

**SUBMISSION TO THE OPEN WORKING GROUP <sup>1</sup>**

## Why & How Migration Should Be Included in 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 SRSB 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 and France) and international agencies (UNDP, IOM, the World Bank, ILO, OHCHR, UNICEF, and UNITAR, among others), as well as experts and civil society representatives.*
- *The document has been developed with extensive inputs from group members, but does not necessarily reflect the views of all members, as it is still a draft version that will be revised based on feedback from the Open Working Group and others.*

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<sup>1</sup> 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. By improving the *quality* of mobility, we can profoundly improve human development outcomes for migrants, their families, local communities, and countries. This paper proposes a migration target under a “Global Partnership Goal,” with measurable, effective indicators to track progress.
2. Migration is one of the most powerful and immediate strategies for poverty reduction. People migrate internationally and internally to escape poverty and conflict, adapt to environmental and economic shocks, and improve the income, health, and education of their families.
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 a powerful conduit for development, are growing in scale and impact as well.
5. Annual global remittances by migrant 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 earnings opportunities for the owners of those savings.
6. Migration’s social impact is both positive and negative: It separates families, shifts gender roles, introduces new attitudes, and empowers migrants and their families.
7. 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 outcomes can be achieved.
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, 54 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. Migrants also emerge as groups of concern in global discussions on inequality.
12. This paper contributes to the ongoing debate on the next Global Partnership for Development and the role of migration in that framework. It calls for indicators suggesting a commitment to enhance the portability of skills and earned social security benefits, to reduce the costs of remittances and of recruitment, and to combat discrimination.

## I. Migration Is Integral to Poverty Reduction & Sustainable Development

Over the lifetime of the post-2015 development agenda and beyond, the number of international migrants is expected to increase from today's 232 million to an estimated 405 million migrants in 2050. Its effects go well beyond those who move, affecting f the majority of the world's inhabitants, communities, societies, and economies in profound and transformative ways. Considerable evidence exists to document these impacts at different levels:

- **Migration is a powerful force for poverty reduction and human development**

Migration fosters individual capabilities and human development by enhancing people's income, health, and education. The 2009 Human Development Report found that 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.<sup>i</sup> Remittances have been shown to contribute to poverty reduction among families remaining at home by increasing household incomes and enabling them to invest in housing, health, and education. 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.<sup>ii</sup> 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.<sup>iii</sup> A unique survey of 25,000 migrants in more than 150 countries presented in the 2013 World Migration Report shows that migrants themselves considered their social and economic well-being to have improved compared to their lives at home.<sup>iv</sup>

- **It spurs economic growth and job creation**

Migration also can enable 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.<sup>v</sup> Productivity gains in a number of destinations have been traced to the contributions of immigrant graduates and scientists to the knowledge base.<sup>vi</sup> Contrary to popular fears, migration has been found to have minimal impact on unemployment among locals and a positive overall effect on employment generation and investment in OECD countries.<sup>vii</sup> In fact, those most affected by the inflow of new migrants tend to be recent immigrants at the lowest end of the labour market.

Remittance flows constitute a significant share of GDP and represent the largest source of foreign currency earnings in numerous countries, allowing them to pay for critical imports, gain access to private capital markets, and pay lower interest rates on sovereign debt.<sup>viii</sup> Beyond remittances, diaspora networks facilitate knowledge transfers, trade, tourism, investment, and business creation.<sup>ix</sup> Migration boosts foreign direct investment (FDI), not only because diaspora members

themselves invest in their countries of origin, but also because they encourage others to do so—including the companies that employ them in countries of destination.<sup>x</sup>

- **And 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 by diversifying the location of family members through migration.<sup>xi</sup> Spikes in emigration and remittances have played an important role in the response to disasters, as a kind of family-based insurance mechanism.<sup>xii</sup> 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, by compensating for foreign exchange losses due to macroeconomic shocks.<sup>xiii</sup>

- **But migration also poses major challenges...**

The current state of governance and policy development on migration breeds important vulnerabilities and prevents migrants and states from reaping the full benefits of migration. Migrants and their families bear a heavy burden, including exorbitant fees paid to recruitment middlemen to secure a job; discrimination, rights violations, debt bondage, and trafficking; and long separations or break-ups of families. In the absence of legal migration opportunities, too many migrants risk their lives and well-being attempting dangerous border crossings.

The long-time distinction between countries of origin and destination continues to fade due to changing migration and development patterns. Countries everywhere are increasingly facing similar challenges, including the need to protect the human and labour rights of migrants, lower the costs of migration, manage the integration and reintegration of migrants, and adapt national labour markets—as well as health, education, and social security systems—to the realities of increasingly diverse and interconnected societies. Inclusive, transparent, and accountable governance structures on migration are becoming an indispensable objective for all countries.

## **II. Potential Development Gains Are “Left on the Table” Due to Poor Policies**

While human mobility remains tightly regulated, research on the effects of lowering barriers to mobility and reducing the costs of migration indicates that even relatively small increases in international migration from poorer to richer countries can yield substantial development gains.<sup>xiv</sup> Partnerships to increase circular migration and legal alternatives to irregular migration will, according to economic models, produce surprisingly large dividends. These gains are projected to surpass those associated with other possible targets for global partnerships post-2015, such as trade liberalization with developing countries and more effective action against tax evasion.

Countries of origin, transit, and destination have a shared responsibility to respect and protect the rights of migrants throughout the migration process. The costs of inaction are high in both human and financial terms. As many as 20,000 migrants are thought to have died at sea trying to cross the Mediterranean since the early 1990s; other migration corridors are similarly dangerous. Safe and less costly regimes for bilateral, intra- and inter-regional labour mobility could promote migration through legal channels. This would reduce the scope for “bad actors”—traffickers, exploitative employers, unscrupulous recruiters—to flout the law and profit at the expense of migrants.

The inadequacy of mechanisms to match supply and demand for labour across borders, and the problem of non-recognition of foreign qualifications, deprive migrants of opportunities and inhibit development in countries of origin and destination. Canada's economy was found to lose US\$1.7 billion a year because migrants are not working at the level of their qualifications.<sup>xv</sup> Estimates for the US suggested that in 2008 up to 20% of college-educated migrants were unemployed or working in low-skilled jobs.<sup>xvi</sup> A 2011 survey in Georgia revealed that 48% of migrants had worked below their education level while abroad, affecting in particular women who represented 70% of those taking unskilled jobs.<sup>xvii</sup>

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.<sup>xviii</sup> Some states set the standard 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 agreements.

Reaching the goal established by the G20 of lowering remittance-transaction costs to no more than 5% (from the current global average of 9%) would save senders and receivers of migrant remittances an additional \$16 billion per year at 2012 levels of remittances, and more if remittances rise as forecast. This is a goal that could be achieved with greater transparency, competition, and use of technology in remittance markets.

Annual diaspora savings are estimated at about \$400 billion—nearly equal to the volume of remittances. Yet only a handful of countries have systematically tried to provide opportunities for their diaspora to invest these resources productively. Offering retail savings instruments—such as diaspora bonds, which allow migrants to earn a return higher than a bank deposit—could attract resources for infrastructure investments. Diasporas also can help break the isolation from global networks of trade, investment, and knowledge that are one of the most consistent features of lack of development. More and more countries are trying to strengthen diaspora engagement policies.

### III. How the Post-2015 Agenda Can Make a Difference

Freedom of movement is a fundamental element of human freedom. While the ability to move and choose one's residence is of intrinsic value, and has been instrumental in human development throughout history, this paper does not argue for a stand-alone migration goal in the post-2015 development agenda. It suggests that, rather than focusing on the quantity of people moving, real headway could be made by improving the *quality* of mobility and the human development outcomes for migrants, communities and countries. *How* migration is governed—the conditions under which migrants move, live, and work—will determine what kind of outcomes can be achieved. With South-South migration on the rise, all countries should move to develop migration and diaspora policies and to pursue policy coherence across sectors.

The sheer volume of financial resources associated with migration—in the form of remittances, diaspora savings, the money spent on migration processes, and so forth—is as large as or larger than other flows of funds to developing countries. Remittances alone are about three times as large as ODA, and in many developing economies they far outstrip FDI. In Moldova, for example, remittances are 10 times the volume of FDI. The resources that could be liberated by lowering the direct costs of migration, lowering transmission fees for remittances, and enabling migrants to work to the level of their qualifications would place migration resources, on a global level, in competition with FDI as the largest flow of resources to developing countries.

The dynamics of international migration and associated financial flows are largely driven by non-state actors, including migrants, employers, recruiters, money-transfer operators, and diaspora networks. Effective policymaking for international migration, therefore, requires engaging multiple stakeholders. Even with smart policies, no country will be able to realize its policy objectives by acting in isolation. International cooperation and policy coordination on cross-border issues are essential for development. Migration thus belongs in the next Global Partnership for Development.

- **A global partnership on migration**

Under a new global partnership, a target on migration should spell out the shared benefits to be gained by states and other stakeholders working together to create a cooperative, rules-based international migration system grounded in human rights that is less costly and more productive for all stakeholders.

Annex I presents a menu of possible indicators that show a commitment by the international community to work collectively towards these outcomes and could be used to measure progress towards this target. These indicators are linked to the most urgent, fruitful, actions that states can pursue in partnership. They include enhancing the portability of skills and earned social security benefits, reducing recruitment costs, lowering the transaction costs of remittances, and combating discrimination against migrants. 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. As illustrated in Annex II, the indicators of a Global Partnership on migration could be used to promote the achievement of a number of the goals that are likely to be included in the post-2015 development agenda.

Progress towards achieving the target could be made by building on the accomplishments of the existing formal and informal mechanisms in the field of migration. These include bilateral mobility partnerships and agreements, free movement regimes in regional economic communities, Regional Consultative Processes on migration, the Global Forum on Migration and Development, and the Nansen Initiative, as well as deliberations in the G20, the World Economic Forum, the governing bodies of international organizations, and civil society networks, to name but a few.

By monitoring progress on the proposed indicators, greater coherence and accountability could be fostered amongst processes and stakeholders at the global level.

- **Ensuring accountability for migrants' human development outcomes**

The commitments made and actions taken to achieve all of the post-2015 development goals will affect the human rights, wellbeing, and human development outcomes of migrants and their families, as well as their ability to participate in and contribute to the communities and societies they leave and join. The post-2015 agenda should strive for universality on key development outcomes such as health, education, productive employment and decent work, and social protection. It should mandate—across goals—that specific attention be paid to the outcomes for disadvantaged and vulnerable groups, which often include migrants, especially those in irregular status. With most migrants moving for the purpose of work, lowering disparities in employment opportunities and working conditions, for migrant women as well as men, should be a priority.

The time to lay the groundwork and establish national and global baselines for the post-2015 agenda is now. International migration should be an element of it.

## Annex I: Proposed Global Partnership Target & Potential Indicators on Migration

<p><b>Global partnership goal (as proposed by the High Level Panel)</b> 12. Create a Global Enabling Environment &amp; Catalyze Long-Term Finance for Development</p>
<p><b>Migration target</b> “A cooperative international migration system that is less costly and more productive for all stakeholders, and that conforms to the rule of law and international human rights norms.”</p>
<p><b>Potential indicators</b></p>
<p>1) <a href="#">Reduce the average cost of sending remittances to less than 5% of the value of global remittance transactions by 2020, extending to all corridors by 2030.</a></p>
<p>2) <a href="#">Reduce by 90% the proportion of migrants who pay more than one month’s wages as recruitment costs by 2030.</a></p>
<p>3) <a href="#">Reduce the over-qualification gap between migrants and nationals in host countries by 50% by 2030.</a></p>
<p>4) <a href="#">Increase by two-thirds the proportion of migrants covered by agreements on the portability of social security benefits by 2030.</a></p>
<p>5) <a href="#">By 2030, 90% of migrant workers enjoy equal wages for equal work in relation to the native-born.</a></p>

## Annex II: Linkages between the indicators of a potential migration target within the Global Partnership and other potential Sustainable Development Goals

Contribution of the indicators of a Global Partnerships target on migration to SDGs	Examples of potential SDGs (based on High-level Panel’s report)
<ul style="list-style-type: none"> <li>- Reduce the average cost of sending remittances to less than 5% of the value of global remittance transactions by 2020, extending to all corridors by 2030.</li> <li>- Reduce by 90% the proportion of migrants who pay more than one month’s wages as recruitment costs by 2030.</li> </ul>	1. End poverty
<ul style="list-style-type: none"> <li>- Reduce the over-qualification gap between migrants and nationals in host countries by 50% by 2030.</li> <li>- Increase by two-thirds the proportion of migrants covered by agreements on the portability of social security benefits by 2030.</li> <li>- By 2030, 90% of migrant workers enjoy equal wages for equal work in relation to the native-born.</li> </ul>	8. Create Jobs, Sustainable Livelihoods and Equitable Growth
<ul style="list-style-type: none"> <li>- <i>A cooperative international migration system that is less costly and more productive for all stakeholders, and that conforms to the rule of law and international human rights norms. (i.e. Migration Target within Global Partnership Goal)</i></li> </ul>	12. Create a Global Enabling Environment and Catalyze Long-Term Finance

## Endnotes

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<sup>i</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.

<sup>ii</sup> Adams, R.H. and J. Page, (2005) Do International Migration and Remittances Reduce Poverty in Developing Countries? *World Development*, Vol. 33, No. 10, pp. 1644-1669.) ; UNCTAD (2011), *Impact of Remittances on Poverty in Developing Countries*. In other examples, from Uganda and Ghana, remittances appear to have reduced the share of poor people in the population by 11 percent and 5 percent, respectively.

<sup>iii</sup> Ratha, D (2013) "The impact of remittances on economic growth and poverty reduction", *MPI Policy Brief*, nr 8, september 2013.

<sup>iv</sup> 2013 World Migration Report, *Migrant Well-being and Development*, Geneva: International Organization for Migration, 2013.

<sup>v</sup> Economic research suggests that foreign nationals living in the United States [accounted](#) 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 [associated](#) with an increase in patenting. An expansion of high-skilled visas passed in 1998 [increased](#) revenue at affected companies by 15 percent. Washington Post, "Five things economists know about immigration", posted by [Dylan Matthews](#), 29 January

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

<sup>vi</sup> 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.

<sup>vii</sup> 2009 Human Development Report

<sup>viii</sup> World Bank (2012) *Migration and Development Brief 19*, November 20

<sup>ix</sup> 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?

<sup>x</sup> Kathleen Newland, "What We Know about Migration and Development", *MPI Policy Brief*, No. 9, September 2013;

<http://www.migrationpolicy.org/pubs/Migration-Development-WhatWeKnow.pdf>

<sup>xi</sup> A. Riester and I. Gilmer, *Microinsurance and Remittances –Teaming up for development or obstructing each other?*, Eschborn, 2011

<sup>xii</sup> 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.

<sup>xiii</sup> Page and Plaza (2006) p.281. See also: Dilip Ratha, "Leveraging Remittances for Development", 2005.

<sup>xiv</sup> M. Clemens, *Economics and Emigration: Trillion-Dollar Bills on the Sidewalk?*, Working Paper 264 (Washington, DC, Center for Global Development, 2011).

<sup>xv</sup> 2009 HDR, p. 52.

<sup>xvi</sup> Jeanne Batalova and Michael Fix with Peter A. Creticos, "Uneven Progress: The Employment Pathways of Skilled Immigrants in the United States", *MPI*, October 2008.

<sup>xvii</sup> European Training Foundation,

[http://www.etf.europa.eu/webatt.nsf/0/226927FBAE4DA4E2C1257B4D0043A93E/\\$file/Migration&skills\\_Georgia.pdf](http://www.etf.europa.eu/webatt.nsf/0/226927FBAE4DA4E2C1257B4D0043A93E/$file/Migration&skills_Georgia.pdf). These track surveys undertaken with ILO Labour Force Surveys for countries such as Moldova and Ukraine.

<sup>xviii</sup> Dovelyn Rannveig Agunias and Kathleen Newland, *Developing a roadmap for Engaging Diasporas in Development*, Handbook, IOM/MPI, 2012, p. 187.