

GFMD Thematic Workshop on GFMD's contribution to the GCM

GCM Cluster 4: Contributions of migrants and diasporas to all dimensions of sustainable development, including remittances and portability of earned benefits

6 September 2017, 14:00-16:00
Vienna – Hotel Savoyen – Olympia Mancini 2

1. The Working Session on Contributions of Migrants and Diasporas was chaired by **Ambassador Israhyananda Dhalladoo**, Permanent Representative of the Republic of Mauritius to the United Nations Office and other International Organizations in Geneva including the World Trade Organisation (WTO). **Ms. Kathleen Newland**, Senior Fellow and Co-Founder of the Migration Policy Institute, delivered the overview on the GCM which outlines the GFMD recommendations in the past 10 years that are relevant to the cluster. Meanwhile, **Mr. Chukwu-Emeka Chikezie**, Director of Up!-Africa Limited, served as the Rapporteur and intervened to keep the discussion on the right track.
2. In opening the session, Ambassador Dhalladoo introduced the context of Mauritius as an island of migrants and the first African country to host the GFMD Summit Meeting in 2012. He highlighted several programs and initiatives that their government is undertaking in the areas of diaspora engagement for development, reduction of transfer costs of remittances and the portability of social benefits. The chair emphasized the importance of remittances in reducing poverty and reminded that remittances mean more than just money transfer but also a transfer of knowledge, know-how, etc.

Overview on GFMD Report's Chapter on GCM Cluster 4

3. Before sharing the overview of the GFMD recommendations, Ms. Newland reminded the participants to keep the “D” (i.e. Development) in GFMD in mind, since it is the way forward for the international dialogues on migration. Furthermore, she stated that there is a broad consensus on the positive impact that migrants can have on development in both countries of origin and destination. After which, Ms. Newland elaborated on four key recommendations outlined in the GFMD Contribution to the GCM on Cluster 4: Contribution of Migrants and Diasporas:
 - a) *Reducing the cost of remittances*
 - b) *Cost of migration*
 - c) *Mobilization of diaspora*
 - d) *Portability of earned social benefits*
4. Under each of the policy areas above, there are political/general recommendations and practical/actionable recommendations,¹ which Ms. Newland elucidated, to wit:

¹ For a complete list of the political/general recommendations and practical/actionable recommendations of the GFMD on this cluster, please click this link: https://gfmd.org/files/documents/cluster_4_excerpt_gfmd_report_to_gcm.pdf

- a) Reducing the cost of remittances: Despite this being a recurrent topic for several years in international discussions, transferring remittances remains expensive, especially in Africa. To translate this consensus into concrete actions, Ms. Newland referred to the recommendation of the Sutherland report, who called for a group of relevant stakeholders and the building of operational partnerships involving financial players. At the same time, she noted that remittances can put countries in vulnerable situations and dependence, which are not necessarily sustainable.
 - b) Cost of migration: The cost of migration traps some migrants in debt bondage, especially among low-earning migrants. Ms. Newland therefore emphasized the need to professionalize and streamline the recruitment system in order for standards to be monitored and enforced.
 - c) Mobilization of the diaspora: Ms. Newland shared the recommendation to establish diaspora institutions which have already been followed by a lot of countries. She also underscored the need to include the diaspora in development policy discussions and noted that diaspora contributions cannot compensate for fundamental investments and governance structures. On another note, she recommended to translate the joint Migration Policy Institute (MPI) and the International Organization for Migration (IOM) handbook into a website in order to be regularly updated.
 - d) Portability of earned social benefits: Ms. Newland pointed out that the portability of social benefits is a matter of basic fairness and potentially cost effective for the countries of origin. Furthermore, the lack of it inhibits voluntary return. Referring to the Sutherland report, she recommended to develop a template for bilateral social security agreements.
5. The Chair opened the floor and invited all participants to respond to the three guiding questions. Below is a summary of the main takeaways from the discussions.

Question 1: How can the GCM facilitate sustainable implementation of commitments in international standards and frameworks related to the topics covered by this thematic cluster?

- During the discussion, several points were raised to advance the understanding that the contributions of migrants and diaspora can promote sustainable development. It was underlined that it is the state's responsibility to create the fundamental conditions for diaspora engagement—i.e. providing basic governance and investment structures, providing opportunities for diasporas and including them in policy development processes. It was stressed also that it is not enough to include diaspora associations but also the opinions of individuals since associations don't necessarily represent the diaspora. Moreover, the importance of women and youth was emphasized, since they are often the drivers of innovative initiatives.
- Participants agreed strongly that there should be efforts to reduce remittance costs. Therefore, apart from using new technologies, the need for more competition between service providers was highlighted. As a solution, reviewing the anti-laundering and anti-terror financing regulations was suggested as unintended consequences put smaller service providers under huge constraints and limit competition. The issue of sustainability of remittances was raised to generate the call to promote financial literacy and better access to financial instruments, especially for low or medium scale investments. Furthermore, there was strong consensus on the need to reduce recruitment costs and advance the portability of social benefits, as well as the alignment of recruitment

procedures with ILO standards. Governments called for policy coherence to create synergies and forward whole-of-government approach between states.

Question 2: How can the GCM further advance relevant recommendations and good practices shared within the GFMD and affirmed in several UN documents?

- The discussion was characterized by a broad consensus from the participants and focused on the question on how to move from broad commitments and agreements to global action. Several practical recommendations emerged from this discussion, one of them was to include a chapter on relevant good practices in the GCM.
- Regarding recruitment costs and the portability of social benefits, it was expressed that there should be a focus on standard setting and encouragement of employers to shoulder the costs of recruitment. Moreover, the development of a certification system for recruitment agencies was brought up as an effective mechanism to standardize recruitment procedures. The varied social security schemes across countries were raised and participants concluded that this poses a risk for the portability of migrants' social benefits. A multilateral support function for templates for bilateral or regional mobility agreements was also proposed. Moreover, it was stated that labor markets should be more flexible and barriers for labor migrants should be reduced.
- Participants agreed that in order to increase the impact of migrant remittances, it is key to provide them opportunities. These opportunities include, among others, giving the diaspora access to investment opportunities, opening up financial markets by reviewing regulatory frameworks to achieve financial inclusion, and the usage of diaspora bonds to finance large-scale projects for migrants themselves.

Question 3: Which current challenges, if any, are not yet sufficiently covered by existing international standards and frameworks and therefore require specific emphasis by the GCM?

- The challenge of not having enough data and clear definitions was raised particularly in the terms 'development' and 'remittances.' While "development" is considered as a universal concern, it is still often separated from the broader issues like labor migration. It was brought up that it would be helpful to review definitions of migration-related terms and make them globally applicable.
 - Making return migration more development friendly and providing more incentives for returning migrants were seen as challenges. The role of cities and the opportunities to leverage migrant savings as equally important migration topics have yet to be discussed thoroughly in international dialogues.
6. At the end of the session, the thematic expert rapporteur summed up the highlights of the discussions. The following table outlines the main points of convergence, practical recommendations and remaining challenges or issues for further discussion.

Points of Convergence	Practical Recommendations	Challenges / Issues for further discussion
<ul style="list-style-type: none"> • importance of diaspora associations as well as individuals • policy coherence and whole-of-government approach • reducing recruitment costs and increasing portability of benefits 	<ul style="list-style-type: none"> • balance between economic, social and financial contributions of migrants • focus on women and youth • call for globally accepted terminologies 	<ul style="list-style-type: none"> • role of cities in migration • return migration • focus on migrants' savings