Contributions of Migrants to Development: A Roadmap to a Global Compact

Dilip Ratha

GFMD Dialogue on the Global Compact for Safe, Orderly and Regular Migration, Geneva

April 7, 2017

Global Compact on Migration

• Thematic elements
• Normative framework or guidelines for global governance
• Process leading to 2018 International Conference
Facts

250 mn international migrants

16 mn Refugees*

* Refugee data excludes 5.2 mn Palestinian refugees reported by UNRWA

Source: World Bank, Migration and Remittances Factbook 2016

South-South migration is larger than South-North migration

North-North 23%
North-South 6%
South-North 34%
South-South 38%
### Migration pressures will increase in future

<table>
<thead>
<tr>
<th>Developing countries</th>
<th>Change in working age population, 2015-2050 (million)</th>
<th>Change in employment (assuming employment rates at 2015 level, million)</th>
<th>&quot;Migration pressure&quot; (million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Asia &amp; Pacific</td>
<td>200</td>
<td>135</td>
<td>65</td>
</tr>
<tr>
<td>Europe &amp; Central Asia</td>
<td>8</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Latin America &amp; Carib.</td>
<td>179</td>
<td>109</td>
<td>70</td>
</tr>
<tr>
<td>Middle East &amp; N. Africa</td>
<td>204</td>
<td>84</td>
<td>120</td>
</tr>
<tr>
<td>South Asia</td>
<td>600</td>
<td>317</td>
<td>283</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>928</td>
<td>595</td>
<td>333</td>
</tr>
<tr>
<td>High income OECD</td>
<td>78</td>
<td>44</td>
<td>35</td>
</tr>
</tbody>
</table>


### Facts

1. Over 92% of international migrants are “voluntary” migrants (not forced migrants)
2. South-South migration is larger than South-North migration
3. Migration pressures will increase in the future
Drivers of migration

• Income gaps
• Demographic changes
• Environmental Change
• [Fragility, Conflict, Violence]

Benefits and Challenges
Destination Countries

Benefits
- Increases incomes
- Increases labor supply
- Increases skills, entrepreneurship and innovation
- Alleviates aging problem
- Fiscal contributions often positive
- Diversity

Challenges
- Job competition for native workers
- Congestion and fiscal costs of social services
- Crime
- National security
- National identity
- Negative public perceptions

Public Perceptions: Myth vs Reality

Perception of share of migrants in population

<table>
<thead>
<tr>
<th>Country</th>
<th>Perception</th>
<th>Reality</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>32%</td>
<td>13%</td>
</tr>
<tr>
<td>France</td>
<td>28%</td>
<td>10%</td>
</tr>
<tr>
<td>Spain</td>
<td>24%</td>
<td>12%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>24%</td>
<td>13%</td>
</tr>
</tbody>
</table>

Source: German Marshall Fund 2015
Migrants

Benefits after migration

• Migrants’ income increased by 15-fold
• School enrollment doubled
• Child mortality reduced by 16-fold
• Women are empowered
• Better access to health, education, other services

Challenges

• Trafficking, abusive employers and recruiters
• Underutilization of skills
• Exclusion, discrimination, xenophobic attacks
• Family left behind (children and old parents)
Origin Countries: Links between migration and development

Benefits
- Reduced unemployment, reduced poverty
- Remittances and diaspora investments
- Trade and FDI
- Skill and technology transfer

Challenges
- Family left behind
- Loss of skills
- Dutch disease
Remittance flows to developing countries to reach $442 billion in 2016

Exorbitant costs

- **Global average**: 8%
- **Africa**: 12%
- **Within Africa**: 20%
- **Venezuela**: 90%
Possible Thematic Elements of the Global Compact on Migration
A Long List of Elements for the Global Compact

1. Income and job creation in poor countries
2. National identity; Integration of migrants in host community
3. Job competition for native workers in host countries
4. Trafficking, abusive employers and recruiters, skill recognition
5. Migrant rights; Exclusion, discrimination, xenophobic attacks on migrants
6. Mobilization of remittances and diaspora resources
7. Family left behind
8. Retaining critical skills in origin countries
9. Congestion and fiscal costs of social services

Migration-related SDGs are subsumed under the proposed Global Compact
Normative Framework, Or Guidelines for Global Governance of Migration

• Founded on the above thematic elements

• Mandate a few institutions; develop focused mission statements

• Build on existing conventions, but bold new agreements are needed

Role of International Financial Institutions

1. Financing development projects
2. Addressing fundamental drivers
3. Maximizing benefits in line with the SDGS
   • Reducing recruitment costs
   • Reducing remittance costs
   • Improve data by migratory status
4. Knowledge for policy making and countering negative public perceptions
Roadmap for States

- Leverage Global Forum on Migration and Development, and Regional Communities and Processes
- Different, Coordinated, and Accelerated approach
- Game-changing ideas needed

$100 billion idea – leveraging diaspora resources

- Diaspora savings via diaspora bonds ($50 bn)
- Reducing remittance costs ($20 bn)
- Reducing recruitment fees paid by low-skilled migrant workers ($20 bn)
- Diaspora philanthropy ($10 bn)
- Using future-flows as collateral ($4-$25 bn for Africa)
The wealth of the diaspora can be mobilized through diaspora bonds

<table>
<thead>
<tr>
<th>Developing countries</th>
<th>Diaspora size (millions)</th>
<th>Estimated savings ($ billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Asia &amp; Pacific</td>
<td>31</td>
<td>116</td>
</tr>
<tr>
<td>Europe &amp; Cen. Asia</td>
<td>32</td>
<td>80</td>
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</table>

Source: World Bank 2015

Challenges

- Cost of marketing to retail diaspora investors
- Understanding of diaspora profile
- Appropriate use of bond proceeds – need for credibility and oversight
- Debt management
Time is short!