SUBMISSION TO THE OPEN WORKING GROUP 1

Why & How International Migration Should Be Included in the Global Partnership of the Post-2015 United Nations Development Agenda

Drafted by the UN Special Representative for International Migration and an informal working group of states, agencies, experts, and civil society

About This Document

- This brief makes the case for why and how international migration should be included as a target under the expected "Global Partnership" goal of the post-2015 UN sustainable development agenda.
- The SRSG and the members of this working group believe, with equal conviction, that international
 migration should be included in other relevant post-2015 goals through indicators that capture its
 contribution to their realization, and that measure the treatment and outcomes of migrants (i.e.
 under health, employment, and education goals). The full case for including migrants as a group of
 particular concern when addressing inequalities will be made in a separate text.
- This document has been developed by an informal working group convened under the aegis of the UN Special Representative for International Migration, Peter Sutherland. The group includes representatives from states (Sweden, Bangladesh, Mexico, Switzerland, the European Commission, Costa Rica, Turkey, and France) and international agencies (UNDP, IOM, the World Bank, ILO, OHCHR, UNHCR, UNICEF, and UNITAR, among others), as well as experts and civil society.
- The document has been developed with extensive inputs from group members, but does not necessarily reflect the views of all members.

¹ Developed for the 6th meeting of Open Working Group on Sustainable Development Goals, on "Means of implementation, global partnerships, needs of countries in special situations and human rights"

EXECUTIVE SUMMARY

- 1. Migration is one of the most powerful and immediate strategies for poverty reduction. People move internationally and internally to escape poverty and conflict, adapt to environmental and economic shocks, seek protection as asylum-seekers and refugees, and improve the income, health, and education of their families.
- 2. By improving the *quality* of mobility, we can profoundly improve human development outcomes for migrants, their families, local communities, and states. This paper proposes a migration target under a "Global Partnership Goal," combined with measurable indicators to track progress on reducing the costs of migration; expanding the portability of pensions and the recognition of qualifications; assisting and protecting victims of human trafficking; and providing third-country resettlement options for refugees.
- 3. Migration has contributed significantly to achieving the Millennium Development Goals by raising incomes, funding investment in human capital (education and health care); supporting the creation of businesses and jobs; contributing to the transfer of knowledge, skills, and ideas; and promoting investments and trade flows between countries of origin and destination.
- 4. The number of international migrants is expected to rise from 232 million today to 300 million over the lifetime of the post-2015 development agenda. More importantly, the multiplier effects of migration affect hundreds of millions of people, beyond the migrants themselves. Diasporas, which act as powerful agents for development, are growing in scale and impact.
- 5. Annual global remittances by migrants total nearly \$600 billion, with \$400 billion sent to developing countries—triple the amount of Official Development Assistance. Migrants' annual savings are of a similar magnitude and represent one of the largest potential sources of financing for development, if coupled with attractive earning opportunities for the owners of those savings.
- 6. Policy can play a critical role in lowering the social and financial costs of migration and remittances; safeguarding the human rights of migrants; and increasing the benefits of migration for the countries migrants move from, to, and through. *How* migration is governed—the conditions under which migrants move, live and work—will determine what kind of development outcomes can be achieved.
- 7. Migration's social impact is both positive and negative: It separates families, shifts gender roles, introduces new attitudes, and empowers migrants and their families.
- 8. In 2000, the Millennium Declaration called on states to protect the human rights of migrants and share the burden of hosting refugees. Yet despite the pressing needs and the huge resource flows associated with migration, the MDGs—and the underpinning framework of measurable targets and indicators—remained silent on migration issues.
- 9. As the global community debates a post-MDG agenda, the case for including migration is both stronger and more urgent than in 2000: increasing human mobility, rising demographic imbalances and economic inequalities, high youth unemployment, the prospect of more frequent economic shocks and environmental disasters, and global competition for skills and talent—all combine to require a collaborative global approach to migration and development over the coming decades.
- 10. Since the first UN High Level Dialogue on Migration and Development (HLD) in 2006, important momentum has been generated, including new commitments to reduce the cost of remittances; collaborate on healthcare workforce development; strengthen the rights of domestic workers; and address the emerging challenge of migration resulting from natural disasters and climate change.
- 11. At the second HLD last October, UN member states, joined by civil society representatives, called for integrating migration into the post-2015 agenda. Migration also has emerged strongly from the global consultations on the post-2015 agenda as a defining feature of global population dynamics and an important enabler of social and economic development—if managed fairly and well. At the same time, migrants have emerged as a group of concern in the global discussion on inequality.

I. A New Global Partnership and the Case for Migration

The Post-2015 Development Agenda is likely to exceed the current Millennium Development Goals in both scope and ambition. This sets a high bar for a Global Partnership for Development that can create the necessary enabling environment for countries—especially the poorest and most vulnerable—to deliver on this agenda. This paper contends that making international migration part of the next global partnership could unleash large human development gains and financial resources for development, while advancing a shared responsibility approach to migration that would benefit the most vulnerable people and countries.

The paper makes six inter-locking points:

- 1. The scale and impact of international migration are far greater than commonly understood, and implementing the right policies can have a major effect on this impact.
- 2. Migration flows are increasingly multi-directional, involve more countries as both places of origin and destination, and confront governments worldwide with similar policy challenges.
- 3. Human mobility contributes powerfully to poverty reduction and to the resilience of households and countries facing increasingly frequent environmental and political shocks.
- 4. Due to poor policies and a failure of coordination, migration can entail vulnerabilities for those who move and imposes a heavy burden on some developing countries.
- 5. Significant progress has been made over the past two decades in advancing policy dialogue, coordination, and cooperation on international migration at different levels.
- 6. Integrating migration into the next global partnership prod states to pursue policies that deliver tangible results for the human development of migrants and countries alike.

II. Migration Post-2015: Moving beyond North and South

The number of international migrants is forecast to increase to 405 million migrants in 2050, from 232 million today. These numbers exclude those who move abroad temporarily to study or work (e.g. for seasonal employment), as well as second-generation immigrants born abroad. They also hide the wider effects of migration, which go well beyond those who move, affecting families, communities, societies, and economies in profound and transformative ways.

Migration patterns are likely to evolve in response to demographic imbalances, development dynamics and environmental changes. While three quarters of international migrants today move to a country with a higher Human Development Index (HDI) than their country of origin, much of that movement is to non-OECD countries. Nearly half of all international migrants move within their region of origin and about 40 percent move to a neighbouring country. Emigration rates are highest for small and remote countries, many of them small island developing states (SIDS).¹¹

With increased global competition for skills and talent, migration flows are likely to remain highly selective, not least due to the economic, geographical and policy-imposed barriers that make it harder for low-skilled people to move. Tertiary graduates make up 35 percent of working-age immigrants to the OECD, for example, but only about 6 percent of the working-age population in non-OECD countries. Whether such patterns can yield benefits also for countries of origin hinges on the success of efforts to engage with diasporas and incentivize return migration.

III. Migration Is Integral to Poverty Reduction & Sustainable Development

For millions of people, migration is a path to poverty reduction and human development:

With most migrants moving from a less to a more developed country, they tend to realize large average gains in terms of income, as well as in health and education outcomes. In a unique survey of 25,000 migrants in more than 150 countries presented in the 2013 World Migration Report, migrants themselves considered their social and economic well-being to have improved compared to their lives at home. Evidence suggests that the benefits extend to families left behind. Across countries, remittances have been shown to contribute to poverty reduction by increasing household incomes and investments in housing and human capital, often leading to improved health and educational outcomes.

Migration spurs economic growth and job creation: Migration enables national development opportunities as migrant workers rejuvenate workforces, create businesses, expand tax bases, render traditional sectors economically viable, and support social security schemes. Migrants of all skill levels fill crucial labour gaps in both emerging and established industries and services, and promote innovation. Productivity gains in a number of destinations have been traced to the contributions of immigrant graduates and scientists to the knowledge base. Contrary to popular fears, immigration has been found to have minimal impact on unemployment among natives and a positive overall effect on employment generation and investment in OECD countries. In fact, those most affected by new migrants tend to be recent immigrants at the lowest end of the labour market.

Remittances constitute a significant share of GDP and represent the largest source of foreign currency earnings in many countries, helping them to pay for critical imports, gain access to private capital markets, and pay lower interest rates on sovereign debt. Beyond remittances, diaspora networks facilitate knowledge transfers, trade, tourism, investment, and business creation. It

Migration helps people and countries recover from and adapt to economic and environmental shocks and changes: Migration is important for resilience. Volatility in economic cycles and in weather patterns will likely be the "new normal" in the post-2015 period. A prudent response to risk is diversification, and many households will continue to reduce their vulnerability through the migration of family members to support their income.xii Spikes in emigration and remittances have played an important role in the response to disasters, as a kind of family-based insurance mechanism.xiii And, because remittances are relatively stable and often counter-cyclical, they can contribute to the stability not only of families and communities, but of national economies, compensating for foreign exchange losses due to macroeconomic shocks.xiv

IV. Potential Development Gains Are "Left on the Table" Due to Poor Policies

Yet, despite these many positive contributions, the current state of governance and policy development on migration also breeds vulnerabilities and prevents migrants and states from reaping the full benefits of migration. Migrants and their families often bear exorbitant financial, human, and social costs, which tend to disproportionally affect poorer and lower skilled migrants. For a limited number of about 20 small developing countries, the loss of human resources (or "brain drain") poses a real development challenge that calls for greater international policy coordination. Meanwhile, developing countries continue to host the majority of refugees in the world, sometimes at a high cost to local economies.

The Post-2015 UN Development Agenda could promote better policies in a range of areas that could lead to development gains in the hundreds of billions of dollars; these include:

1. Allowing migrants to keep what they earn by reducing remittance and recruitment costs

The cost of transferring remittances remains high at a current global average of 9 percent, and is considerably higher still for some corridors, e.g. in Sub-Saharan Africa. Reaching the goal

established by the G8 and G20 of lowering remittance-transaction costs to no more than 5 percent could put an extra \$16 billion per year in the hands of remittance senders and receivers (and more if remittances rise as forecast). This goal is achievable through greater transparency, competition, and use of technology in remittance markets.

The often-high upfront costs of international migration increase both selectivity (making it harder for the poor and lower skilled to access opportunities abroad) and the vulnerability of migrant workers and their families, who risk debt-bondage and other abusive practices. Costs include official fees for documents and clearances, payments to intermediaries, travel expenses, and, sometimes, payments of bribes.

Research suggests that, if charted against income per capita in the country of origin, the costs of intermediaries alone are equivalent to over six years of income for the Vietnam to Japan corridor; five years for the Bangladesh to Saudi Arabia corridor; and one year from India to the United Kingdom.xv Even when compared to expected earnings at destination, recruitment costs are often excessively high—as high as half of the wages a Bangladeshi migrant can expect to earn under a three-year contract abroad.xvi

2. Ensuring that migrants can claim their earned social security benefits

Only 20-25% of international migrants are covered by bilateral or multilateral social security agreements that allow them to take their pension rights with them when they return to their country of origin. xvii Some countries set the goalpost for what is possible: Morocco, Algeria, and Turkey, for example, have signed agreements to ensure that the majority of their registered migrants abroad (89% in the case of Morocco) are covered by bilateral pension portability agreements.

3. Allowing migrant workers to contribute to their full potential by recognizing their skills

Too many migrants are working below the level of their qualifications due to lapses in the cross-border recognition of skills and certifications. This deprives migrants of opportunities and is detrimental for development in countries of origin and destination. A 2011 survey in Georgia, for example, revealed that 48% of migrants had worked below their education level while abroad; women were disproportionately affected, representing 70% of those taking jobs below their skill level.xviii Estimates for the US suggest that in 2008 up to 20% of college-educated migrants were unemployed or working in low-skilled jobs.xix Canada's economy was found to lose US\$1.7 billion a year because migrants are not working at the level of their qualifications. xx

4. Assisting and protecting victims of trafficking

Much progress has been made over the last decade in galvanizing the international community to fight human trafficking: from widespread endorsement of the Trafficking Protocolxxi, to the adoption of the Global Plan of Action to Combat Trafficking in Persons in the General Assembly, which recognized the need to address human trafficking as part of promoting development, peace, security and human rights. Building on this broad political consensus and several multi-stakeholder alliances that have formed to advance the implementation of these instruments, the post-2015 agenda could support efforts to end all forms of 'modern day slavery' by focusing on commitments to improve national data and monitoring systems for the implementation of anti-trafficking legislation and action plans.

5. Sharing responsibility for refugee resettlement in the face of crises

The persistent crisis in Syria offers a powerful reminder that countries receiving large-scale refugee influxes can see severe impacts on economic and human development outcomes at the national and local levels. Conflicts, disasters, and climate extremes risk undermining human development gains for the foreseeable future, including by forcing people to move. Increasing the number of countries

providing third-country resettlement to refugees and the number of resettlement places on offer would not only enhance human development prospects, but also alleviate the burden on developing countries that have shown extraordinary solidarity.

V. Important Investments Have Been Made Over the Last Decade

The proposal to integrate migration into the post-2015 agenda, and specifically into the next global partnership, comes on the back of advancements in the political and policy dialogue on migration among states and other stakeholders over the past two decades.

Formal and informal agreements and processes have proliferated, including bilateral mobility partnerships and agreements, free movement regimes in regional economic communities, and Regional Consultative Processes on migration. At the global level, two UN High Level Dialogues and the creation and assessment of the Global Forum on Migration and Development speak to the intense and growing interest among states in more collaborative approaches to migration, while also raising questions and expectations regarding concrete outcomes and follow-up.

Migrants and other civil society organizations have become more organized and influential, forming umbrella networks, such as the Global Coalition on Migration, and mainstreaming parts of their agenda into the inter-governmental process. Points of convergence have emerged, for example around the recently ratified ILO Domestic Workers Convention, and in supporting the integration of migration into the post-2015 development agenda.

By setting out a shared vision and joint commitments, a global partnership on migration could provide important impetus to these ongoing processes, sending a strong signal of political support for their sustainability and outcome orientation, while bolstering data collection and the monitoring of results. It could also be an important driver for greater policy coherence for development at the national level.

VI. The Global Partnership Should Nurture Those Advancements & Secure Development Dividends

Building on the emerging international consensus since the first HLD, the next Global Partnership should include a specific target on migration aimed at fostering a more collaborative approach among states and other relevant stakeholders to "enhance the benefits of international migration for human development."

The below table presents a menu of potentials indicators that show a commitment by the international community to work collectively towards this outcome and could be used to measure progress towards this target. These indicators are linked to some of the most urgent, fruitful actions that states can pursue unilaterally and in partnership. The proposed indicators include: lowering the transaction costs of remittances, reducing recruitment costs, and expanding third-country resettlement options for refugees.

The future development agenda might include a stand-alone goal on a Global Partnership for Development (a renewed MDG 8), or it might attach specific partnership commitments to other thematic goals—or both. In line with the proposal for an "Integrating Approach" advanced by the Government of Colombia, the below table also lays out how the proposed migration target indicators could be linked to other global target or goal areas as they were proposed by the High Level Panel and might feature in the post-2015 development agenda.

Global partnership goal (as proposed by the High Level Panel) 12. Create a Global Enabling Environment & Catalyse Long-Term Finance for Development		
		Goal 1: End poverty
1)	The average cost of sending remittances declines to less than 5% of the value of global remittance transactions by 2020, extending to all corridors by 2030.	
2)	Across corridors, the recruitment costs paid by low-skilled migrant workers decline.	Goal 1: End poverty
		Goal 8: Create Jobs, Sustainable Livelihoods, and Equitable Growth
3)	(Increase in) bilateral and regional portability agreements and number of migrants accessing pension benefits under such agreements.	
4)	(Increase in) bilateral and regional arrangements for cross-border skills development and recognition, and number of migrant beneficiaries.	Goal 8: Create Jobs, Sustainable Livelihoods, and Equitable Growth
5)	(Increase in) the number of countries that effectively monitor the implementation of national anti-human trafficking legislation and action plans.	Goal 11: Ensure stable and peaceful societies Goal 2: Empower Girls and Women and Achieve Gender Equality
6)	(Increase in) the number of countries that offer third-country resettlement options for refugees.	Goal 1: End poverty Goal 11: Ensure stable and peaceful societies

Endnotes

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For the 48 states with populations below 1.5 million the average emigration rate is 18.4 percent, considerably higher than the world average of 3 percent. (2009 HDR)

iii 2009 Human Development Report, "Overcoming barriers: Human mobility and development".

The 2009 Human Development Report found that those migrants who moved from countries with a low human development index (HDI) to a higher HDI country experienced, on average, a 15-fold increase in income; a doubling in education enrolment rates; and a 16-fold reduction in child mortality.

^v 2013 World Migration Report, *Migrant Well-being and Development*, Geneva: International Organization for Migration, 2013.

vi A cross-country study of 71 developing countries found that a 10 percent increase in per capita official international remittances would produce a 3.5 percent decline in the share of people living in poverty. In some countries, remittances contribute to better school attendance, higher school enrolment rates, and additional years in school. Remittances may increase expenditure on education, helping finance schooling and reducing the need for child labor. Girls' school attendance and educational attainment have been found to rise thanks to the receipt of remittances (e.g. in Pakistan and Peru). Remittances contribute to better health outcomes by enabling household members to purchase more food and healthcare services, and sometimes by increasing information on health practices. In Latin America, a 1% increase in remittances was found to reduce the infant mortality rate by 1.2 per thousand. Remittances have also been linked to higher birth weight, e.g. in Mexico and Sri Lanka. Vi

vii Economic research suggests that foreign nationals living in the United States <u>accounted</u> for 25.6 percent of all patent applications and founded 26 percent of start-ups, including a majority of Silicon Valley start-ups. In addition, an increase in immigrants with higher education diplomas is <u>associated</u> with an increase in patenting. An expansion of high-skilled visas passed in 1998 <u>increased</u> revenue at affected companies by 15 percent. Washington Post, "Five things economists know about

 $immigration", posted by \underline{\textbf{Dylan Matthews}}, 29 \ January \ 2013;$

http://www.washingtonpost.com/blogs/wonkblog/wp/2013/01/29/five-things-economists-know-about-immigration/

- Data from the United States show that between 1950 and 2000, a 1.3 percent increase in the share of migrant university graduates increased the number of patents issued per capita by 15 percent, with marked contributions from science and engineering graduates and without any adverse effects on the innovative activity of local people. 2009 HDR, p. 84.

 1 2009 Human Development Report
- ^x World Bank (2012) Migration and Development Brief 19, November 20
- A study of Canada's trade with 136 partner countries in the 1980-92 period showed that a 10 percent increase in immigration from a particular country was associated with a 1 percent increase in exports to that country and a 3 percent increase in imports from it. Similar studies of the United Kingdom and 48 partner countries, and of US states' exports to 28 countries of origin, also found strong links between the presence of a diaspora and increased trade. SOURCE?
- xii A. Riester and I. Gilmer, Microinsurance and Remittances –Teaming up for development or obstructing each other?, Eschborn, 2011
- xiii 2009 HDR, p.72; John Page and Sonia Plaza, "Migration Remittances and Development: A Review of Global Evidence", Journal of African Economies, Volume 00, AERC Supplement 2, pp. 245–33, 2006.
- xiv Page and Plaza (2006) p.281. See also: Dilip Ratha, "Leveraging Remittances for Development", 2005.
- ^{xv} 2009 HDR
- in interviews with Bangladeshi migrant workers, they reported paying brokers on average the equivalent of US \$2,900, whereas the government-fixed maximum migration cost is around \$1,220 for low-skilled male migrants and \$145 for female workers. The profit of the licensed recruiter is thus as high as US \$2,165 per migrant worker almost two-thirds of the total cost to the migrant. See: Dovelyn Rannveig Agunias, "What we know about regulating the recruitment of migrant workers", MPI Policy Brief, No. 6, September 2013.
- Dovelyn Rannveig Agunias and Kathleen Newland, Developing a roadmap for Engaging Diasporas in Development, Handbook, IOM/MPI, 2012, p. 187.
- European Training Foundation and Business Consulting Group Research (Georgia), "Migration and skills in Georgia. Results of the 2011/12 Migration Survey on the relationship between skills, migration and development", ETF 2013.
- Jeanne Batalova and Michael Fix with Peter A. Creticos, "Uneven Progress: The Employment Pathways of Skilled Immigrants in the United States", MPI, October 2008.
- ^{xx} 2009 HDR, p. 52.
- The "Protocol to Prevent, Suppress and Punish Trafficking in Persons, especially Women and Children" is a protocol to the United Nations Convention against Transnational Organised Crime. It has 159 States Parties.