



Expert meeting on on migration and development

Geneva, 9 March 2005

Introduction

1. A meeting on migration and development, attended by a small number of international experts, took place in Geneva on 9 March 2005. It was chaired by the GCIM Secretariat.
2. The main purpose of the meeting was to review an outline of a Communication on migration and development currently under preparation by the European Commission. It was explained that this Communication followed an earlier, general paper on migration and development produced by the Commission in 2002, and a conclusion adopted by the European Council in May 2003, calling for a more specific and concrete approach to this issue.
3. It was explained that the climate for such an approach is favourable, as there is evidence of a strong commitment to this issue at senior management level within the Commission. For the first time, moreover, justice and interior issues have been linked with development concerns within the Commission. The new Communication should serve to define how the European Union could contribute to the Millennium Development Goals. A series of preliminary consultations had taken place involving a wide range of actors, in view of the complexity of the issues involved. The ten-page paper now being drafted would contain precise, technical recommendations, supported by a series of annexes. The deadline for production was April 2005, with a view to its presentation to the Council later this year.
4. It was acknowledged that some of the proposals would be controversial and would lead to in due course to negotiations between EU Member States. There was nevertheless a pressing need to proceed, and to provide a sound base for assessing the positive impact of migration, rather than the negative and imprecise perceptions currently prevailing.
5. Participants welcomed the opportunity to comment on the draft outline. The process would also help to ensure consistency of thinking between the Commission's Communication and the report to be produced by the GCIM later in 2005. The GCIM Secretariat explained that the Global Commission was undertaking wide-ranging consultations, including five regional hearings, the last of which would take place in

Mexico in May 2005. Stakeholder consultations had so far included meetings with experts, NGOs and the media. Meetings with parliamentarians, the private sector and gender experts are also scheduled to take place.

6. The GCIM Secretariat explained that the Global Commission's report would have a broader scope than the European Commission's Communication and give greater emphasis to migration issues in the developing world. Efforts were currently underway by the GCIM Secretariat to define appropriate follow-up action to the report. The question of possible links with the General Assembly's High Level Dialogue on International Migration, scheduled for October 2006, would also be clarified in due course.

Migration and development: the state of the debate

7. Consideration of this item was structured according to the four questions appearing as sub-headings below.

(i) *Why has attention to issues of migration and development increased over the past 4-5 years?*

8. There was a consensus that globalization was a major cause of the increasing focus on international migration, since it had resulted in increased mobility and changed the structures of society and the global economy. This in turn had prompted a determination by states to enhance their control over incoming movements. Another important factor in this context was the impact of 9/11. For security reasons, states were keener than ever before to scrutinize the origin of new immigrants.

9. One participant also felt strongly that the scale of remittances, which had come to outweigh ODA, was another reason for the increased interest in migration. Another participant cautioned, however, that it was important to compare the net figure for remittances, which compared less favourably with ODA levels. This question was discussed in greater detail under the relevant item below.

(ii) *Will the current level of interest in migration and development be sustained?*

10. The general opinion was that this interest was likely to continue. One participant observed that political actors had initially been slow to react to the work of academics in this field, but that their interest, having now been sparked, would be sustained. It was suggested that the World Bank should also contribute to generating interest by including an assessment of remittances in its country reports. With the exception of the report on Sri Lanka, this was not yet the case.

11. One participant pointed out that the GCIM report could also play a significant role in steering the debate on migration, and should call attention to the considerable risks in terms of social costs, illegal movements, and casualties that would result from ignoring the scale and scope of migration. Such risks should be contrasted with the advantages to be gained from judicious management of migration.

(iii) *What has been the quality of the debate on migration and development?*

12. Participants were unanimous in their negative assessment of the quality of the debate, variously qualified as “fragmented”, “sickly”, “confusing and confused”, “unimpressive”, “repetitive” and “ahistorical.” The wealth of literature available was of limited relevance, frequently misleading and contradictory, containing simplistic global models, and therefore of little real use to policymakers. One participant was of the view that the confusion engendered by this debate was responsible for the blockage of the GATS Mode 4 negotiations.

13. There was also agreement that the “migration hump” theory put forward by a US commission on migration (whereby development would bring a short-term increase in migration as access to information and mobility became easier, followed by a longer-term decline) was somewhat naïve and too general. Yet it still had strong adepts, as witnessed for example in the Netherlands. Many studies available also lacked a sensitivity to regional differences. This was particularly true of studies pertaining to North America, with their focus on migratory flows from Mexico, but which had little or no relevance to the situation of countries in South America. Another lacuna was the lack of attention to the substantial movements between developing countries (particularly in Asia), which account for 42% of the global migrant stock.

14. Participants agreed that a different approach was needed to improve the quality of the debate and its relevance for policy-makers. Different types of flows and different kinds of development needed to be disaggregated. Special attention should be given to income distribution, to disparities and to relative deprivation. One participant emphasized that a means to achieve this would be through detailed migration impact assessments by country and by sector (such as those being undertaken in Senegal and Cape Verde). Household surveys were needed as a basis for more accurate analyses of labour markets, social security, brain drain and other relevant aspects. The other participants agreed with this. Although the tools for this work were not yet fully available and the initial results would be less than perfect academically, a country and sector-specific approach should be pursued in order to provide a sound, empirical basis for policymaking.

15. One participant also saw the need for a more sophisticated correlation of trade, migration and investment at the macro level, since the data available were too superficial. As evidence, he pointed to the perception in the United States that migration brought economic growth, while inadequate attention was given to the increasing trade deficit that accompanied this growth. There were also misperceptions surrounding the brain drain, particularly in the IT sector. Increased use of short-term service providers in this sector could reduce the pressures of long-term migration, and result in brain gain in countries of origin. This participant also drew attention to statistical anomalies that deserved more attention: for example, the emigration figures for a given country (Italy) did not match the immigration numbers of the country of destination (Germany).

(iii) *To what extent has the debate linked migration and development issues, or have there been separate tracks?*

16. Participants had somewhat mixed views on this question. One participant considered that the linkage was deficient. Development experts tended to overlook migration, as demonstrated by a lack of any viable assessments of the economic impact of migrants in developed countries, or of the effects of development on migration, leaving unanswered the question as to whether there would be transformation. As further evidence, it was pointed out that the recent report on the Millennium Development Goals by Jeffrey Sachs made very little reference to migration issues. Another participant drew attention to the fact that, at government level, there were often separate budget lines for migration and development. This was the case in Norway, for example.

17. On the other hand, as pointed out by the same participant, there were linkages at municipal level, as between Rotterdam and the capital of Cape Verde, forging a bond between migration and development. Another participant drew attention to the creation within the European Commission of a new budget line, specifically for extra-European studies on migration and development. He saw evidence of a greater awareness of development issues on the part of migration experts. Another participant pointed to other linkages now being discussed, notably that of migrants' human rights. This was a new and welcome development, but it would take time to become more substantive.

18. One participant pointed out that migration was intricately linked to globalization and the integration of labour and other markets. As such, migration was a symptom of development, rather than a symptom of underdevelopment.

19. The meeting then turned its attention to the proposed outline of the European Commission's draft Communication, commenting briefly on each chapter.

Remittances

20. It was explained that the objectives of the proposals in this chapter were: to ensure that transfers were more reliable, speedier and less costly; to help make them more effective in achieving development goals; and to gauge their volume and characteristics more accurately.

(i) *Cost, speed and reliability of transfers*

21. Participants noted with concern the abusive fees (up to 25%) currently being deducted from remittances sent by migrants, mostly to their families at home, through carriers such as Western Union. This was particularly shocking at a time when inter-bank transfers within Europe had become virtually free of charge. They welcomed the attention now being focussed on this practice, and expressed support for any effort to reduce costs and increase transparency, for example by publicizing exchange rates, as already the case in the United Kingdom.

22. One participant cautioned that moves to foster competition by promoting new entrants in the remittances market were likely to meet with resistance from financial institutions. Another participant observed that private banks were unlikely to be

interested in this market. The suggestion was also made that work towards harnessing and promoting financial infrastructures in developing countries should not be limited to the World Bank, but should include international banks such as the European Central Bank.

23. There was general agreement that problems of transfer were compounded by the lack of infrastructure at the receiving end. It was suggested that there was a need to examine the role of central banks in these transactions.

(ii) *'Productive' use of remittances*

24. Participants all agreed that migrant remittances are private money. While there may be a role for governments in encouraging their 'productive' use for investment purposes, any direct State interference must be excluded. Ideally, however, remittances should make a positive contribution to the development of the home country, and have a multiplier effect.

25. One participant observed that the 'development bond' system cited as best practice (India and Bangladesh) had in fact given disappointing results. A more general reference to 'use of available resources' would be preferable. Experience had shown clearly that a regulatory approach was doomed to fail when it came to investments. Any actions proposed in this area should be limited to creating a climate conducive to investment, through measures such as the creation of non-resident accounts in foreign currency, possibly yielding higher interest rates. He reemphasized that it was essential to avoid any perception of imposing external priorities, recommending close cooperation with migrant groups when identifying possible measures in relation to investment.

(iii) *Volume and characteristics of remittances*

26. Participants agreed that too little was known in terms of reliable data on the volume of remittances. Whereas formal flows could be traced through bank transfers and quantified, this was not case of informal flows. One participant observed that the World Bank assessed their volume as between 15% and 30%, but the general perception was that more work was needed on remittance corridors. Pressure on migrants to use formal rather than informal channels had been contemplated, but there were possible negative effects of an increase in formal flows. It could result in a disincentive to work (the so-called "Dutch disease"), and it could risk pushing up the exchange rate and decreasing exports, at least in the poorer countries. Some participants mentioned the recent DFID report on the volume of remittances as useful reference material.

27. One participant listed a range of other questions about which too few data were available. They included the use of remittances, whether for private expenditure or reinvestment; the impact on remittance levels of maturing diasporas; and the issue of social security payments to returning migrants. A question was also raised as to the nature of non-financial remittances. These questions all deserved attention since they had an impact on policies.

28. A related area identified by one participant for further examination was that of the definition of a migrant. The IMF recognized three types: 12 months or less; above 12 months; migrant transfer (including vacations). However, this classification was not

always easy to apply since specific data were not available. Nor did it allow for a shift of motivation within the 12 month period.

29. Opinions diverged sharply on the question of the volume of remittances as compared with ODA. One participant considered that this debate had become distorted, and insisted that statistics issued by the IMF (for 2003) indicating net remittances, were a more reliable basis. These statistics took account not only of gross remittances, but also of outflows, and demonstrated that formal remittances did not exceed ODA. Another participant contested this analysis. He considered that the figures used were unreliable and inconsistent, pointing out that: they did not reflect the outflow of emigrants; Gulf States were classified as developing countries which was another distorting factor; the inflow/outflow argument should also be applied to ODA. This participant maintained his conviction that remittances indeed exceeded ODA.

Mobilization of diasporas

30. Participants agreed that diasporas could perform a useful role in assisting countries of origin. Moreover, there was evidence of a genuine desire to do so. This assistance was likely to be most effective if members of the diaspora formed associations, since this could facilitate their access to funding. Many successful examples already existed of this type of action. At the same time, one participant noted the rise of a new group of 'diasporic entrepreneurs', who may not necessarily be representative of the migrant groups they claim to represent.

31. Some participants considered it would be a mistake to focus too narrowly on remittances. Other kinds of contacts also had their importance, such as migrants' vacations, investments through banks or personal loans, time shared by retirees between country of origin and immigration. Such contacts facilitated a transfer of culture.

32. Participants welcomed the proposal to encourage EU Member States and third countries to allow double citizenship, while noting that this was likely to be controversial. Double citizenship would also greatly facilitate short visits to the country of origin, and help overcome bottlenecks in projects. One participant noted in this context the importance of a network of contacts at home, constituting a social capital that also contributed to business success.

Brain circulation/brain drain/gain

(i) Encouraging diasporas

33. Participants took note of the positive experience gained by the EU working in cooperation with IOM in Afghanistan, where an assessment had been made of needs in terms of skilled manpower, then matched with skilled nationals in countries of emigration with encouragements to return. One participant suggested exploring possible cooperation with a temporary employment agency such as ADECO for this type of skills assessment. Another participant drew attention to a skills and knowledge bank already developed in Latin America.

(ii) *Mitigating the brain drain*

34. Participants noted that efforts were already underway, as in Senegal, to identify sectors where there were difficulties, or where an overflow existed, in order to bring them to the attention of EU countries. These countries would then refrain from active recruitment in sectors where skilled manpower was needed in countries of emigration. Analyses such as these would be accompanied by training programmes, financed by the EU. One participant drew attention, however, to the problem of ensuring an accurate assessment of needs in view of the rapid evolution of labour markets, resulting notably from changing technology.

35. Another participant suggested that EU-financed training programmes should offer training to double the number for whom immigration visas would be issued. This would result in filling skills gaps in the developed countries, in the flow of remittances to the country of origin, and in an upgrade of skills in the latter country.

(ii) *Promoting circular migration*

36. The meeting was informed that the GCIM had commissioned a paper on the transfer of pensions and other entitlements which migrants were entitled to carry with them upon return to their country of origin. One participant suggested, moreover, that a study of North-South migration with a focus on legal issues would be helpful in the context of promoting circular migration.

37. Referring to the proposal to create savings vehicles for the benefit of temporary migrants, one participant cautioned again against attempts to impose regulations across regions of the developing world. Experience had shown that they did not work!

Institutional suggestions and statistics

38. Participants agreed on the need to engage actively with developing countries. In the case of Africa, the Cotonou Agreement offered the EU a useful channel, supplemented by contacts with the African Union, ECOWAS, NEPAD and other African institutions. The dialogue with other international organizations should include the World Bank and should be at field level, not just at annual meetings. All too often these organizations did not speak to each other on the ground!

39. One participant suggested improvements to statistics should include stock migration, about which little was known. Another participant pointed out that the absence of a common definition of “migrant” meant that stock statistics could not identify origin.

40. A suggestion was made by one participant that it would be helpful to set numerical objectives (as in the case of the Millennium Development Goals), specifying quota levels by a given year for migrants according to the development ranking of the country of origin. This suggestion was opposed by another participant, who believed that acceptance of common principles was preferable to superfluous, fixed objectives of this kind.