education of their families. Annual remittances to developing countries alone approach $500 billion, triple the amount of official development assistance (ODA), while potential savings from reducing migration costs could be of a similar scale. The debate on the post-2015 development agenda has only just begun, but the critical and positive role migrants are playing in shaping the twenty-first century is already being recognized. This marks a sea change from the days when migration was seen as a failure of development, with migrants perceived as burdens rather than as engines of poverty reduction. This awareness now needs to be harnessed by governments: policies that lower the costs of migration, eliminate discrimination against migrants and protect their rights can reap even bigger gains for development.

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Introduction

In early June, a task force appointed by Secretary General Ban Ki-moon to deliberate on the next generation of Millennium Development Goals (MDGs) delivered its verdict. For the first time in the MDG debate, migration was formally recognized as an important factor in development. Now, the international community needs to go further by identifying the specific actions governments can take to amplify the trillion-dollar impact of migration on development.

An estimated 214 million international migrants and approximately 750 million internal migrants – nearly a billion people in total – rely on migration as an effective and immediate strategy to reduce poverty, escape conflict and improve prospects for their families. The ability to move from a poor place to a rich one almost always leads to far higher incomes for migrants themselves. This income, in the form of remittances sent back home, also helps family members to enrol in school, to see doctors, to start new businesses, and to install running water and electricity in their homes.

These remittances, moreover, are incredibly resilient: in 2009, in the wake of the global financial crisis, they fell just 5%, compared to a collapse of 89% in foreign direct investment. And when a crisis such as a conflict or natural disaster strikes their

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communities of origin, migrants tend to *increase* the amount they sent home, thus making remittances a vital shock absorber.

Human mobility benefits not only migrants and their families, but their countries of origin and destination as well. Migrants fill critical gaps in labour markets, be it as doctors and nurses who support our health systems, as construction workers who build the infrastructure undergirding our economies, or as domestic workers, nannies and health aides tending to the very young and the very old in our homes. Meanwhile, the flow of foreign currency to remittance-receiving countries helps support the balance of payments; this makes it easier for countries to pay for critical imports, gain access to capital markets and pay lower interest rates on sovereign debt.

The money migrants send home, the taxes they pay, the funds they invest, the trade they stimulate, and the knowledge and technology transfer they stimulate – all this adds up to trillions of dollars in impact on the global economy.

Migration seized our attention as a development issue a decade ago thanks to the World Bank's efforts to quantify the volume of remittances. Today, remittances sent through official channels to developing nations alone amount to $401 billion, triple the total of all overseas development aid combined. If you consider that hundreds of billions more that flow through unofficial channels – bus drivers bringing stacks of cash from Greece to Bulgaria, for instance – then the impact is far greater. And remittances are expected to grow at an 8% clip in the coming years.

Yet, migration also has significant costs, ones that constitute a new frontier for action by states and other stakeholders. If states pursue smart policies and cooperate more closely with each other and other stakeholders – especially employers – they can help to dramatically lower the economic and social costs of migration, while increasing its gains and protecting the rights of migrants.

States can work together to lower the exorbitant fees migrants pay to recruitment agencies and for travel and work documentation – all told, these amount to tens or hundreds of billions every year. States can develop systems to allow the credentials of migrants to be recognized across borders, so that their skills and talents are not wasted. They can cooperate to ensure that when migrants return home, they do not lose the social security benefits they have earned while working abroad. Common action, meanwhile, can eliminate the discrimination and rights violations that millions of migrants face, and mitigate the effects of the long separations from their families that many migrants experience.

No other force – not trade, not capital flows – has the potential to transform lives in the sustainable, positive ways and on the scale that migration does.

Governments v. bad actors

The June report by the Secretary General's so-called High-Level Panel was a critical milestone in a decade-long effort to elevate global awareness of migration's role in development. Kofi Annan launched the campaign with his calls for the UN system and member states to take on the challenges created by international migration – which he rightly called one of the great issues of the 21st century. He saw migration as a litmus test of the UN's relevance in the world.

Today, it has become a bellwether of whether we can generate a post-2015 development agenda that genuinely reflects the forces shaping our world and the true desires of individuals – rather than the far narrower interests of states and of development stakeholders. The freedom to move within and across borders in pursuit of security and a better life is a symbol of our commitment to the reduction of poverty and the elevation of individual liberty. When these are restricted or denied, it speaks volumes about the nature of governments and the ability of the international community to advance development.

The truth is that far too many of the gains from migration, rather than accruing to individuals or communities, are being reaped by a rogue's gallery of scoundrels: global criminal mafias, human traffickers and smugglers, venal recruiters and money-transfer operators, and exploitative employers. Worse, not only are we allowing these bad actors to take hundreds of billions from migrants and governments – that would be bad enough – but in doing so they are trampling the basic human rights of migrants. (So, too, are many states.)

The success of those who illegally or exploitatively ply the migration trade depends on the failures of governments. As such, migration is not only a symbol of human liberty and an engine of economic growth for individuals; also stands as a test of good governance, one that applies to virtually every government in the world. Surely, the international community can forge a plan for action that targets such law breakers, while also reasserting the relevance of the rule of law, the effectiveness of governments, and the currency of development planning?

Put another way, migration strikes all the themes that the task force appointed by Ban Ki-moon declared should be addressed in the post-2015 development agenda. It is relevant to almost all countries. It promotes sustainable growth, jobs and resiliency. It speaks to the needs of individuals. It must be addressed not only nationally and internationally, but also regionally and locally.

Kofi Annan's early conviction about migration already has paid dividends – thanks as well to the commitment of Secretary General Ban Ki-moon to maintain an intense focus on the importance of the issue.

States are deepening their cooperation to solve migration-related challenges. Common action has nearly halved remittance costs to an average of 7% since the turn of the millennium, liberating tens of billions of dollars every year for families in some of the poorest parts of the world to invest in health, education and the growth of small businesses. New norms are being put in place, as symbolized by the Domestic Workers Convention that takes effect in September and creates the potential for an estimated 50–100 million home workers (mostly migrants) to be protected under national labour laws. Some countries, meanwhile, have been mainstreaming migration into national development strategies, while also making more vigorous efforts to protect their workers abroad.

But, we have a long way still to go.

What we know about migration & development

The authors of the original MDGs did not pay any heed to migration – an understandable omission since, at the time, there was not enough data on migration's impact. Migration is a vast, cross-cutting issue that cannot be easily reduced to quantitative goals and targets; it has taken time for experts to capture and analyse the necessary data. Today, we have far clearer insights into its effects – more than enough on which to build a robust set of policies to amplify them.

Remittances have offered us a data-rich, measurable way to analyse the development effects of migration, thanks in great measure to the work of the World Bank. Specifically, we now know the many ways in which migration contributed to the existing MDGs – even though its role was not formally acknowledged. Here is a sampling of the data compiled by the World Bank as it relates to the eight original MDGs:

- Goal 1: Evidence from Latin America, Africa, South Asia and other regions suggests that remittances reduce the depth and severity of poverty and stimulate economic activity. For example, remittances appear to have reduced the share of poor people in Uganda by 11% points and 5% in Ghana.
- Goal 2, Goal 3, Goal 4, Goal 5 and Goal 6: Migration and remittances lead to increased investments in health, education and entrepreneurship. In some countries, remittances contribute to better school attendance, higher school enrolment rates and additional years in school. Remittances might increase expenditure on education by helping finance schooling and reducing the need for child labour (e.g. Ghana). Girls' school attendance and educational attainment rise from the receipt of remittances (e.g. Pakistan, Peru). Adolescent girls and women migrate looking for opportunities for employment and skill acquisition. Migration allows women migrants' greater voice within families, and women are also more likely to act as a safety net for their family back home.
- Remittances can contribute to better health outcomes by enabling household members to purchase more food and healthcare services and perhaps by increasing information on health practices. Some studies found that higher remittances per capita were associated with greater access to private treatment for fever and diarrhea. Remittances reduce overall child mortality (a 1% increase in remittances reduces the infant mortality rate by 1.2. per thousand in Latin America). In Sri Lanka, the children in remittance-receiving households have higher birth weight. Migration has been observed to increase health knowledge, which has led to lower rates of infant mortality and higher birth weights in Mexico as well as access to maternal care. Remittances and access to knowledge facilitate new treatments for HIV and malaria.
- Goal 7: The effects of migration on climate change, on the other hand, are less understood. When migration is induced by a conflict or a natural disaster leading to a sudden inflow of migrants, the displaced people may resort to unsustainable activities in the absence of other means of survival, exacerbating existing environmental problems and creating new ones. On the other hand, migration can work as a channel for adoption of new techniques and raw materials, leading to more environmentally friendly production and consumption practices.

New frontiers for policymakers to pursue

But, remittances are just one frontier where smart policy decisions and hard work can generate extraordinary gains for development; there are others, perhaps ones that are even more lucrative.

Take, for instance, the recruitment of migrant workers. Today, a typical labour migrant from South Asia working in the Gulf might pay a full third of his salary to finance his journey. Even worse, this high cost comes with few real benefits for employers. Recruiters often choose clients based on their willingness to pay fees and their desperation to leave, and make little or no effort to train them. Imagine, instead, a system of ethical recruitment in which migrants are trained in their countries of origin.

We do not need to be Pollyannas about migration, or champions of greater migration, in order to advocate and implement effective policies that can have a massive impact on the welfare of migrants and our societies. We simply have to accept that migration is inherent to human nature and that it will continue – a fact that is inevitable, given that today demographic deficits are shrinking workforces in the OECD countries, while at the same time South–South migration as growing at a faster clip than any other kind.

Proposals for the architects of the post-2015 development agenda

So, what would a development-focused set of policies look like?

Led by Switzerland, Sweden, Bangladesh, several international agencies, and civil society, migration stakeholders have rallied to analyse the data on migration and development in order to propose a set of potential goals, targets and indicators for a post-2015 agenda. Their work is very much reflected in this article. A brief survey of the possibilities they have developed offers a sense of how fruitful their efforts have been.

The post-2015 debate so far has underlined the need to strengthen global partnerships, and, in light of the evidence highlighted above, human mobility has been mentioned in the same context as trade, transfer of technology and other development forces. The international community should therefore aim to foster partnerships among governments, the private sector and civil society that: (i) reduce discrimination against migrants and protect their rights; (ii) lower the human, social and economic costs of migration, including those related to recruitment, remittances, and obtaining documentation such as visas and residency permits; (iii) expand opportunities for migrants to more productively invest their earnings and share their knowledge; and (iv) enlist migrants and diaspora organizations in enhancing development in their communities of origin and destination.

Some useful indicators related to a human mobility partnership target might include the following (this is a sampling of a significantly longer list that has been developed):

- Reduce the transaction costs of remittances by 5%. This could be achieved by promoting increased competition, transparency and greater prevalence of mobile banking and payments systems; it would save $25 billion for migrants and their family members.
- Lower the costs of migration born by migrants; for example, the cost of recruitment born by a migrant should be equivalent to no more than one month's wages.
- States take steps to eliminate discrimination against migrants who are legally present in their territories, particularly with respect to equal wages for equal work, decent working conditions and access to education for migrant children.
- Human trafficking is sharply reduced, as indicated by the volume of prosecutions of traffickers, the number of states offering special legal protection to victims of trafficking, and the number of companies screening their supply chains for forced labour.
- All migrants have access to financial services beyond money transfer, such as affordable insurance, financial literacy, and credit.
- The share of migrants working at their highest skill level increases as the number of agreements on the mutual recognition of skills and qualifications increases.
- The proportion of migrants lacking legal authorization to reside in their country of residence declines.

This is just a sampling of ideas from what has become a very fertile discussion. They give flesh to the extraordinary ways in which migration can contribute to the goals set out by the development community – if the right policies are put in place.

For now, migration stakeholders need to focus on making the larger case about migration's impact on development, so that the world produces the most effective possible development strategy for our post-2015 future.

The evidence on migration is there. We should not lack for urgency.

Notes on contributor

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