

**Policies  
to enhance  
human  
development  
outcomes**



**5**

**This final chapter proposes reforms that will allow mobility to contribute to a fuller enhancement of people's freedoms. At present, many people who move have at best only precarious rights and face uncertain futures. The policy mismatch between restrictive entry and high labour demand for low-skilled workers needs to be addressed. We propose a core package of reforms that will improve outcomes for individual movers and their families, their origin communities and host places. The design, timing and acceptability of reforms depend on a realistic appraisal of economic and social conditions and a recognition of public opinion and political constraints.**

## Policies to enhance human development outcomes

The foregoing analysis has shown that large gains to human development would flow from improved policies towards movers. These would benefit all groups affected by migration. A bold vision is needed to realize these gains—a vision that embraces reform because of its potential pay-offs, while recognizing the underlying challenges and constraints.

We have also shown that the entry policies that have prevailed in many destination countries over recent decades can be largely characterized by denial and delay on the one hand, and heightened border controls and illegal stays on the other. This has worsened the situation of people lacking legal status and, especially during the recession, has created uncertainty and frustration among the wider population.

The factors driving migration—including disparate opportunities and rapid demographic transitions—are expected to persist in the coming decades. Lopsided demographic patterns mean that nine tenths of the growth in the world's labour force since 1950 has been in developing countries, while developed countries are aging. These trends create pressures for people to move, but the regular channels allowing movement for low-skilled people are very restricted. Demographic projections to the year 2050 predict that these trends will continue, even if the demand for labour has been temporarily attenuated by the current economic crisis. This implies a need to rethink the policy of restricting the entry of low-skilled workers, which ill accords with the underlying demand for such workers. This chapter tackles the major challenge of how governments can prepare for the resumption of growth, with its underlying structural trends.

Our proposal consists of a core package of reforms with medium- to long-term pay-offs. The package consists of six 'pillars'. Each pillar is beneficial on its own, but together they offer the best chance of maximizing the human development impacts of migration:

1. Liberalizing and simplifying regular channels that allow people to seek work abroad;
2. Ensuring basic rights for migrants;
3. Reducing transaction costs associated with migration;
4. Improving outcomes for migrants and destination communities;
5. Enabling benefits from internal mobility; and
6. Making mobility an integral part of national development strategies.

Our proposal involves new processes and norms to govern migration, but does not prescribe any particular levels of increased admissions, since these need to be determined at the country level.

Our agenda is largely oriented towards the longer-term reforms needed to enhance the gains from movement, while recognizing the major challenges in the short term. In the midst of what is shaping up to be the worst economic crisis since the Great Depression, unemployment is rising to record highs in many countries. As a result, many migrants find themselves doubly at risk: suffering unemployment, insecurity and social marginalization, yet at the same time often portrayed as the source of these problems. It is important that the current recession must not become an occasion for scapegoating, but rather be seized as an opportunity to institute a new deal for migrants—one that will benefit workers at home and abroad while guarding against a protectionist backlash. Forging that new deal and selling it to the public will require political vision and committed leadership.<sup>1</sup>

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this debate, the benefits should not be overplayed and the concerns about distributional effects—especially among low-skilled workers—need to be recognized and taken into account. The political economy of reform is directly addressed below.

Because this is a global report with diverse stakeholders—governments in origin, destination and transit countries; donors and international organizations; the private sector; and civil society, including migrant groups and diaspora associations, academia and the media—the policy directions we outline are inevitably pitched at a general level. Our intention is to stimulate debate and follow-up in discussing, adapting and implementing these recommendations. At the country level, much more detailed analysis will be needed to ensure relevance to local circumstances and allow for political realities and practical constraints.

### 5.1 The core package

We will now explore the policy entry points outlined above. Our focus is limited to selected aspects out of the much broader menu of options that have been discussed and implemented around the world.<sup>2</sup> In defining a priority agenda we have been motivated by a focus on the disadvantaged, a realistic consideration of the political constraints and an awareness that trade-offs are inevitable. Whenever possible, we illustrate with examples of good practice.

#### 5.1.1 Liberalizing and simplifying regular channels

Overly restrictive barriers to entry prevent many people from moving and mean that millions who do move have irregular status—an estimated one quarter of the total. This has created uncertainty and frustration, both in the migrant community and among the wider population, especially during the current recession.

When growth resumes, the demand for migrant labour will likewise rebound, since the demographic and economic conditions that created that demand in the first place will still be in place. The need for working-age people in developed countries has been largely structural, and is long-term—not temporary—in nature. This is true even for high-turnover jobs in such sectors as care, construction, tourism and food processing.

If the demand for labour is long-term, then, from the perspective of both migrants and their destination communities and societies, it is better to allow people to come legally. And provided migrants can find and keep jobs, it is better to offer them the option of extending their stay than to limit them to temporary permits. The longer people stay abroad, the greater the social and economic mobility they and their children are likely to enjoy. When the presence of migrants is denied or ignored by host governments, the risk of segmentation is greatly increased, not only in the labour market and economy but also in society more generally. This is one lesson that emerged clearly from the German guest-worker experience. We see it again today, in destinations as diverse as the GCC states, the Russian Federation, Singapore, South Africa and Thailand.

So what would a liberalization and simplification of migration channels look like? There are two broad avenues where reform appears both desirable and feasible: seasonal or circular programmes, and entry for unskilled people, with conditional paths to extension. The difficult issue of what to do about people with irregular status is a third area in which various options for change are possible and should be considered. In each case, the specific design of new measures will need to be discussed and debated at the national level through political processes that permit the balancing of different interests (section 5.2). As high-skilled people are already welcomed in most countries, reforms need to focus on the movement of people without tertiary degrees.

The first avenue, already explored by a number of countries, is to expand schemes for truly seasonal work in sectors such as agriculture and tourism. Key elements when planning and implementing reforms include consultation with source country governments, union and employer involvement, basic wage guarantees, health and safety protection, and provision for repeat visits. These elements are the basis for schemes that have been successfully operating for decades in Canada, for example, and have more recently been introduced in New Zealand (box 5.1). Workers in formal schemes of this kind are typically accorded better protection than those with irregular status. From a human development point of view, that is one of their major advantages.

**Box 5.1** Opening up regular channels—Sweden and New Zealand

Two countries have recently introduced reforms in line with the directions suggested by this report, although both are too new to evaluate in terms of impact.

In late 2008, Sweden introduced a major labour migration reform. The initiative came from the Swedish parliament and began with the appointment of a parliamentary committee with a mandate to propose changes. This was during a period of rapid economic growth and widespread labour shortages. Parliamentary and media debates focused on the risk of displacement of local workers and on whether unsuccessful asylum seekers could apply. A scheme was thus designed that met union concerns about undercutting of wages and labour standards.

Among the scheme's key elements is the provision that employers are the primary judges of needs (self-assessment), with a role for the Swedish Migration Board to ensure consistency with collective agreements and allow for union comment. Portability across employers is allowed after two years, and if individuals change jobs during this initial period they must apply for a new work permit. The duration is initially for two years, extendable to four, after which permanent residence can be granted. During the first quarter of operation, there were 24,000 applications, representing about 15 percent of total applications to come to Sweden.

New Zealand's Recognised Seasonal Employer Scheme (RSE) was launched in April 2007 as part of the government's growth and

innovation agenda, to address the acute problems experienced by the horticulture and viticulture industries in finding workers during seasonal labour peaks. It provides a number of seasonal jobs, set annually.

RSE was designed to avoid some of the downsides of the low-wage temporary work cycle, which was seen as unsustainable for both employers and workers, many of whom were irregular migrants. Transitioning to RSE shook out existing irregular workers from the system and brought new employers into contact with the government. During the transition period employers were allowed to retain workers already in New Zealand for a limited period and under certain conditions.

Central to the objectives of both the New Zealand government and the union movement, and critical to public acceptance, was to ensure that employers recruit and train New Zealand workers first, before they recruit offshore. However, the scheme allows Pacific Island countries to find a continuing market for their low-skilled labour, provided that they put in place appropriate selection and facilitation processes and help to ensure return. Their workers have the opportunity to be trained and properly remunerated, and to broaden their experience and contacts. So far, no serious problems have been reported.

RSE is not a low-cost scheme. It will not be economically sustainable unless the industries involved can realize productivity and quality gains in partnership with a known group of workers, who can be relied on to return to specific orchards and vineyards each year.

Sources: Government of Sweden (2008) and World Bank (2006a).

The second avenue, which involves more fundamental reforms, is to expand the number of visas for low-skilled people—conditional on employer demand. As is currently the case, the visas can initially be temporary. Issuance can be made conditional on a job offer, or at least experience of, or willingness to work in, a sector that is known to face labour shortages.

Expanding regular entry channels involves taking decisions on the following key issues:

*Setting annual inflow numbers.* These must be responsive to local conditions and there are several ways of ensuring this. Numbers can be based on employer demand—such that an individual is required to have a job offer prior to arrival—or on the recommendations of a technical committee or similar body that considers projections of demand and submissions from unions, employers and community groups. The United Kingdom's Migration Advisory Committee, set up in late 2007 to provide advice on the designation of so-called

'shortage occupations', is a good example. The disadvantages of requiring a job offer are that the decision is effectively delegated to individual employers, transaction costs for individual migrants may be higher, and portability can become an issue. Caution should be exercised in relation to employers' stated 'needs' for migrants. These could arise because migrants are willing to work longer hours and/or because they are more skilled. Employers should not use migrant labour as a stratagem for evading their legal obligations to provide basic health and safety protection and to guarantee minimum standards in working conditions, which should be accorded to all workers, regardless of origin.

*Employer portability.* Tying people to specific employers prevents them from finding better opportunities and is therefore both economically inefficient and socially undesirable. Our policy assessment found that governments typically allow employment portability for permanent high-skilled migrants, but not for

temporary low-skilled workers. However, there are signs of change. The United Arab Emirates has begun to offer transferable employment sponsorships in response to complaints of abuse from migrants.<sup>3</sup> Sweden's recent labour immigration reform, described in box 5.1, is perhaps the most comprehensive example of employment and benefits portability to date, as work permits are transferable and migrants who lose their jobs—for whatever reason—have three months to find work before the visa is revoked.<sup>4</sup> An employer who has gone abroad to recruit will typically seek some period of non-portability—but even in these cases there are ways of building in a degree of flexibility: for example, allowing the migrant or another employer who wants to employ her to pay a fee reimbursing the original employer for recruitment costs.

#### Box 5.2 Experience with regularization

Most European countries have operated some form of regularization programme, albeit for a range of motives and, in some cases, despite denying that regularization takes place (Austria and Germany). A recent study estimated that in Europe over 6 million people have applied to transit from irregular to legal status over the decade to 2007, with an approval rate of 80 percent. The numbers in each country vary hugely—Italy having the highest (1.5 million), followed by Spain and Greece.

Regularization programmes are not limited to the OECD. A regional agreement in Latin America, MERCOSUR, means that Argentina, for example, has legislated that any citizen of a MERCOSUR country without a criminal background can obtain legal residence. In South Africa efforts are underway to regularize irregular Zimbabweans, beginning with a temporary residence permit that grants them access to health care and education and the right to stay and work for at least six months. In Thailand 135,000 migrants were regularized in early 2008, although in the past periods of regularization were followed by stepped-up rates of deportation.

The pros and cons of regularization have been hotly debated. The benefits for the destination country relate to security and the rule of law, while the individuals and families who are regularized may be better placed to overcome social and economic exclusion. Among the disadvantages are concerns about encouraging future flows, the undermining of formal admissions programmes and fraudulent applications. At the same time, the benefits of regularization are highly dependent on context. For example, in the United States many irregular immigrants already pay taxes, so the revenue benefits are much lower than in countries with large informal economies, where taxes are avoided on a much larger scale. Surveys of country experiences have tended to conclude that the socio-economic impacts of regularization have been mixed, with the expected positive impacts on wages, mobility and integration not always materializing.

Source: ICMPI (2009), Cerrutti (2009) and Martin (2009b).

*Right to apply for extension and pathways to permanence.* This will be at the discretion of the host government and, as at present, is usually subject to a set of specific conditions. Nevertheless, extension of temporary permits is possible in many developed countries (e.g. Canada, Portugal, Sweden, United Kingdom and United States), and some developing countries (e.g. Ecuador and Malaysia). Whether the permit is renewed indefinitely may depend on bilateral agreements. Some countries grant the opportunity for migrants to convert temporary into permanent status after several years of regular residence (e.g. in Italy after six years, and in Portugal and the United Kingdom after five). This may be conditional on, for example, the migrant's labour market record and lack of criminal convictions.<sup>5</sup>

*Provisions to facilitate circularity.* The freedom to move back and forth between host and source country can enhance benefits for migrants and their origin countries. Again, this can be subject to discretion or to certain conditions. Portability of accumulated social security benefits is a further advantage that can encourage circularity.

The issue of irregular status inevitably crops up in almost any discussion of immigration. Various approaches have been used by governments to address the issue. Amnesty schemes are announced and remain open for a finite period—these have been used in various European countries as well as in Latin America. Ongoing administrative mechanisms may grant some type of legal status on a discretionary basis—for example, on the basis of family ties, as is possible in the United States. Forced returns to the country of origin have also been pursued. None of these measures is uncontroversial. Box 5.2 summarizes recent regularization experiences.<sup>6</sup>

So-called 'earned regularizations', as tried in a number of countries, may be the most viable way forward.<sup>7</sup> These provide irregular migrants with a provisional permit to live and work in the host country, initially for a finite period, which can be extended or made permanent through the fulfilment of various criteria, such as language acquisition, maintaining stable employment and paying taxes. There is no initial amnesty but rather a conditional permission to transit to full residence status. This approach has the

attraction of potentially garnering broad public acceptance.

The varied European experience suggests that among the key ingredients of successful regularizations are the involvement of civil society organizations, migrant associations and employers in planning and implementation; guarantee against expulsion during the process; and clear qualifying criteria (for example, length of residence, employment record and family ties).<sup>8</sup> Among the challenges faced in practice are long delays. With locally administered schemes, as in France, variable treatment across locations may be an issue.

Forced returns are especially controversial. Their number has been rising sharply in some countries, surpassing 350,000 in the United States and 300,000 in South Africa in 2008 alone. Pushed enthusiastically by rich country governments, forced returns also feature in the European Union's mobility partnerships.<sup>9</sup> Many origin states cooperate with destination countries by signing readmission agreements, although some, for example South Africa, have so far declined to sign.

What should humane enforcement policies look like? Most people argue that there need to be some sanctions for breaches of border control and work rules and that, alongside discretionary regularization, forced returns have a place in the policy armoury. But implementing this sanction raises major challenges, especially in cases where the individuals concerned have lived and worked in the country for many years and may have family members who are legally resident. For example, a recent survey of Salvadorian deportees found that one quarter had resided in the United States for more than 20 years, and that about four fifths were working at the time of their deportation, many with children born in the United States.<sup>10</sup> In various countries, including the United Kingdom, the media have occasionally taken up cases of threatened deportation that have seemed particularly inhumane.

It is clearly important that, where individuals with irregular status are identified, enforcement procedures should follow the rule of law and basic rights should be respected. There is a need to establish the accountability of employers who engage workers with irregular status. This has been a topic of debate in the United

States, for example. Formal processes to determine whether or not individuals have the legal right to stay in the country are clearly better than summary or mass expulsions, which have been observed in the past (e.g. Malaysia's expulsion of irregular Indonesian workers in early 2005)<sup>11</sup>, although some procedural aspects, such as the right to counsel, may represent an unwelcome burden on the public purse in developing countries. The United Kingdom Prison Inspectorate has published Immigration Detention Expectations based on international human rights standards. But mere publication does not, of course, ensure that the standards are met. In some countries, NGOs work to improve living conditions in detention camps—the Ukrainian Red Cross is an example. The recent European Union directive on the procedures for return appears to be a step towards transparency and harmonization of regulations, with an emphasis on standard procedures either to expel people with irregular status or to grant them definite legal status. The directive has, however, been criticized as inadequate in guaranteeing respect for human rights.<sup>12</sup>

### 5.1.2 Ensuring basic rights for migrants

This report has focused on mobility through the lens of expanding freedoms. But not all migrants achieve all the freedoms that migration promises. Depending on where they come from and go to, people frequently find themselves having to trade off one kind of freedom against another, most often in order to access higher earnings by working in a country where one or more fundamental human rights are not respected. Migrants who lack resources, networks, information and avenues of recourse are more likely to lose out in some dimensions, as too are those who face racial or other forms of discrimination. Major problems can arise for those without legal status and for those in countries where governance and accountability structures are weak.

Refugees are a distinct legal category of migrants by virtue of their need for international protection. They have specific rights, set out in the 1951 Refugee Convention and 1967 Protocols, which have been ratified by 144 states (figure 5.1).<sup>13</sup> These agreements provide critical protection to those fleeing across international borders to escape persecution.

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More generally, the six core international human rights treaties, which have been ratified by 131 countries around the globe, all contain strong non-discrimination clauses ensuring the applicability of many provisions to migrants.<sup>14</sup> These instruments are universal and apply to both citizens and non-citizens, including those who have moved or presently stay, whether their status is regular or irregular. Of particular relevance are the rights to equality under the law and to be free from discrimination on grounds of race, national origin or other status. These are important legal constraints on state action.<sup>15</sup>

Recently, protocols against the trafficking and smuggling of people have rapidly garnered broad support, building on existing instruments with 129 ratifications.<sup>16</sup> These protocols, which seek to criminalize trafficking, focus more on suppressing organized crime and facilitating orderly migration than on advancing the human rights of the individuals (mainly women) involved.<sup>17</sup> Many states have enacted these principles into national legislation: of the 155 states surveyed in 2008, some 80 percent had introduced a specific offence of trafficking in persons and more than half had created a special anti-trafficking police unit.<sup>18</sup> Progress on this front is

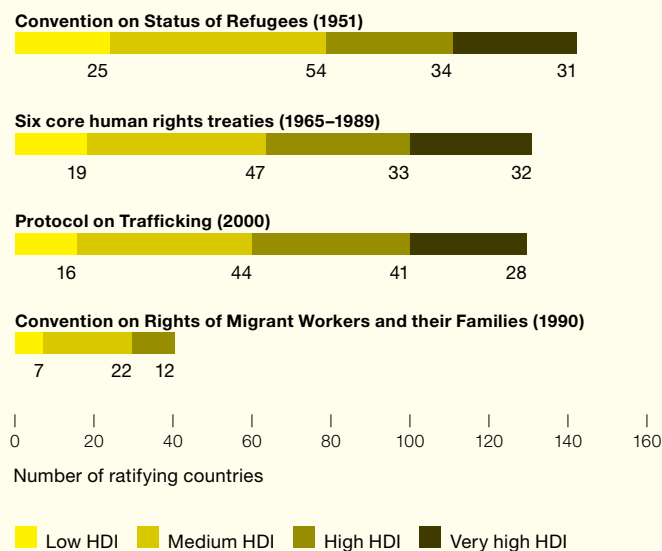
clearly welcome, although some observers have noted that increasingly harsh immigration policies have also tended to promote trafficking and smuggling.<sup>19</sup>

By way of contrast, the series of ILO conventions adopted throughout the 20th century, which seek to promote minimum standards for migrant workers, have not attracted wide endorsement. The causes are several, including the scope and comprehensiveness of the conventions versus the desire for unfettered state discretion in such matters. In 1990, the UN International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families (CMW) reiterated the core principles of the human rights treaties, but also went further, for example in defining discrimination more broadly, in providing stronger safeguards against collective and arbitrary expulsion and in ensuring the right of regular migrants to vote and be elected. However, there are only 41 signatories to date, of which only five are net immigration countries and none belong to the very high-HDI category (figure 5.1).

Looking behind figure 5.1 to examine the migration profiles of ratifying countries, we found that most have immigration and emigration rates below 10 percent. Among the countries where the share of the population who are either migrants or emigrants exceeds 25 percent, the rates of signing are still low—only 3 out of 64 have signed up to the CMW, for example, although 22 have signed the six core human rights treaties. Even among countries with net out-migration rates exceeding 10 percent of their population—which have strong incentives to sign in order to protect their workers abroad—ratification rates of the CMW are low. Only 20 percent of high-emigration country governments have signed the CMW over the almost two decades of its existence, whereas half have ratified the six core human rights treaties and 59 percent are signatories to the more recent trafficking protocol.

Countries that have not ratified the CMW are still obliged to protect migrant workers, through other core human rights treaties. Treaty Monitoring Bodies (TMBs) under existing conventions are now supplemented by periodic review by UNHCR. Recent analysis of a decade of deliberations by TMBs reveals that the relevant

**Figure 5.1** Ratification of migrants' rights convention has been limited  
Ratification of selected agreements by HDI category, as of 2009



Source: UNODC (2004) and UN (2009b).



provisions of other core human rights treaties can highlight problems and protect the rights of migrants, and have increasingly done so over time.<sup>20</sup> Even if each country naturally seeks to portray its human rights record in the best light, TMBs can, despite the lack of enforcement mechanisms, influence through ‘naming and shaming’, highlighting egregious cases and seeking moral or political suasion.

Ensuring the rights of migrants has been a recurrent cry in all global forums, as exemplified by the statements made by civil society organizations at the 2008 Global Forum on Migration and Development in Manila. Yet it is also clear that the main challenge is not the lack of a legal framework for the protection of rights—as a series of conventions, treaties and customary law provisions already exist—but rather their effective implementation. In this spirit, in 2005 the ILO developed a Multilateral Framework on Labour Migration, which provides guidelines and good practices within a non-binding framework that recognizes the sovereign right of all states to determine their own migration policies. This ‘soft law’ type of approach accommodates the inherent differences between states and allows for gradual implementation.<sup>21</sup>

Even if there is no appetite to sign up to formal conventions, there is no sound reason for any government to deny such basic migrant rights as the right to:

- Equal remuneration for equal work, decent working conditions and protection of health and safety;
- Organize and bargain collectively;
- Not be subject to arbitrary detention, and be subject to due process in the event of deportation;
- Not be subject to cruel, inhumane or degrading treatment; and
- Return to countries of origin.

These should exist alongside basic human rights of liberty, security of person, freedom of belief and protection against forced labour and trafficking.

One argument against ensuring basic rights has been that this would necessarily reduce the numbers of people allowed to enter. However as we showed in chapter 2, this trade-off does not generally hold such and an argument is in any case not justifiable on moral grounds.

The prime responsibility for ensuring basic rights while abroad lies with host governments. Attempts by source country governments, such as India and the Philippines, to mandate minimum wages paid to emigrants have typically failed due to the lack of jurisdiction over this matter. Source country governments can nonetheless provide support in terms of advising about migrants’ rights and responsibilities through migrant resource centres and pre-departure orientation about what to expect while abroad.

Consular services can play an important part in providing a channel for complaints and possible recourse, while bilateral agreements can establish key principles. However, a collective and coordinated effort by countries of origin to raise standards is more likely to be effective than isolated national efforts.

Employers, unions, NGOs and migrant associations also have a role. Employers are the main source of breaches of basic rights—hence their behaviour is paramount. Some employers have sought to set a good example by developing codes of conduct and partnering with the Business for Social Responsibility programme for migrant workers’ rights, which focuses on situations where there are no effective mechanisms for enforcing existing labour laws.<sup>22</sup> Among the measures available to unions and NGOs are: informing migrants about their rights, working more closely with employers and government officials to ensure that these rights are respected, unionizing migrant workers and advocating for regularization. One active NGO, is the Collectif de défense des travailleurs étrangers dans l’agriculture (CODESTRAS), which seeks to improve the situation of seasonal workers in the South of France through awareness-raising, information, dissemination and legal support.<sup>23</sup>

The role of trade unions is particularly important. Over time, unions have accorded greater attention to migrants’ rights. The World Values Survey of 2005/2006, covering 52 countries, suggests that rates of union membership are higher among people with a migrant background: 22 percent of those who have a migrant parent are members of a labour union, compared to 17 percent of those who do not. This difference is especially large in low-HDI countries.<sup>24</sup>

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Rationalizing 'paper walls' in countries of origin is an important part of reducing the barriers to legal migration

Last but not least, migrants themselves can affect the way destination communities and societies perceive immigration. Sometimes, negative public opinion partly reflects past incidents of unlawful behaviour associated with migrants. By supporting more inclusive societies and communities, where everyone—including migrants—understands and respects the law and pursues peaceful forms of participation and, if necessary, protest, migrants can alleviate the risk of such negative reactions. Civil society and local authorities can help by supporting migrant networks and communities.<sup>25</sup>

### 5.1.3 Reducing transaction costs associated with movement

Moving across borders inevitably involves transaction costs. Distance complicates job matching, both within countries and, more acutely, across national borders, because of information gaps, language barriers and varying regulatory frameworks. This creates a need for intermediation and facilitation services. Given the magnitude of income differences between low- and very high-HDI countries, it is not surprising that there is a market for agents who can match individuals with jobs abroad and help navigate the administrative restrictions associated with international movement.

Under current migration regimes, the major cost is typically the administrative requirement that a job offer be obtained from a foreign employer before departure. Especially in Asia, many migrant workers rely on commercial agents to organize the offer and make all the practical arrangements. Most agents are honest brokers and act through legal channels, but some lack adequate information on the employers and/or the workers or smuggle people through borders illegally.

This market for intermediation services can be problematic, however. In the worst cases it can result in trafficking and years of bondage, violent abuse and sometimes even death. A much more common problem is high fees, especially for low-skilled workers. Intermediation often generates surplus profits for recruiters, due to the combination of restrictive entry and high labour demand for low-skilled workers, who frequently lack adequate information and have unequal bargaining power. The costs also appear to be regressive, rising as the level of skills falls,

meaning that, for example, few migrant nurses pay recruitment fees but most domestic helpers do. Asian migrants moving to the Gulf states often pay 25–35 percent of what they expect to earn over two or three years in recruitment and other fees.<sup>26</sup> In some cases, corruption imposes additional costs. Extensive administrative regulation can be counterproductive in that it is more likely to expose migrants to corruption and creates rents for middlemen, officials and others who grease the wheels of the system.

Governments can help to reduce transaction costs for migrant workers in several ways. Six areas deserve priority consideration:

*Opening corridors and introducing regimes that allow free movement.* Because of MERCOSUR, for example, Bolivian workers can travel relatively freely to Argentina, as well as learn about jobs and opportunities from friends and relatives through deepening social networks. The same dynamic was observed on an accelerated basis following European Union enlargement in 2004. Another example is facilitated access for seasonal workers across the Guatemala–Mexico border.

*Reducing the cost of and easing access to official documents, such as birth certificates and passports.* Rationalizing 'paper walls' in countries of origin is an important part of reducing the barriers to legal migration.<sup>27</sup> Analysis at the level of the country and migration corridor is needed to identify the types and amounts of upfront costs, which can range from travelling multiple times from the village to the capital to apply for a passport, to the fees for other pre-departure requirements such as health checks, police clearances, insurance fees and bank guarantees. Prospective migrants in the Mexico–Canada programme go to the capital city six times on average—a requirement that prompted the government to offer a stipend to cover travel costs (although rationalizing the administrative requirements would have been more efficient).<sup>28</sup> Some costs arise from destination country requirements. For example, the Republic of Korea requires that migrants learn the language before arrival: while language training increases earnings and promotes integration, it also increases pre-arrival debt.<sup>29</sup> A number of countries have attempted to speed up paperwork for migrants, with varying degrees of success (box 5.3).

*Empowerment of migrants, through access to information, rights of recourse abroad and stronger social networks.* The latter, in particular, can do much to plug the information gap between migrant workers and employers, limiting the need for costly recruitment agencies and enabling migrants to pick and choose among a wider variety of employment opportunities.<sup>30</sup> In Malaysia migrant networks allow Indonesians to learn about new job openings before the news even reaches local residents.<sup>31</sup> Similarly, improved telecommunication has helped prospective migrants in Jamaica become better informed.<sup>32</sup> Information centres, such as the pilot launched by the European Union in Bamako, Mali in 2008, can provide potential migrants with accurate (if disappointing!) information about opportunities for work and study abroad.

*Regulation of private recruiters to prevent abuses and fraud.* Prohibitions do not tend to work, in part because bans in destination places do not apply to recruiters in source areas.<sup>33</sup> Yet some regulations can be effective, for example joint liability between employers and recruiters, which can help to avert fraud and deceit. In the Philippines recruitment agencies are treated as ‘co-employers’, liable jointly and separately for failure to comply with a given contract. An agency found to be at fault risks having its license revoked, although suspension is often avoided by payment of a fine. Self-regulation through industry associations and codes of conduct is another means of promoting ethical standards. Industry associations can collect and disseminate information on high-risk agencies and best practices. Many such associations exist in South and East Asia, although none has emerged as a self-regulatory body similar to those found in developed countries, since most have focused on ensuring that government policy on migration is friendly to the recruitment industry—as, for example, in Bangladesh, the Philippines and Sri Lanka.<sup>34</sup> Such associations could develop over time to play a more effective role in assuring the quality of services and, where necessary, censuring members for lax standards.

*Direct administration of recruitment by public agencies.* In Guatemala, for example, the IOM administers a programme that sends seasonal farm workers to Canada at no charge to the worker. However there is debate about the

### Box 5.3 Reducing paperwork: a challenge for governments and partners

A prime example of streamlined deployment despite extensive administrative requirements is the Philippine Overseas Employment Administration, which regulates all aspects of recruitment and works closely with other agencies to ensure the protection of its workers abroad. Indonesia has attempted to follow suit, establishing the National Agency for the Placement and Protection of Indonesian Migrant Workers (BNP2TKI) in 2006, although low bureaucratic capacity and weak intergovernmental coordination have reportedly compromised BNP2TKI’s effectiveness. Other countries have attempted to address issues related to delays and costs, but few have succeeded. In Gabon the government instituted a 3-day limit on the waiting time for passports, but the delays remain long and the process arduous. Similarly, the Myanmar government recently instituted a policy for passports to be issued within one week, but continuing complaints suggest that delays and demands for bribes remain common.

Development assistance programmes could support and finance administrative improvements for vital records registration with shorter processing times and lower costs. This would allow governments to offer their citizens proper travel documents at affordable prices. Bangladesh, which has a birth registration rate of below 10 per cent, has partnered with the United Nations Children’s Fund (UNICEF) on this front.

Source: Agunias (2008), Tirtosudarmo (2009), United States Department of State (2009e), Koslowski (2009), and UNICEF (2007).

appropriate role for government agencies. In most poor countries, the capacity of national employment agencies to match workers with suitable jobs at home, let alone abroad, is very weak.<sup>35</sup> Some bilateral agreements, such as those signed by the Republic of Korea, require migrants to use government agencies, prompting complaints from recruiters and workers about high costs and lack of transparency. The fees charged by public recruiters are sometimes lower, but the costs in terms of time can be significant and can discourage prospective migrants from using regular channels.<sup>36</sup>

*Intergovernmental cooperation.* This can play an important role. The Colombo Process and the Abu Dhabi Dialogue are two recent intergovernmental initiatives designed to cooperatively address transactions costs and other issues. This process, which took place for the first time in January 2008, involved almost a dozen source and several destination countries in the GCC states and South East Asia, with the United Arab Emirates and IOM serving as the co-hosts. It focuses on developing key partnerships between countries of origin and destination around the subject of temporary contractual labour to, among other things, develop and share

Inclusion and integration are critical from a human development perspective

knowledge on labour market trends, prevent illegal recruitment, and promote welfare and protection measures for contractual workers. The ministerial consultation is intended to take place every two years. A pilot project followed where under the initiative of the governments of India, the Philippines and the United Arab Emirates there will be a test and identification of best practices in different aspects of temporary and circular migration, beginning with a group of Filipino and Indian workers in the sectors of construction, health and hospitality.<sup>37</sup>

#### 5.1.4 Improving outcomes for migrants and destination communities

While the weight of evidence shows that the aggregate economic impact of migration in the long run is likely to be positive, local people with specific skills or in certain locations may experience adverse effects. To a large extent these can be minimized and offset by policies and programmes that recognize and plan for the presence of migrants, promoting inclusion and ensuring that receiving communities are not unduly burdened. It is important to recognize the actual and perceived costs of immigration at the community level, and consider how these might be shared.

Inclusion and integration are critical from a human development perspective, since they have positive effects not only for individual movers and their families but also for receiving communities. The ways in which the status and rights of immigrants are recognized and enforced will determine the extent of such integration. In some developing countries, support for integration could be an appropriate candidate for development assistance.

Yet institutional and policy arrangements may often be more important than targeted migrant integration policies. For example, the quality of state schooling in poor neighbourhoods is likely to be critical—and not only for migrants. Within this broader context, the policy priorities for improving outcomes for migrants and destination communities are as follows:

*Provide access to basic services—particularly schooling and health care.* These services are not only critical to migrants and their families, but also have broader positive externalities. Here the key is equity of access and treatment. Our review

suggests that access is typically most restricted for temporary workers and people with irregular status. Access to schooling should be provided on the same basis and terms as for locally born residents. The same applies for health care—both emergency care in the case of accidents or severe illness and preventive services such as vaccinations, which are typically also in the best interests of the whole community and highly effective in the long term. Some developing countries, for example Costa Rica, grant migrants access to public health facilities regardless of status.<sup>38</sup>

*Help newcomers acquire language proficiency.* Services in this area can contribute greatly to labour market gains and inclusion more generally. They need to be designed with the living and working constraints faced by migrants in mind. The needs of adults vary, depending on whether or not they are working outside the home, while children can access school-based programmes. Among good practice examples are Australia, which provides advanced language training to migrants and indigenous populations.<sup>39</sup> Examples of targeted language learning for children include the Success for All programme in the United States, which combines group instruction and individual tutoring at the pre-school and primary school levels.<sup>40</sup> Several European countries provide language courses for newcomers through programmes offered by central government, state schools, municipalities and NGOs, such as the Swedish for Immigrants programme that dates back to 1965, the Portugal Acolhe programme offered since 2001, and the Danish Labour Market programme introduced in 2007.

*Allow people to work.* This is the single most important reform for improving human development outcomes for migrants, especially poorer and more vulnerable migrants. Access to the labour market is vital not just because of the associated economic gains but also because employment greatly increases the prospects for social inclusion. Restrictions on seeking paid work, as have traditionally been applied to asylum seekers and refugees in many developed countries, are damaging both to short- and medium-term outcomes, since they encourage dependency and destroy self-respect. They should be abolished. Allowing people to move among employers is a further basic principle of well-designed

programmes, which are concerned with the interests of migrants and not solely with those of employers. In many countries, high-skilled newcomers also face problems in accreditation of the qualifications they bring from abroad (box 5.4).

*Support local government roles.* Strong local government, accountable to local users, is essential for the delivery of services such as primary health and education. However, in some countries, government officials implicitly deny the existence of migrants by excluding them from development plans and allowing systematic discrimination to thrive. Improving individual and community outcomes associated with migration requires local governments that aim to<sup>41</sup>:

- Promote inclusive local governance structures to enable participation and accountability;
- Avoid institutional practices that contribute to discrimination;
- Ensure that law and order plays a facilitating role, including an effective and responsive police service;
- Provide relevant information for the public and for civil society organizations, including migrants' associations;<sup>42</sup> and
- Ensure equitable land use planning, consistent with the needs of the poor—for example, options to alleviate tenure insecurity and related constraints.

*Address local budget issues, including fiscal transfers to finance additional local needs.* Often, responsibility for the provision of basic services such as schools and clinics lies with local authorities, whose budgets may be strained by growing populations and who may lack the tax base to address their responsibilities for service delivery. Where subnational governments have an important role in financing basic services, redistributive fiscal mechanisms can help offset imbalances between revenue and expenditure allocations. Intergovernmental transfers are typically made across states and localities on the basis of at least two criteria: need (such as population, poverty rates, and so on) and revenue-generating capacity (so as not to discourage local taxation efforts). Since circumstances and objectives differ from country to country, no single pattern of transfers is universally appropriate. Per capita grants require that all people present, including irregular migrants and their families, should be counted. Transfers may also be used to reimburse specific

#### Box 5.4 Recognition of credentials

Many migrants, especially from poorer countries, are well qualified yet unable to use their skills abroad. Accreditation of skills is rarely practised in Europe, for example, even where there are institutional arrangements in place that are supposed to facilitate recognition.

There are reasons why immediate accreditation is not allowed. For example, it may be difficult to judge the quality of overseas qualifications, and there may be a premium on local knowledge (e.g. lawyers, with respect to applicable legislation).

Among the strategies available to promote the use of skills and qualifications held by foreigners are the following:

- *Mutual recognition agreements.* These are most common between countries with similar systems of education and levels of economic development, as in the European Union.
- *Prior vetting.* Both source and destination governments can vet the credentials of potential migrants before they leave. Australia has pioneered this approach. However, if an individual's goal is to enhance her human development via migration, the wait for credential recognition may be more costly than trying her luck in some other country, especially if she is unable to practise her profession at home or works there for a low wage.
- *Fast-track consideration.* Governments can facilitate fast-track consideration of credentials and establish national offices to expedite recognition. Mentors and short courses abroad can help migrants fill any gaps. Some states in the United States have established 'New Americans' offices to help newcomers navigate what can be a maze, even for internal migrants.
- *Recognition of on-the-job skills.* Many skills are learned on the job and mechanisms for recognizing such informally learned skills may be lacking. Developing the capacity to recognize and certify on-the-job skills could make it easier for workers to have their skills recognized abroad.

Source: Iredale (2001).

costs, especially in social services, where there is a strong argument for equalization of access. Well-designed transfer systems do not rely heavily on earmarking, and the grants should be made in as simple, reliable and transparent a way as possible.<sup>43</sup>

*Address discrimination and xenophobia.* Appropriate interventions by governments and civil society can foster tolerance at the community level. This is especially important where there is a risk of violence, although in practice policy responses tend to emerge *ex post*. In response to violence in Côte d'Ivoire, for example, an Anti-Xenophobia Law was passed in August 2008 to impose sanctions on conduct that incites such violence.<sup>44</sup> Civil society can also work to engender tolerance and protect diversity, as demonstrated recently in South Africa, where the 'No to Xenophobia' emergency mobile phone

It is critical to ensure fair treatment of migrants during recessions

SMS network was initiated after the violence of May 2008.<sup>45</sup> Another example is the Campaign for Diversity, Human Rights and Participation, organized by the Council of Europe in partnership with the European Commission and the European Youth Forum. This emphasized the role of the media in combating prejudice against Muslim and Roma peoples, and offered awards for municipalities that actively advance protection and inclusion.<sup>46</sup> Of course, where discrimination and tensions are deep-seated and have erupted in violence, and especially where the rule of law is weak, it will take time as well as much effort and goodwill for such efforts to bear fruit.

*Ensure fair treatment during recession.* This has assumed some urgency in 2009, which has brought reports of backlashes and deportations around the world. Among the provisions that can protect migrant workers against undue hardship are to<sup>47</sup>:

- Allow those laid off to look for a new job, at least until their existing work and residence permits expire;
- Ensure that those who are laid off before the end of their contracts can claim severance payments and/or unemployment benefits when entitled to do so;
- Step up labour law enforcement so as to minimize abuses (e.g. wage arrears) where workers are fearful of layoffs;
- Ensure continued access to basic services (health and education) and to job search services;
- Support institutions in origin countries that help laid-off workers to return and provide training grants and support; and
- Improve disaggregated data—including data on layoffs and wages, by sector and gender—so that origin governments and communities can become aware of changes in employment prospects.

If governments take these types of measures, the economic crisis could become an opportunity to promote better treatment and avoid conflict.

It is important to give credit where it is due. There are examples where state and local governments have embraced migration and its broader social and cultural implications. The recent West Australian Charter on Multiculturalism is an interesting example of a state-level commitment

to the elimination of discrimination and the promotion of cohesion and inclusion among individuals and groups.<sup>48</sup> Many of the foregoing recommendations are already standard policy in some OECD countries, although there tends to be plenty of variability in practice. The boldest reforms are needed in a number of major destination countries, including, for example, South Africa and the United Arab Emirates, where current efforts to enable favourable human development outcomes for individuals and communities fall far short of what is needed.

### 5.1.5 Enabling benefits from internal mobility

In terms of the number of people involved, internal migration far exceeds external migration. An estimated 136 million people have moved in China alone, and 42 million in India, so the totals for just these two countries approach the global stock of people who have crossed frontiers. This reflects the fact that mobility is not only a natural part of human history but a continuing dimension of development and of modern societies, in which people seek to connect to emerging opportunities and change their circumstances accordingly.

Given these realities, government policies should seek to facilitate, not hinder, the process of internal migration. The policies and programmes in place should not adversely affect those who move. By the same token, they should not require people to move in order to access basic services and livelihood opportunities. These two principles lead to a series of recommendations that are entirely within the jurisdiction of all national governments to implement:

*Remove the barriers to internal mobility.* To ensure full and equal civic, economic and social rights for all, it is vital to lift legal and administrative constraints to mobility and to combat discrimination against movers. As reviewed in chapter 2, administrative barriers are less common since the demise of central planning in large parts of the world—but some are remarkably persistent, despite typically failing to curb mobility to any marked degree. Such barriers are contrary to international law. They are also costly and time-consuming to maintain for government and to negotiate for movers. Many opt to travel without the proper documentation,

Inclusive and accountable local government can play a central role not only in service provision but also in averting and alleviating social tensions

only to find later that they cannot access key services. Internal migrants should have equal access to the full range of public services and benefits, especially education and health, but also pensions and social assistance where these are provided.

Freedom of movement is especially important for seasonal and temporary workers, who are typically among the poorest migrants and have often been neglected or actively discriminated against. These types of migration flows can present acute challenges for local authorities responsible for the provision of services, which need to learn to cater to more fluid populations. Partial reforms that allow migrants to work but not to access services on an equal basis (as is the case in China) are not enough. Reforms have been introduced in some states in India—for example, allowing seasonal migrants to obtain temporary ration cards—but implementation has been slow.<sup>49</sup>

*Provide appropriate support to movers at destination.* Just as they should do for people coming from abroad, governments should provide appropriate support to people who move internally. This may be done in partnership with local communities and NGOs. Some people who move are disadvantaged—due to lack of education, prejudice against ethnic minorities and linguistic differences—and therefore need targeted support programmes. Support could be provided in areas ranging from job search to language training. Access to social assistance and other entitlements should be ensured. Above all, it is vital to ensure that basic health care and education needs are met. India has examples of NGO-run children's hostels to help children of migrants access accommodation, schooling and extra classes to catch up.

*Redistribute tax revenues.* Intergovernmental fiscal arrangements should ensure the redistribution of revenues so that poorer localities, where internal migrants often live, do not bear a disproportionate burden in providing adequate local public services. The same principles as apply to fiscal redistribution to account for the location of international migrants also apply here.

*Enhance responsiveness.* This may sound obvious and should by now go without saying, but it is vital to build the capacity of local government

and programmes to respond to people's needs. Inclusive and accountable local government can play a central role not only in service provision but also in averting and alleviating social tensions. Proactive urban planning, rather than denial, is needed to avoid the social and economic marginalization of migrants.

The Millennium Development Goals (MDGs) call for action plans to create 'Cities without Slums' to, inter alia, improve sanitation and secure land tenure. However, progress has been slow: according to the most recent global MDG report, more than a third of the world's urban population lives in slum conditions, rising to over 60 percent in sub-Saharan Africa.<sup>50</sup>

Governments sometimes respond to concerns about slums by seeking to curb inflows of migrants to cities, as revealed by the review of PRSs presented in chapter 4. However, a more constructive policy approach would be to meet the needs of a growing and shifting population by addressing the serious water and sanitation challenges that tend to prevail in slum areas. With proactive planning and sufficient resources, it is possible to ensure that growing cities can provide decent living conditions. Some cities, recognizing the importance of sustainable urban development, have come up with innovative solutions for improving the lives of city dwellers. Singapore's experience with urban renewal is widely cited as a best practice example: virtually all of its squatter settlements were replaced with high-rise public housing, complemented by expanded public transport and improved environmental management. A more recent example comes from Alexandria, Egypt, where participatory approaches have been used to develop medium- and long-term plans for economic development, urban upgrading of slum areas and environmental regeneration.<sup>51</sup>

Last but not least, many rural migrants describe being pushed rather than pulled to urban areas because of inadequate public facilities in their place of origin. The universal provision of services and infrastructure should extend to places experiencing net out-migration. This will provide opportunities for people to develop the skills to be productive and to compete for jobs in their place of origin, while also preparing them for jobs elsewhere if they so choose.

Migration can be a vital strategy for households and families seeking to diversify and improve their livelihoods

### 5.1.6 Making mobility an integral part of national development strategies

A central theme of the 2009 Global Forum on Migration and Development, hosted by Greece, is the integration of migration into national development strategies. This raises the broader question of the role of mobility in strategies for improving human development. Our analysis of PRSs since 2000 helped to identify current policy attitudes and constraints, while recognizing that migration has played a major role in national visions of development at different moments and periods in history.

The links between mobility and development are complex, in large part because mobility is best seen as a component of human development rather than an isolated cause or effect of it. The relationship is further complicated by the fact that, in general, the largest developmental gains from mobility accrue to those who go abroad—and are thus beyond the realm of the territorial and place-focused approaches that tend to dominate policy thinking.

Migration can be a vital strategy for households and families seeking to diversify and improve their livelihoods, especially in developing countries. Flows of money have the potential to improve well-being, stimulate economic growth and reduce poverty, directly and indirectly. However, migration, and remittances in particular, cannot compensate for an institutional environment that hinders economic and social development more generally. A critical point that emerges from experience is the importance of national economic conditions and strong public-sector institutions in enabling the broader benefits of mobility to be reaped.

We have seen that the mobility choices of the poor are often constrained. This can arise from underlying inequalities in their skills, but also from policy and institutional barriers. Needed now is country-specific identification of the constraints surrounding people's choices, using quantitative and qualitative data and analysis. Improvements in data, alongside such recent initiatives as the development of migration profiles (supported by the European Commission and other partners), will be crucial to this effort. This would highlight barriers and inform attempts to improve national strategies.

Some development strategies—8 of the 84 PRSs prepared between 2000 and 2008<sup>52</sup>—raise concerns about the exit of graduates. There is broad agreement that coercive policies to limit exit, as well as being contrary to international law, are not the right way to proceed, for both ethical and economic reasons.<sup>53</sup> However, there is less agreement as to what alternative policies should look like. Box 5.5 looks at the merits of different options.

Finally, while this topic is beyond the focus of this report, we underline the importance of sustained efforts to promote human development at home.<sup>54</sup> A comprehensive investigation of the sources of human development success and failure and its implications for national development strategies will be a major theme of the next HDR, which marks the 20th anniversary of the global report.

## 5.2 The political feasibility of reform

Against a background of popular scepticism about migration, a critical issue is the political feasibility of our proposals. This section argues that reform is possible, but only if steps are taken to address the concerns of local people, so that they no longer view immigration as a threat, either to themselves individually or to their society.

While the evidence on mobility points to significant gains for movers and, in many cases, benefits also for destination and origin countries, any discussion of policy must recognize that in many destination countries, both developed and developing, attitudes among the local population towards migration are at best mildly permissive and often quite negative. An array of opinion polls and other surveys suggest that residents see controls on immigration as essential and most would prefer to see existing rules on entry tightened rather than relaxed. Interestingly, however, attitudes to migration appear to be more positive in countries where the migrant population share in 1995 was large and where rates of increase over the past decade have been high.<sup>55</sup> In terms of the treatment of migrants, the picture is more positive, as people tend to support equitable treatment of migrants already within their borders.

We begin with the vexed issue of liberalizing entry. The evidence suggests that opposition to liberalization is widespread, but the picture is



**Box 5.5** When skilled people emigrate: some policy options

Taxing citizens abroad—sometimes termed a Bhagwati tax—has been a longstanding proposal and is an established feature of the United States tax system. It can be justified by the notion that citizenship implies responsibilities, including the payment of tax, especially by the better off. If entry barriers create a shortage of skilled labour in destination countries and hence higher incomes for those who do manage to move, taxing these rents is non-distortionary and would not affect the global allocation of labour.

However, there are several arguments against imposing a surcharge on nationals abroad, who may already be paying tax to their new host countries. First, implementation would either be on a voluntary basis or through bilateral tax agreements. But people do not like paying taxes—and there is no consensus among governments as to the desirability of migrant taxation, largely because it is administratively costly. Second, while some emigrants will have benefited from attending a public university at home, others will have been educated abroad or privately. Third, through remittances, investment and other mechanisms, migrants often generate substantial benefits back home. Taxation could discourage these flows and persuade emigrants to relinquish their citizenship in favour of their new homeland.

Hence implementation of such taxes has been very limited. The Philippines tried, but experience was very mixed and the approach was shelved nearly a decade ago. Today most governments, including the Philippines, grant tax holidays to emigrants.

An alternative way to compensate for skill losses could be direct transfers between governments. Whether self-standing or part of an official development aid package, these have the advantage of simplicity and relatively low transaction costs. However, skill loss is hard to measure. And such transfers would not address the underlying issues that stimulated exit in the first place, such as low-quality educational and health services and/or thin markets for skilled individuals.

Aid is largely fungible, as many studies have shown, so even aid that is earmarked to support the higher education system mostly supports whatever the government is spending money on.

There may still be a case for policy to address skilled emigration in those sectors, such as health and education, where there are potentially large divergences between private and public benefits and costs. Which policy approach has merit depends on local circumstances. For example:

- Targeted incentives in the form of wage supplements for public-sector workers. Such an approach would have to be carefully calibrated, given its possible effects on labour supply. A major constraint here is that the wage differentials are often too great to lie within the fiscal capacity of poor governments.
- Training tailored to skills that are useful in origin countries but less tradable across borders. For example, while an international market for doctors exists, training in paramedic skills may promote better retention of skilled people as well as being more relevant to local health care needs.
- Reform of education financing. This would allow private-sector provision so that people seeking training as a way of moving abroad do not rely on public funding. The Philippines has been taking this route for training its nurses.
- Investment in alternative technologies. Distance services, dispensed by cell-phone, internet telephony or websites, can allow skills that are in short supply to benefit larger numbers of people.
- Targeted development assistance. Where loss of talent is associated with lack of innovation and investment—for example, in agriculture—development assistance could prioritize regional and national research institutions.

Providing incentives for skilled migrants to return has also been tried, but experience has been mixed and it is not clear that this is the best use of scarce public funds. Effectiveness depends partly on the strength of the home institution to which the migrant would return but also, and perhaps more importantly, on the performance and prospects of the whole country. Evidence suggests that returns occur anyway when countries offer sufficiently attractive opportunities. China, India and Mauritius are recent cases in point.

Sources: Clemens (2009b), Bhagwati (1979), Clemens (2009a), Pomp (1989) and World Bank (1998).

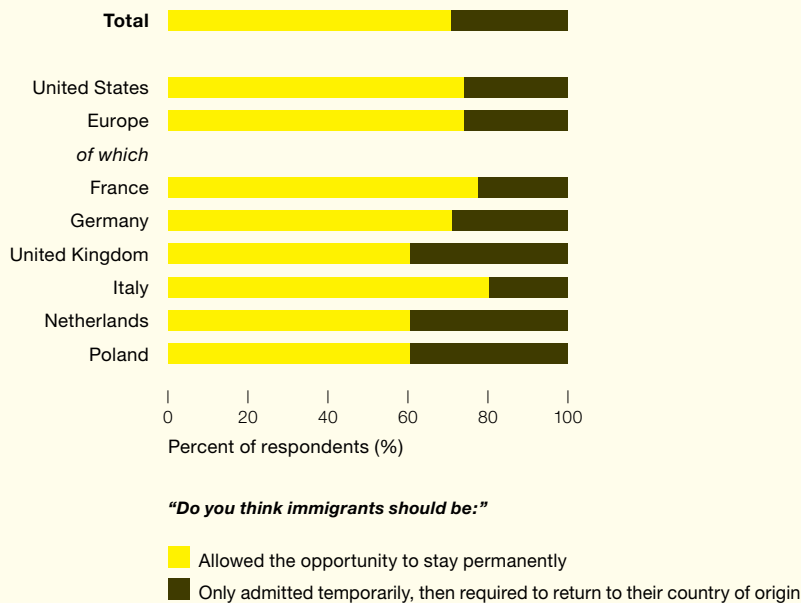
not as monochrome as it initially appears. There are four main reasons why this is so.

First, as mentioned in chapter 4, many people are willing to accept immigration if jobs are available. Our proposal links future liberalization to the demand for labour, such that inflows of migrants will respond to vacancy levels. This alleviates the risk that migrants will substitute for or undercut local workers. Indeed, conditions of this kind are already widely applied by governments, particularly in the developed economies,

to the entry of skilled migrants. Our proposal is that this approach be extended to low-skilled workers, with an explicit link to the state of the national labour market, and sectoral needs.

Second, our focus on improving the transparency and efficiency of the pathways to permanence for migrants can help address the persistent impression, shared by many local people, that a significant part of cross-border migration is irregular or illegal. Certainly, in the United States the size of the irregular migrant

**Figure 5.2** Support for opportunity to stay permanently  
Preferences for temporary versus permanent migration, 2008



Source: Transatlantic Trends (2008).

labour force is a major political issue, on which a policy consensus has yet to be reached. Irregular migration is also prominent in other destination countries, both developed and developing. Interestingly, recent data suggest that there is considerable support in developed countries for permanent migration, with over 60 percent of respondents feeling that legal migrants should be given an opportunity to stay permanently (figure 5.2).

To translate this support into action will require the design of policies for legal migration that are explicitly linked to job availability—and the marketing of this concept to the public so as to build on existing levels of support. Parallel measures to address the problem of irregular migration will also need to be designed and implemented, so that the policy vacuum in this area is no longer a source of concern to the public. Large-scale irregular migration, although often convenient for employers and skirted around by policy makers, tends not only to have adverse consequences for migrants themselves (as documented in chapter 3) but also to weaken the acceptability of—and hence the overall case for—further liberalization of entry rules.

Sustainable solutions would have to include incentives for employers to hire regular migrants, as well as incentives for migrants to prefer regular status.

Third, some of the resistance to migration is shaped by popular misperceptions of its consequences. Many believe, for example, that immigrants have a negative impact on the earnings of existing residents or that they are responsible for higher crime levels. These concerns again tend to be more pronounced in relation to irregular migrants, not least because their status is associated with an erosion of the rule of law. There are several broad approaches to these issues that have promise. Public information campaigns and awareness-raising activities are vital. Because migration is a contentious issue, information is often used selectively at present, to support the arguments of specific interest groups. While this is a natural and usually desirable feature of democratic discussion, it can come at the cost of objectivity and factual understanding. For example, a recent review of 20 European countries found that, in every case, the perceived number of immigrants greatly exceeded the actual number, often by a factor of two or more.<sup>56</sup>

To address such vast gaps between perceptions and reality, there is a need to provide the public with more impartial sources of information and analysis on the scale, scope and consequences of migration. A recurring feature of the migration debate is the pervasive mistrust of official statistics and interpretation. Because migration is so vexed a policy issue, more attention needs to be paid to informing public debate on it in ways that are recognized and respected for their objectivity and reliability. Governments can benefit significantly from technical advice given by expert bodies, such as the United Kingdom’s Migration Advisory Committee. These should be deliberately kept at arm’s length from the administration, so that they are seen as impartial.

Fourth, migration policy is normally formed through the complex interaction of a multitude of players, who form different interest groups and belong to different political parties. Organized groups can and do mobilize to bring about reform, often forming coalitions to pursue change in areas where their interests coincide.<sup>57</sup> For example, employer groups have

often been in the vanguard of calls for changes in entry rules in response to labour and/or skill shortages. Destination countries should decide on the design of migration policies and target numbers of migrants through political processes that permit public debate and the balancing of different interests. Further, what may be feasible at the national level needs to be discussed and debated locally, and the design further adapted to meet local constraints. Partly out of fear that debate over migration will take on racist overtones, discussion of migration among mainstream political parties and organizations has often been more muted than might have been expected. While the reasons for caution are laudable, there is a danger that self-censorship will be counter-productive.

How migrants are treated is a further area of policy in which reform may turn out to be easier than at first expected. Equitable treatment of migrants not only accords with basic notions of fairness but can also bring instrumental benefits for destination communities, associated with cultural diversity, higher rates of innovation and other aspects explored in chapter 4. Indeed, the available evidence suggests that people are generally quite tolerant of minorities and have a positive view of ethnic diversity. These attitudes suggest that there are opportunities for building a broad consensus around the better treatment of migrants.

The protection of migrants' rights is increasingly in the interest of the major destination countries that have large numbers of their own nationals working abroad.<sup>58</sup> By 2005, more than 80 countries had significant shares of their populations—in excess of 10 percent—as either immigrants or emigrants. For these countries, observance of the rights of migrants is obviously an important policy objective. This suggests that bilateral or regional arrangements that enable reciprocity could have an important role to play in enacting reforms in a coordinated manner.

While there is clear scope for improving the quality of public debates and of resulting policies, our proposals also recognize that there are very real and important choices and trade-offs to be made. In particular, our proposals have been designed in such a way as to ensure that the gains from further liberalization can be used in part to offset the losses suffered by particular groups

and individuals. Further, while the fiscal costs of migration are not generally significant (as shown in chapter 3), there may be a political case for measures that help improve the perception of burden sharing. For example, Canada has had administrative fees in place for over a decade; other countries, such as the United Kingdom, have followed this approach.

Moreover, the design of policy has to address the potential costs associated with migration. The suggested design of the reform package already ensures that the number of entrants is responsive to labour demand, and helps assure that migrants have regular status. Further measures could include compensation for communities and localities that bear a disproportionate share of the costs of migration in terms of providing access to public services and welfare benefits. This will help to dispel resentments against migrants among specific groups and reduce the support for extremist political parties in areas where immigration is a political issue. An example of this can be found in the case of financial transfers to schools with high migrant pupil numbers, a measure taken in a number of developed countries.

Another important measure to minimize disadvantages to local residents lies in the observance of national and local labour standards. This is a core concern of unions and also of the public, whose distress at the exploitation and abuse of migrants is commendable and a clear sign that progressive reform will prove acceptable. Contemporary examples of union involvement in scheme design and implementation include Barbados, New Zealand and Sweden, which have thereby improved the design and acceptability of their programmes.

Lastly, it should go without saying (but often does not) that participation in decision-making increases the acceptance of reform. This is perhaps the most important measure that governments can take to ensure that changes to migration policy are negotiated with and agreed by different stakeholder groups. The Netherlands is an example where the government has undertaken regular consultations with migrant organizations. Similarly, in New Zealand, 'Kick-Start Forums' have successfully been used to bring together stakeholders to resolve problems in the Recognised Seasonal Employment Scheme.<sup>59</sup>

Equitable treatment of migrants not only accords with basic notions of fairness but can also bring instrumental benefits for destination communities

Mobility has the potential to enhance human development—among movers, stayers and the majority of those in destination societies

### 5.3 Conclusions

We began this report by pointing to the extraordinarily unequal global distribution of opportunities and how this is a major driver of the movement of people. Our main message is that mobility has the potential to enhance human development—among movers, stayers and the majority of those in destination societies. However, processes and outcomes can be adverse, sometimes highly so, and there is therefore scope for significant improvements in policies and institutions at the national, regional and international levels. Our core package calls for a bold vision and identifies an ambitious long-term agenda for capturing the large unrealized gains to human development from current and future mobility.

Existing international forums—most notably the Global Forum on Migration and Development—provide valuable opportunities to review challenges and share experiences. Consultations at this level need to be matched by action at other levels. Even on a unilateral basis, governments can take measures to improve outcomes for both international and internal movers. Most of the recommendations

we have made are not conditional on new international agreements. The key reforms with respect to the treatment of migrants and the improvement of destination community outcomes are entirely within the jurisdiction of national governments. In some cases actions are needed at subnational levels—for example to ensure access to basic services. Unilateral action needs to be accompanied by progress in bilateral and regional arrangements. Many governments, both at origin and destination, as well as countries of transit, have signed bilateral agreements. These are typically used to set quotas, establish procedures and define minimum standards. Regional agreements can play an especially important role, especially in establishing free movement corridors.

Our suggested reforms to government policies and institutions could bring about sizeable human development gains from mobility at home and abroad. Advancing this agenda will require committed leadership, extensive consultation with stakeholders and bold campaigning for changes in public opinion to move the debates and policy discussions forward.