



## Global Migration Group (GMG) Practitioners Symposium Geneva, 27-28 May 2010

### BACKGROUND PAPER

#### Towards shared prosperity: shaping the future of migration to promote education, employment and human development

Prepared by UNITAR with contributions from the GMG<sup>1</sup>

#### *Introduction*

*“Migration today is for work.”* (International Labour Organization 2010)

Historically, governments have concluded bilateral and multilateral agreements liberalizing international flows of goods, services and capital, but to date have not addressed human flows to the same extent. Nevertheless, millions of people cross international borders each year, on a temporary or permanent basis, in search of economic opportunity. Out of the 214 million international migrants estimated to exist globally in 2010, around 90% have migrated for work-related reasons. This percentage includes approximately 105 million economically active migrant workers and 87 million family members that have accompanied them<sup>2</sup>.

Cross-border labour mobility has contributed to building societies and market environments that are more dynamic in both origin and destination countries, which benefit from the exchanges of innovations, ideas and culture.

Migrant recipient countries have in addition benefitted from increased prosperity, as immigration enhances labour market competitiveness, provides human resources to fill existing unmet needs in sectors where there are not enough qualified or willing citizens to fill vacant posts, and helps fund pensions for ageing populations. Furthermore, the human capital provided by immigrants often results from investments in education and training in countries of origin, such that, in destination economies, high quality human capital is acquired at little or no cost. Evidence indicates that a high percentage of immigrants to industrialized economies have college educations<sup>3</sup> or educational and skill levels above the averages prevailing in their countries of origin and of destination. Incipient empirical evidence also suggests that immigrants tend to be more entrepreneurial than their fellow citizens, and contribute to stimulate business development.

<sup>1</sup> This Paper was prepared by Dr. Marielza Oliveira, UNITAR with contributions from ILO, OHCHR, and UNCTAD.

<sup>2</sup> International Labour Organization 2010.

<sup>3</sup> For instance, Lucas (2008 <http://www.carnegieendowment.org/events/?fa=eventDetail&id=1195>) finds that 45% of emigrants to industrialized nations have college-level educations. A 2007 OECD study showed that 20 % of native people from developed countries have a university degree, compared to the almost 25% of immigrant workers.

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Immigrants further contribute to prosperity by acting as consumers of both public and private goods and services, stimulating social and economic development.<sup>4</sup>

Labour mobility also contributes to prosperity in countries of origin, which benefit from lower domestic unemployment and receipts of remittance flows. These flows, which are estimated to have reached US\$ \$316 billion to developing countries in 2009 in spite of the global economic crisis, are expected to grow 6.2% in 2010<sup>5</sup>. They represent an important source of income to the families who receive them. In the aggregate, remittances also contribute to currency reserves and monetary macro-stability, and show evidence of acting somewhat as “insurance” against external shocks such as an economic downturn, since they tend to be more resilient and thus decrease proportionately less than private capital flows, or natural disasters, since they tend to spike after major natural shocks as demonstrations of diaspora solidarity. Of course, the net economic impact to countries of origin depends not only on the remittances received but also, on the “minus” side, on the opportunity cost of economic development and output forgone by the absence of emigrant workers, if any, and the costs of emigrants’ education and training.

Aside from the societal benefits resulting from work-related migration, well-managed human mobility contributes to enhancing human development of international migrants, whose income, health prospects, knowledge and skills, etc. may be raised by the move.

There are, however, potential pitfalls, since even those who migrate legally generally experience conditions of higher vulnerability than those borne by nationals seeking or performing similar functions, and are open to various forms of human rights violations and exploitation from the recruitment phase on. For instance, there have been instances of unscrupulous employment agencies advertising for nonexistent jobs overseas, providing misleading or false information about existing positions, furnishing migrants with false documents, and/or charging them excessive fees for services. Migrants often go into debt to pay these fees, and some may only find out after their arrival in the destination country that there actually is no job for them. Thus, migrants may arrive in debt and find themselves jobless, left with the choice of working illegally or returning home in debt.<sup>6</sup> They may even fall prey to human trafficking.

In developed and developing countries alike, regular migrant workers often work under less contractual protection and worse working conditions than their national counterparts, and may be denied basic social and economic rights, such as unemployment benefits and other social safety net measures (even while paying for such rights via wage deductions), full access to health and education services, or the right to be united with their families. Such workers often have their legal status tied to a particular employer, and thus may risk forfeiting their visas if they are subject to abuse by their employers and driven to seek alternative employment arrangements. Many are not allowed to bring their families when migrating. For destination countries that allow them to do so, few grant their spouses full access to labour markets. Regular migrants may also be subjected to discrimination and xenophobia, unwarranted searches and other infringements to their right to privacy, or deported for minor misdemeanours with little legal recourse. Undocumented workers, who for that very reason endure an even higher level of vulnerability, may in addition be subject to human rights violations, such as arbitrary detention or being denied access to their right to health, including urgent medical care.

In any case, there is a positive correlation between education and migration at the individual level, in the sense that the more educated migrants are, the easier it is for them to access overseas labour markets because their skills are more marketable and sought after, and they have better access to information. They are usually also considered to be better in adapting to new environments. Countries of destination seek to attract younger, higher-skilled workers, who in addition to possessing valuable human capital, tend to contribute more in taxes than they receive in social benefits. There are various approaches to attracting highly skilled people and favourable human development conditions are generally among the means deployed.<sup>7</sup>

<sup>4</sup> See Uren, David (2010) “Migrant spending a great stimulus to economy during crisis”, *The Australian*, [www.theaustralian.com.au/.../migrant...stimulus.../story-e6f9g9if-1225823060974](http://www.theaustralian.com.au/.../migrant...stimulus.../story-e6f9g9if-1225823060974).

<sup>5</sup> World Bank “Migration and Development Brief 12”.

<sup>6</sup> See [http://www.mhoverseas.com/news\\_details.php?id=121](http://www.mhoverseas.com/news_details.php?id=121); [www.overseasdigest.com/scams.htm](http://www.overseasdigest.com/scams.htm); and other links for various examples.

<sup>7</sup> For details on the competition for highly skilled migrants, see e.g. Kuptsch and Pang (eds.) *Competing for Global Talent*. Geneva, ILS/ILO, 2006.

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On the other hand, Lucas (2008) has observed that the highest development gains actually result from the temporary migration of low-skilled workers, since these are the flows that most effectively raise the living standards of both migrants and their communities. For instance, regarding benefits to countries of origin, temporary migrants send greater levels of remittances back home because they expect to return themselves one day; and once they return these workers are more productive because they have gained skills and knowledge from their experience abroad. Even low-skilled workers who do not emigrate benefit, since emigration typically results in higher wages and/or lower unemployment due to a diminished low-skill labour supply in the country.

Emigration of workers who possess higher skills or technical knowledge, even if temporary, often represents a costly “brain drain” to their countries of origin, since these emigrants take with them the value of their education and training, their economic output, and of other social and economic contributions they make as citizens, workers, consumers, etc. The loss is bigger for developing countries that subsidize higher education but do not properly financially reward marketable skills; and much more problematic when it happens in essential fields, such as health care, already experiencing shortages of qualified workers.

Circular migration has been proposed as a “triple win” solution. The term refers to the incentives granted by destination countries for migrants to repeatedly take up temporary work under schemes effectively protecting their rights and on the condition that they return to their countries of origin after specific time intervals. Since it allows migrants to work abroad and, ideally, to develop their skills, destination countries benefit from circular migration by having a greater pool of qualified workers, and origin countries benefit from the enhanced human capital of returning workers (McCormick and Wahba 2001).

However, for migration gains to be realized there must be an enabling environment that removes some of the barriers to education, employment and human development, in both origin and destination countries. For example circular migration schemes will only be successful when migrants are actually provided with meaningful learning opportunities during their stay abroad and when participating countries of origin have the structures in place to reintegrate returnees so that the migrants can make use of their newly acquired skills.

More often than not when the terms education and labour migration are used together, it is through the conventional lenses of looking at job training and entrepreneurship skills building focused on migrant workers, overlooking a more systematic approach that takes a holistic capacity development perspective. Migration affects the economy and cohesion of societies, and the lives of those directly and indirectly involved. Therefore, issues surrounding the broader challenge of capacity development for labour mobility stakeholders must be broken down into global, national, local and individual levels. The push-and-pull market forces driving international labour mobility must be addressed at these 4 levels in order to increase the potential for shared prosperity. For instance, the factors that push workers out of their countries of origin – weak economies offering few opportunities and poor contract enforcement and working conditions, political instability, religious or other forms of discrimination, etc – must be addressed through adequate policies. Barriers in destination countries impeding the full productive use of migrant skills that may lead them to being underemployed relative to their human capital, such as hurdles and high expenses in having their professional qualifications recognized, and other impediments to human development, must also be addressed.

The GMG Practitioners Symposium has a central role to play in examining the challenges, needs and potential solutions in the convergence between migration, on one hand, and education, employment and human development, on the other hand, that can help us build a future characterized by shared prosperity.

## ***Key issues for discussion***

### **Issue 1 – Promoting education, employment and human development at the individual level**

At the individual level, it is crucial to invest in human capacity, not only of migrants (language and technical skills, civic training, etc) but also of public and private sector employees involved in dealing with migration issues in both origin and destination countries; of community members; and of other actors involved.

- What responsibilities should the public and the private sectors shoulder respectively when it comes to investments in migrants’ education and training, and in promoting decent recruitment and labour utilization practices?

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- Regarding working conditions, social security, skills development and other key issues, what are the specific needs and challenges faced by workers of different skill levels, documented vs undocumented workers, temporary vs permanent migrants, and other categories; and how to address them, including protection of their rights?
- What are the capacity development needs of individuals involved in public and private sector delivery of various migration-related policies? What are the available resources to respond to these capacity development needs?
- What is / could be the role of diasporas in promoting awareness, education, employment and human development in communities of origin and destination?

## **Issue 2 - Promoting education, employment and human development at the local level**

At the local level, communities of both origin and destination need to build the skills to address the impacts of labour migration on families, incomes, markets and prices, culture, security, social cohesion and other such key elements of community life. They also need to learn how to collaborate effectively with the national level to develop and implement coherent policies that are conducive to a fulfilling community life.

- How can the capacities of local governments in origin and destination countries be built to cope with the effects of labour migration? And what specific local impacts can they address?
- What is the best division of roles between local government, civil society and private sector in dealing with labour migration issues?
- How do we build awareness of communities of the challenges resulting from labour migration, and of the human development-enhancing responses / good practices that may be available, and of the contributions made by migrants to community / country development?
- What are / should be the relevant local and/or national level actors involved in dealing with the effects of labour migration in different political and institutional contexts?
- What is the optimal division of labour between local and national authorities in dealing with the effects of labour migration; and how can collaboration be enhanced between these 2 actors?

## **Issue 3 - Promoting education, employment and human development at the national level**

At the national level, there is a clear need for more effective regulatory mechanisms as well as socioeconomic policies that can enhance the positive human development outcomes of migration while mitigating some of the potential negative effects. There is also a need to increase policy coherence between different policies, such as migration policy, foreign policy, employment, labour market and development policy. For instance, “greater coherence – between ministries within a country and between countries – among migration policies, development co-operation policies, as well as employment, trade and security policies is required for all parties to gain more from migration” (OECD, 2007). Some issues to raise:

- What are the main linkages between migration, education, and labour market policies that countries of origin and destination need to understand in order to develop a longer-term strategy for maintaining or enhancing their competitiveness?
- What are good practices of coherent migration-related policies that enhance human development, and how can they be replicated?
- How can labour migration programmes and policies be designed to provide migrants at different skills-levels with opportunities for skills recognition and acquisition, including through training and professional development, and transmission of skills to their home countries?

## **Issue 4 - Promoting education, employment and human development at the global level**

Finally, at the international / global level, it is important to increase opportunities for further bilateral and multilateral dialogue (such as carried out at the Global Forum for Migration and Development, regional processes, and other mechanisms) that lead to establishing co-development initiatives that can contribute to increasing the human development gains deriving from human mobility. Some issues to explore include:

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- How can countries or regions of origin and destination coordinate their migration-related development strategies so as to realize synergies and mutual gains? What are some of the good practices in this topic?
- What kinds of education and training initiatives in countries of origin have proven successful in mitigating the loss of skilled professionals ('brain drain')? What role can partnerships with destination countries play in this regard?

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For further information: [www.globalmigrationgroup.org](http://www.globalmigrationgroup.org)

## About the GMG

The GMG is an inter-agency coordination group, established by the United Nations Secretary-General in early 2006. It brings together the Heads of agency and technical level experts of 14 UN organizations, the IOM and the World Bank and aims to enhance the overall effectiveness and coherence of the normative and operational response of its members and member states to the opportunities and challenges presented by international migration. The GMG has produced a number of joint outputs, including compilations and guidance material, and its members regularly work together in different constellations to provide countries with operational support. Apart from sustaining inter-agency cooperation in the field of international migration, the GMG and its members regularly contribute to the Global Forum on Migration and Development (GFMD), the United Nations periodical deliberations on international migration and development, and to regional cooperation processes and fora.