

POLICY COHERENCE FOR DEVELOPMENT: MIGRATION

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POLICY COHERENCE

Let me start out with a few remarks on Policy Coherence for Development (PCD). I started to promote what now is labeled “PCD” as a Dutch MP in the early 1980’s, a decade before the reference to PCD in the 1992 Maastricht Treaty, in which the European Community for the first time pledged to *“take account of its development objectives in the policies it implements which are likely to affect developing countries.”*

As the spokesperson for Development for my party, realizing how futile our aid efforts were in comparison, even if we did spend more than 0.7% GNI on ODA, I was spending most of my energies to expose the negative impact of our OTHER policies on development. I actually tabled two white papers, one on Finance and Development and one on Trade and Development, both of which, I regrettably note, are still relevant today.

It struck me how lack of coherence within our governments in fact is reflected in our Parliaments, stove-piped in Parliamentary Committees mirroring government portfolios, with little cross-fertilization; and the Committees for Development are often at the bottom of the food-chain, with no clout on action elsewhere. I am afraid this has not changed much since and holds true for the European Parliament too, given the resolution regarding the Common Agriculture Policy and its subsidies which passed last month.

My second observation is that since Maastricht the EU has repeated its quest for coherence frequently, including in the 2005 *“European Consensus on Development”*, which restates the need of *“ensuring that the EU takes account of the objectives of development cooperation in all policies that it implements which are likely to affect developing countries, and that these policies support development objectives.”* But effective implementation mechanisms and genuine political commitment remains elusive. Many member states tend to hide behind the Community competence, while active national commitment is needed to bring about change at the Community level. Some Member States have not even recognized the need to promote PCD. As an example, just look up the latest OECD/DAC Peer Review for Italy, whose efforts regarding ODA are dismal.

What I learned as a Minister for Development Cooperation is that very few Member States actually have a Development Minister at cabinet level, which is essential for the voice of the poor to be heard at the highest political level. The same goes for the European Commission: without a full fledged Commissioner, in charge of all ODA resources, PCD will remain an illusion, and Development concerns will lose out, as domestic national interests have their loud say and will always come first.

MIGRATION

Let me now turn to the subject of the day: migration.

I was member of a government, voted out of office in 2002, when it misjudged the impact of increased immigration from countries with unfamiliar cultures on its national identity and values, its social cohesion, and the limits of the absorptive capacity of our society. So I clearly realize the political difficulties to stand up and offend public opinion. But it is high time in many European countries to ensure more responsibility and less xenophobia in the public debate, refraining from tarnishing the reputation of people on the basis of their origin ...

The fact is that migration is here to stay. I know, in the present economic downturn we see Polish workers heading home from London and Dublin, and Mexicans returning from the US. Remittance flows to developing countries around the world are slowing down. The 200 million people (3% of the world's population) who left their home countries for a better future elsewhere are facing hard times now, as the recession worsens and unemployment, which hits migrants first, is soaring worldwide. We already hear too many politicians – catering to the votes of their natives – toughening their language.

However, while the present crisis might lead to a temporary slow down, migration will surely pick up again as the recession spreads from rich countries across the globe. Indeed, migration is here to stay, as long as the fundamental push (lack of livelihoods in too many poor countries) and pull (labor market needs in developed countries) persist. We must also acknowledge – after spending \$ 20 billion on this – that we simply are not capable to seal our borders. More importantly, it is time to openly acknowledge that important parts of our own economy and essential public services depend on foreign labor. It is time to acknowledge that our OWN continued prosperity, particularly in countries with declining birth rates, depends, at least in part, on immigrants. We need them, if we want to maintain our level of economic productivity, sustain our pensions and social security, and find the caregivers to meet the needs of our aging population.

Migration is a consequence – not the cause – of lack of development, particularly of the lack of opportunities and employment in countries of origin. So we must safeguard the scarce development resources to deal with the root cause (by creating sustainable livelihoods and jobs in countries of origin) instead of squandering them to fight the symptoms.

Coherence requires harnessing migration policies for development – not using scarce ODA resources to temper migration, especially at a time when most EU Member States are failing their commitments on aid – both volume and quality. We, Europeans, pledged time and again that ODA should be spent on poverty reduction for the poorest people in the poorest countries. Using ODA to stem immigration, as is happening in an increasing number of European countries, is inconsistent with this objective.

PCD does not refer JUST to aid policies: How coherent are our *trade* policies with our objective to help create livelihoods in poor countries – ultimately the only way to stem migration? The EU still does not provide *genuine* market access for all products even from the least developing countries; its agricultural policies continue to deprive poor countries' farmers of markets, exacerbating the need for people to look elsewhere for livelihoods and a future for their children...

In the meantime, in the WTO, the EU has been pushing for more than a decade for a WTO agreement to liberalize services, but the negotiations under the GATS (General Agreement on Trade in Services) has stalled. For developing countries the 'temporary movement of natural persons' (under "mode 4", the rules for countries to make commitments to open certain service sectors for foreign suppliers) represents one of the few areas in multilateral services liberalization, that offers them clear gains from services liberalization. As migration would be temporary, this would stem brain drain: in fact the country of origin can actually benefit from foreign skills acquired upon the worker's return; and the temporary nature maximizes remittances, which tend to dwindle when people stay abroad longer.

However, developed countries insist on linking their liberalization offers to commercial presence (mode 3, allowing their banks and insurance companies to establish subsidiaries and sell their services to consumers in developing countries), providing only for movements such as (per definition very high skilled) intra-corporate personnel transfers. And very little has been done to make pension and other benefit "portable", which would enable migrants to have their fair return on their contributions.

And how coherent are our *health* policies with the development/migration objective? Should we not invest more in training of our own citizens to fill projected gaps in our labor market, instead of recruiting health workers from countries that are unable to offer even basic health services to their own people. Only 50 out of 600 doctors, trained since independence in Zambia are still practicing there; more Malawian doctors practice in Manchester, UK, than in the whole of Malawi. And the ultimate cruel joke is that we spend ODA to send some French or Dutch doctors to poor regions in Africa. If only African Health Ministries could use that money to pay for additional incentives to keep some of their own doctors many more of them would stay...

The bottom line is that migration does benefit sending developing countries at large, and actually helps them achieve the Millennium Development Goals. Some interesting analysis is emerging on this: World Bank research in Pakistan and Central America shows a strong link between migration on the one hand, and child labor, girls' education and both child and maternal mortality on the other. In Pakistan girls in migrant households are less likely to work and stay in school close to two years longer than those in non-migrant households. Migration improves young children's weight-for-age and height-for-age scores, an improvement that is sustained as children grow older. Remittances significantly increase the likelihood of doctor-assisted births, a major factor in maternal health and survival.

But it is NOT the poorest countries, nor – within these countries – the most vulnerable and poorest people, who benefit. In 2007, the top recipient countries of recorded remittances were India, China, Mexico, the Philippines, and France. While at the global level revenues generated by remittances might be over twice the value of official development assistance, this is not relevant for Sub Sahara Africa, where most migration is WITHIN the Region. Sub-Saharan Africa receives the lowest level of remittances of any region – less than 2 % of total global remittances. And this private money, sent to individual families, can never substitute ODA, which is channeled to and dearly needed by recipient governments to invest in essential public services for ALL their citizens – particularly the poorest.

And those who can afford to migrate to rich countries are NOT the poorest in their society; they are the brightest, best educated and most entrepreneurial citizens. Their departure deprives the state of revenue and the return on the investment in education and training of them. Departing professionals in the health and education sectors bleed the quality and supply of essential public services at home. And as the benefits of remittances are not shared, they might exacerbate social disparities within communities. So *skilled* immigration has very little impact on poverty and can even cause major problems – particularly for small poor countries. In this regard, the recent “Blue Card” initiative is definitely unhelpful: as it would apply only to high-skilled workers, it exacerbates the brain drain. Furthermore, these migrants transfer much less of their income as remittances to their country of origin, as they tend to come from middle- and upper class families.

Let me finally also address a few words to the Parliamentarians representing ACP countries.

First and foremost: Your best and brightest will continue to depart unless the quality of governance and macro economic policies at home improve: a sound financial system – a stable currency – a favorable investment climate – an honest administration. Issues you should strive for anyway – to benefit your people at large.

More specifically, more can be done to harness the benefits of migration: strengthen the financial sector in the first place, particularly through the introduction of banks in rural areas, deregulation of the remittance markets to increase competition and lower costs, and the use of the internet and SMS to transfer money. Secondly, developing Migration and Diaspora policies has a promising potential. Thirdly, effective migration management, and targeted incentives to keep education and health professionals would curb brain drain.

CONCLUSION

In today’s “globalized” world of increasing free movement of capital, goods, services and information, people are still stuck – unless they are a soccer-star, IT specialist or Medical Doctor. And while the rights of foreign investment have been increasingly strengthened in the rules set to govern the global economy, those of migrants, and the countries they come from, have received far less attention.

It is time to break down fences and build bridges instead. It is time to fill the gap, by working on a multilateral framework for the cross-border movement of people, to facilitate mutual beneficial ways to increase legal migration opportunities, particularly through circular and temporary migration. Making the process more orderly and eliminating the exploitation of migrants would offer considerable gains for all, as it would increase global productivity, would help us, countries with declining and ageing populations, and would help maximize the developmental benefits of migration. And it would mitigate the impact of brain drain – the more if industrialized countries would better coordinate their hiring policies for their health and education sectors with countries of origin.

A proposal for establishing such a multilateral framework was made five years ago by the World Commission on the Social Dimension of Globalization, of which I am a member. However, little has happened since, at least at the multilateral level. But by now some experience has emerged from bilateral agreements, which might facilitate a new impetus for multilateral negotiations also.

I hope that this meeting helps garnishing political will for action – not just more conferences. The longer we neglect these issues, the worse the problem becomes...