

## Concept Paper for the High-level Panel Expert Policy Dialogue on Migration in the Post-2015 Development Agenda

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### INTRODUCTION

The next two years – 2013 and 2014 -- offer a unique opportunity for the international community to think collectively about development, as states seek consensus on a development agenda to succeed the one adopted for the 2000-2015 period. The Millennium Development Goals (MDGs), which emerged from the UN Millennium Declaration in 2000, have focused on ending poverty and its most debilitating manifestations – particularly ill health and lack of education– by 2015. Ending extreme poverty is a major part of development, but the prevailing concept of development has become increasingly sophisticated, as will surely be reflected in the post-2015 development agenda. The evolving framework includes a continuing reduction of the number of poor people, but also includes new elements such as sustainability, inclusion, and empowerment.

The broader concept of human development as the expansion of capabilities, resulting in freedom to pursue a life of value (pioneered by Amartya Sen), has shifted the spotlight away from an exclusive focus on what people *have* to a focus on what they can *do*. This shift of emphasis necessarily leads to a consideration of means as well as ends. The inattention of the current MDGs to *how* targets can be achieved has been identified as a flaw in the current development agenda. Assuring that this weakness does not carry over into the future development agenda requires looking at factors like migration, which affect the availability and distribution of resources – not just money but skills, knowledge, connections, and attitudes – among people and among states. Articulating the components of a strategy for achieving development goals calls for much greater understanding of how and how much migration affects infant mortality, access to education, empowerment of women, and other development goals.

The UN System Task Force Team on the Post-2015 Development Agenda characterizes transactions and processes that promote and in some cases make possible the achievement of development goals as “enablers” of development. Many enablers are natural fields for partnerships among stakeholders and some, such as trade, aid, debt reduction and access to technology, are mentioned in MDG 8, which calls for a global partnership for development. Migration is not mentioned in MDG 8, despite the fact that migrant remittances to developing countries amount to more than three times official development assistance (ODA) and, for most developing countries, bring in more foreign exchange than earnings from trade. In fact, remittances are second only to direct foreign direct investment as a source of capital inflows to developing countries, and FDI is very unevenly distributed among them.

More importantly, perhaps, migration is a central determinant of the benefits developing countries derive from globalization. It brings professional networks, labor market connections, entry into global

markets for the provision of services, trade ties, and direct relations to global businesses that many developing countries cannot otherwise access. Through the widespread networks of migrants, their families and employers, migration connects previously isolated countries to the global information grid, helping to achieve what the early writings on the post-2015 development agenda call “inclusive economic development” and “inclusive social development.” International migration affects far more people than the 230 million or so that UN statistics count as international migrants: their families left behind, their communities, those who become connected to mobile banking through remittances or social media through migrant networks, those who return and those who think of going. *It is no exaggeration to say that if the post-2015 development agenda does not take migration into account as a driver of development, its relevance to the world of the 21<sup>st</sup> century will be greatly reduced.*

## **1. THE EVOLVING DEVELOPMENT CONTEXT**

The development landscape is currently going through significant changes both in terms of subject matter and means of implementation: i) world population is continuing to grow, but the patterns of growth are diverging sharply; ii) relevance of the dichotomies developed/developing countries and senders/receivers of migrants is diminishing with the ascent of the G20; iii) the prospects for increased levels of overseas development assistance (ODA) are receding as a consequence of fiscal challenges in donor countries even as its overall relevance is decreasing; iv) the nature of partnerships is changing with the emergence of South-South cooperation and influential non-government and private-sector actors; v) policy coherence will be increasingly important to tackle the interrelated challenges of social and economic development and environmental sustainability, at the same time that governments who rely on a larger domestic resource-base will expect greater space for national priority setting.

Climate and environmental considerations, rising inequalities within countries and increasing interdependence make a strong case for universally applicable goals for all countries, accompanied by differential targets for different groups of countries. At the same time, the risk of political deadlock over a very ambitious new agenda should not stand in the way of making a commitment to eradicating extreme poverty, which according to 2008 estimates still afflicted almost 1.4 billion people in the world, with many more remaining vulnerable to sliding back into poverty in the event of a crisis or shock. At current rates of change, one billion people are likely to live in extreme poverty in 2015. Projections suggest that over the medium term poverty will increasingly be concentrated in Africa and South Asia, and in countries that experience or are emerging from conflict, making the cost of eradicating global poverty look, at least numerically, affordable.

Migration fits well with a universal framing of today’s development challenges for a number of reasons: It is increasingly multi-directional, with South-South migration being on the rise. Global demographic imbalances and new poles of growth in emerging economies will lead to new migration patterns over the coming decades. Internal and international migration and the remittances they generate will likely play an important role in peoples’ response to economic and environmental shocks and crises. And more and more people will have more than one nationality or legal residence and will contribute to ever denser transnational networks. Rather than being locked into a South-North, origin-destination dichotomies, the roles of countries are in flux. States increasingly share the same challenges when it comes to governing migration. If the assets (in terms of labor, capital and knowledge) that come with migration are to be reaped for individual, national and global development, states will need to integrate migration into their national strategies and development plans and build international partnerships, including with non-state stakeholders.

## 2. A BROADER VIEW OF DEVELOPMENT

The debate on the post-2015 development agenda acknowledges that development requires not only poverty reduction but also the transformation of economic systems, social relations, and resource use. As the High-Level Panel said in its statement following its February 2013 meeting in Monrovia, “Economic growth alone is not sufficient to ensure social justice, equity and sustained prosperity for all people. The global community must pursue economic and social transformation leading to sustained and inclusive economic growth at the local, national and global levels.”

International migration is nothing if not transformative. The experience of living in another country often changes people’s aspirations, and their expectations (or demands) of their governments. It may change their consumption habits, their housing preferences, their attitudes toward the proper roles of men and women, and affect many other social interactions. It also transforms societies, introducing diversity (not always welcomed) into migrant-receiving communities and weaving communities of migrant origin into a dense fabric of transnational exchange.

But one should not lose sight of the fact that migration is also one of the most powerful and immediate strategies for poverty reduction, at both the global and the individual level. Economic modeling suggests that the gains from liberalizing freedom of movement for labor across national boundaries would be far greater (by an order of magnitude) than potential gains from further liberalization of the movement of goods or capital. And for individuals, leaving a poor country for a rich one and finding work in their normal occupations is likely to multiply their incomes many-fold.

Considerable evidence exists to document the development contributions of migration at different levels:

- 1) Migration can be an enabler of individual capabilities and human development by enhancing people’s income, health, and education. 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 rate; and a 16-fold reduction in child mortality. Remittances have been shown to reduce poverty among families left behind by supplementing household incomes and enabling them to invest in housing, health and education.<sup>ii</sup>
- 2) Migration can also enable national development opportunities by supplying countries with needed labor and skills, and by promoting innovation.
- 3) For a number of countries, remittances make up a significant share of GDP and represent the largest source of foreign currency earnings, allowing countries to pay for critical imports, gain access to private capital markets, and pay lower interest rates on sovereign debt.
- 4) Migration has a growing role to play in helping to manage global risks. Remittances generally are counter-cyclical; they have helped countries and households cope with economic shocks, natural disasters, and political crises. In many regions, migration is already part of adaptation strategies to environmental change, allowing affected households to diversify their income.

Concern is sometimes expressed that the potential impact of migration on the reduction of extreme poverty is limited because the poorest people do not have the resources needed in order to move. But migration does not only affect the people who move. Some of the money they send back to their families is used to purchase goods and services locally, with multiplier effects; the shrinking of the local labor market may raise wages for unskilled labor (as was seen in Ireland after the great migration spurred by the potato famine).

### 3. MIGRATION IN THE POST-2015 DEVELOPMENT AGENDA

Both as an enabler of social and economic transformation, and as an enabler of poverty reduction, migration will influence the economic, social and in some cases political development of many states over the lifetime of the post-2015 development agenda. The formulation of the agenda coincides with the culmination of a decade of rising interest in the relationship between migration and development, and with increasing realization that lack of mobility constitutes the most important market-based obstacle to development as trade barriers and restrictions of the movement of capital have declined. The deliberations of the High-level Panel on the Post-2015 Development Agenda (HLP), appointed by the Secretary-General of the United Nations, can bring migration and mobility into the discussion of the renewed agenda as an enabler of development in general and of specific development goals. The General Assembly will hold a High-Level Dialogue on International Migration and Development (HLD) in October 2013, and the dedicated round-table on how migration can best be included in the post-2015 development agenda provides an opportunity for member states to reach a consensus on this issue. As this issue is explored, migration as an enabler of development goals could be explored through at least two mechanisms: migration-related indicators as valuable monitoring mechanisms for tracking progress toward development goals and partnerships for maximizing the positive impact of migration on development.

*Migration-related indicators for development goals.* The power of migration as an enabler of development argues for the inclusion of migration indicators in the elaboration of many if not most of the goals of the post-2015 development agenda. For example, migrants' remittances supplemented the incomes of receiving households in developing countries by over \$400 billion in 2012 according to the World Bank. The World Bank estimates that lowering the cost of international remittance transfers by five percentage points could lead to gains in the order of 16 billion dollars a year, demonstrating that an indicator involving reduced transaction costs would be an appropriate indicator for a poverty reduction goal. Similarly, evidence that a substantial proportion of remittance-receiving households invest in education and health care make a case for including indicators of the contribution of remittances to families' investments in those development goals as well.

The emphasis on job-creating growth and foreign direct investment in the discussions to date of the High-level Panel on the Post-2015 Development Agenda throws the spotlight on the potential of labour-migration as a means of achieving decent jobs with increased incomes on the one hand and diaspora investment, as members of the diaspora are often first movers and facilitators of investment in developing countries, especially those emerging from conflict or undergoing economic transitions. An indicator for the former could be a reduction in costs of migration (including recruitment, documentation, and travel). For the latter, an indicator could be how states are creating opportunities for diaspora investors through "one-stop shops," reduction of bureaucratic obstacles, or incentive programs (such a matching grants) would be a useful trend to monitor.

A social protection goal could include indicators on the portability of pensions and entitlements by migrants who have worked in other countries and accrued benefits – as could an indicator on migrants' access to social insurance schemes when they are lawfully employed abroad. Migrants employed in the informal sector suffer from tremendous gaps in social protection coverage; how national social protection schemes cover them might also provide a useful indicator. Access to social and legal protection by migrant women would particularly important targets for a rights-related development goal, as women migrants are so often employed in personal care services and in the household sector, where human and labor rights protection is often weak or missing entirely.

*Migration partnerships.* It seems unlikely that one among the likely very small number of post-2015 development goals will be entirely devoted to migration. A more realistic scenario is for migration to be recognized explicitly in a reformulated partnership goal extending from MDG 8. One partnership goal might be formulated as “Creating cooperative agreements for human mobility to ensure safe, lawful, less costly movements across or within borders, producing positive development outcomes for all stakeholders.” Such agreements would be entirely voluntary and negotiated by the participating authorities/states.

Specific indicators and targets are attached to each of the MDGs. What indicators would demonstrate progress toward a migration goal? Some useful indicators to track might include the following:

- Remittance transfer costs continue to decline in all remittance corridors, though increased competition and greater prevalence of mobile banking and payments systems.
- A higher proportion of remittances move through formal channels, thus allowing national accounts to recognize them and use them to boost sovereign credit-worthiness, fund critical imports, and lower debt service.
- The proportion of international migrants lacking legal authorization to reside in their countries of residence declines.
- States adopt migration laws that provide transparent mechanisms to fill their labor market needs through legal means.
- States take steps to eliminate discrimination (on grounds of race, religion, ethnicity, national origin, etc.) among migrants who are legally present in their territories.
- The costs of migration (including recruitment, documentation, and travel) decline.
- The portability of assets accrued by migrants, both tangible (savings, property, pensions) and intangible (formal qualifications, work experience) is eased.
- The number of bilateral, multilateral and regional mobility agreements increases.

Targets could be established for each of these indicators. For example, remittance costs are no more than X percent of the amount of a transaction, X percent of remittances move through formal channels, or no more than X percent of all migrants lack legal authorization. Additional study and consultation would be needed to refine these indicators and targets, perhaps breaking them down into two or more clusters. One cluster, for example, might focus on mobility partnerships, using as a model the voluntary and extremely flexible frameworks used by member states of the European Union to establish mobility partnerships with non-member states. Another cluster might focus on the financial flows resulting from migration, such as lowering the costs of remittances, or creating opportunities and incentives for diaspora investment in countries of origin.

Finally, as the post-2015 development agenda is aimed at realizing “a future we want for all,” its framers should keep in mind that freedom of movement has intrinsic value as a marker of human capability, as well as instrumental value as a means to other economic and social ends. The international community has not yet found a way to resolve the dilemmas that people have the right to *leave* any country including their own (as enshrined in the Universal Declaration of Human Rights), but they do not have the right to *enter* another country that is not their own. Few states today maintain exit restrictions, but restrictions on the entry and stay of non-citizens remain a fundamental prerogative of sovereign states and a universal practice. Thus, increased mobility cannot be demanded of states – but its benefits can be articulated and ways to increase them prescribed. It must also be acknowledged that migration has costs, particularly in the short run, which often are born unevenly across and within societies. Any

formulation of targets or indicators for vulnerable groups in the post-2015 development agenda, should therefore also consider inclusion of vulnerable migrants. International cooperation is the most promising way to reduce those costs to individuals, communities and states at all points on the migration spectrum.

The third meeting of the High Level Panel, in Monrovia, concluded that “Economic transformation will require partnerships with many actors, unified behind a common agenda. It must encourage national and local governments to work with the private sector and civil society to align their efforts behind sustainable development. Interactions between countries and new partnerships through trade, direct foreign investment and cooperation also have huge potential to bring about poverty eradication and prosperity for all. We look forward to discussing these important issues, including the means of implementation, at the fourth meeting. . . .” It would be encouraging if those discussions were to recognize the importance of migration as a factor that shapes the development landscape, as an enabler of development, and as a fruitful field for partnership.

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<sup>ii</sup> 2009 Human Development Report, *Overcoming barriers: Human mobility and development*. The HDR also found that the selectivity of migration flows – the tendency for those who move to be better off and better educated in the first place – can only explain a fraction of these gains.