The International Development Committee

The International Development Committee is appointed by the House of Commons to examine the expenditure, administration, and policy of the Department for International Development and its associated public bodies.

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Powers

The Committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 152. These are available on the Internet via www.parliament.uk

Publications

The Reports and evidence of the Committee are published by The Stationery Office by Order of the House. All publications of the Committee (including press notices) are on the Internet at www.parliament.uk/parliamentary_committees/international_development.cfm. A list of Reports of the Committee in the present Parliament is at the back of this volume.

Committee staff

The current staff of the Committee are Alistair Doherty (Clerk), Sarah Hartwell–Naguib (Second Clerk), Alan Hudson (Committee Specialist), Katie Phelan (Committee Assistant), Jennifer Steele (Secretary), and Philip Jones, (Senior Office Clerk).

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Footnotes

In the footnotes of this Report, references to oral evidence are indicated by ‘Q’ followed by the question number. References to written evidence are indicated by the page number as in ‘Ev 12’
# Contents

## Report

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Summary</strong></td>
<td>3</td>
</tr>
<tr>
<td><strong>Background and acknowledgements</strong></td>
<td>7</td>
</tr>
<tr>
<td><strong>1 Migration: Putting development in the picture</strong></td>
<td>9</td>
</tr>
<tr>
<td>Migration: Development challenges and opportunities</td>
<td>9</td>
</tr>
<tr>
<td>The inquiry and the report</td>
<td>12</td>
</tr>
<tr>
<td><strong>2 Migration and development: Looking for development gains</strong></td>
<td>15</td>
</tr>
<tr>
<td>Understanding migration and development</td>
<td>15</td>
</tr>
<tr>
<td>Patterns of migration</td>
<td>15</td>
</tr>
<tr>
<td>Reasons for migration</td>
<td>18</td>
</tr>
<tr>
<td>The migration hump</td>
<td>20</td>
</tr>
<tr>
<td>Designing policy: Identifying development wins</td>
<td>22</td>
</tr>
<tr>
<td>The political economy of migration</td>
<td>23</td>
</tr>
<tr>
<td>Evidence–based policy?</td>
<td>24</td>
</tr>
<tr>
<td><strong>3 Migration journeys: From departure to return</strong></td>
<td>27</td>
</tr>
<tr>
<td>Leaving and being left behind</td>
<td>27</td>
</tr>
<tr>
<td>The “brain-drain”, or, the export of skilled labour</td>
<td>27</td>
</tr>
<tr>
<td>Regulating recruitment</td>
<td>29</td>
</tr>
<tr>
<td>Addressing the push factors</td>
<td>31</td>
</tr>
<tr>
<td>Towards a triple–win?</td>
<td>32</td>
</tr>
<tr>
<td>Travelling, arriving and living</td>
<td>33</td>
</tr>
<tr>
<td>Trafficking, smuggling and illegal migration</td>
<td>33</td>
</tr>
<tr>
<td>Economic migrants, asylum seekers and refugees</td>
<td>34</td>
</tr>
<tr>
<td>Migrants’ lives: Resource use, social exclusion and rights</td>
<td>35</td>
</tr>
<tr>
<td>Returning, reintegrating and circulating</td>
<td>40</td>
</tr>
<tr>
<td>Temporary migration schemes</td>
<td>42</td>
</tr>
<tr>
<td>Skills acquisition</td>
<td>44</td>
</tr>
<tr>
<td>Ensuring that temporary migration is temporary</td>
<td>44</td>
</tr>
<tr>
<td>Sustainable return</td>
<td>45</td>
</tr>
<tr>
<td>Facilitating circular migration</td>
<td>48</td>
</tr>
<tr>
<td>GATS Mode 4 and southern liberalisation</td>
<td>48</td>
</tr>
<tr>
<td>Somaliland</td>
<td>51</td>
</tr>
<tr>
<td><strong>4 Resource flows: Remittances and the role of the diaspora</strong></td>
<td>53</td>
</tr>
<tr>
<td>Remittances for poverty reduction?</td>
<td>53</td>
</tr>
<tr>
<td>The development potential of remittances</td>
<td>53</td>
</tr>
<tr>
<td>Increasing the flow of remittances: Incentives, transactions costs and regulation</td>
<td>57</td>
</tr>
<tr>
<td>Making remittances work for poverty reduction</td>
<td>60</td>
</tr>
<tr>
<td>Diaspora communities and development</td>
<td>64</td>
</tr>
<tr>
<td>The diaspora and its members as agents of development</td>
<td>64</td>
</tr>
<tr>
<td>Section</td>
<td>Page</td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>Working with the diaspora and diaspora organisations</td>
<td>66</td>
</tr>
<tr>
<td>5 Managing migration for poverty reduction</td>
<td>71</td>
</tr>
<tr>
<td>Migration partnerships for poverty reduction</td>
<td>72</td>
</tr>
<tr>
<td>Bilateral partnerships</td>
<td>72</td>
</tr>
<tr>
<td>Migration, the MDGs and the multilateral system</td>
<td>74</td>
</tr>
<tr>
<td>Towards policy coherence for development</td>
<td>76</td>
</tr>
<tr>
<td>What policy coherence means and why it matters</td>
<td>76</td>
</tr>
<tr>
<td>The High Level Working Group on Asylum and Migration</td>
<td>78</td>
</tr>
<tr>
<td>DFID, Whitehall and policy coherence for development</td>
<td>80</td>
</tr>
<tr>
<td>Conclusions and recommendations</td>
<td>83</td>
</tr>
<tr>
<td>Annex: Migration between developing countries and the UK</td>
<td>94</td>
</tr>
<tr>
<td>List of acronyms</td>
<td>96</td>
</tr>
<tr>
<td>Formal minutes</td>
<td>97</td>
</tr>
<tr>
<td>List of witnesses</td>
<td>98</td>
</tr>
<tr>
<td>List of written evidence</td>
<td>100</td>
</tr>
<tr>
<td>Reports from the International Development Committee since 2001</td>
<td>101</td>
</tr>
</tbody>
</table>
Summary

Beyond the myths of migration

The history of migration is that of people’s struggle to survive and to prosper, to escape insecurity and poverty, and to move in response to opportunity. Migration is not a panacea for development problems, but properly managed it can deliver major benefits in terms of development and poverty reduction.

Global flows of aid amount to $68.5 billion per year. The United Nations estimates that the Millennium Development Goals could be met if aid were increased to $100 billion per year. A slight relaxation of restrictions on the movement of workers – increasing the proportion of migrants in the workforce of developed countries to 3 percent – would deliver global gains of perhaps $150 billion per year. Remittances sent home by international migrants through official channels currently amount to $93 billion per year; with informal transfers included, remittances are likely to amount to around $300 billion per year. Migration delivers massive economic gains, which could be used for poverty reduction.

The costs and benefits of migration are distributed, unevenly, between and within countries and social groups. The balance and distribution of costs and benefits depends upon the nature of the migration in question, and on the links which migration establishes between places of origin and destination. This report shows how governments and others could - by shaping the nature of migration and the distribution of its costs and benefits - make migration work for the poor. But first it is necessary to deal with some of the myths which surround the subject.

- **Myth 1: Migration and migrants are problems to be dealt with.**
  *Wrong.* First, migration presents both challenges and opportunities. In their determination to deal with the challenges, governments must not miss the opportunities. Second, migrants are not problems. They are people trying to improve their lives and must be treated accordingly.

- **Myth 2: There is a “tidal wave” of migrants about to crash our shores.**
  *Wrong.* Migration is hugely important – economically and politically – because of the links it establishes between countries. But migration remains the exception rather than the rule. International migration has increased over the past 40 years, but still only 2.9 percent of the world’s population are international migrants.

- **Myth 3: Migration is primarily about people moving from developing countries to developed countries.**
  *Wrong.* Most migration takes place within and between developing countries. Fully 40 percent of international migrants move between poor countries, and the number of migrants who stay in their own country far exceeds that of international migrants. To compare: there are 175 million international migrants; India has 200 million internal migrants; China has 120 million. As regards refugees, two-thirds live in developing countries and more than a third live in the least-developed countries.
• **Myth 4: It is the poorest, most desperate people, who migrate.**  
Wrong. The poorest people often lack the resources to migrate. If they do migrate, they are likely to move locally. This has major implications for policy. First, it cannot be simply assumed that policies to help migrants - particularly international migrants - will also help the poorest people. Second, migration will not be stemmed by lifting people out of poverty. Nevertheless, improvements to governance in developing countries can reduce the motivation to leave, and - by encouraging remittances and return - can make that migration which does occur more development-friendly.

• **Myth 5: Migration harms the prospects of developing countries by causing a “brain-drain”.**  
Not necessarily. Migration can lead to a “brain-drain” which harms the prospects of developing countries, but whether it does depends upon the nature of migration and the links it establishes between host and home countries. Flows of remittances and other resources, and the return of migrants with new skills, can offset the loss of migrants and may even lead to a “brain-gain”.

**How to make migration work for poverty reduction**

**Migration journeys**

Each stage of the migration journey offers entry-points for policy through which governments - in the UK and other developed countries, in developing countries, and at a multilateral level - can make migration work for poverty reduction.

• **Leaving and being left behind.** Rich countries must not exacerbate the problems of the “brain-drain” for poor countries. International recruitment – including that of nurses and teachers – must be better regulated. The push factors which lead to migration from developing countries must be addressed. And opportunities for mutually beneficial arrangements – “triple-wins” - for migrants, migrant-sending and migrant-receiving countries should be explored.

• **Travelling, arriving and living.** More effort must be put into tackling trafficking, smuggling and illegal migration. Decisions about migrants’ status must be made fairly and quickly. Migrants must be enabled to live productive lives. Governments in host societies must ensure that migrants are not denied access to services, that migrants’ integration into host societies is supported, and that migrants’ rights are protected.

• **Returning, reintegration and circulating.** Flexible systems of temporary and circular migration, and ways of making return sustainable, should be established. If such schemes are to deliver development benefits, then development stakeholders must be involved fully in their design.

**Resource flows: Remittances and the role of the diaspora.**

Governments and others can shape and utilise the links which migration establishes between home and host societies, links which include remittances and the diaspora itself.
• **Remittances.** The onus is on policy-makers to encourage the flow of remittances, to reduce the costs which migrants have to pay to send money home, and to improve the investment climate in developing countries so that remittances can be used productively and in ways which reduce poverty.

• **The diaspora.** The diaspora and its members can be important agents of development. Governments have much to learn from a deeper engagement with the diaspora, its members and constituent organisations. The diaspora should be involved in discussions on development strategies, voluntary remittance schemes and sustainable return.

**Managing migration for poverty reduction: Partnerships and policy coherence**

Managing migration, particularly for poverty reduction, is beyond any single nation state. Effective and genuine partnerships must be established both bilaterally between migrant-sending and migrant-receiving countries, and at the multilateral level.

Migration relates to many other issues including security concerns, HIV/AIDS, environmental degradation, international trade, agricultural subsidies, gender inequality and arms exports. Policies which seek to manage migration will have impacts in other areas, and vice-versa. Governments – individually and collectively – must do more to ensure that policies on related issues are coherent and support development goals.

The Department for International Development (DFID) told us that the debate on migration and development is at the stage where the trade and development debate was ten years ago; people are beginning to say that there is a development dimension to migration, but there is a lack of joined-up thinking at national and international levels, and some resistance to connecting the issues. We share this analysis and hope that this report, and DFID’s commendable efforts, will ensure that it does not take another ten years only to reach the stage we are now at as regards trade and development.
Background and acknowledgements

The Committee announced its inquiry on 3 July 2003, inviting organisations and individuals with relevant experience and expertise to submit written evidence.

We received written memoranda from more than 30 individuals and organisations including Government Departments, civil society organisations including migrants’ organisations and non-governmental organisations (NGOs), UN agencies and other multilateral organisations, research institutes, the private sector and individuals. We held nine evidence sessions at Westminster, and a tenth – with members of the Sierra Leonean diaspora - at Southwark Town Hall.

We are grateful to all those who gave evidence to the inquiry, and to those who assisted us in other ways. We would like to thank especially the following individuals and organisations who gave evidence: the Rt Hon Hilary Benn MP, Secretary of State for International Development and his officials; Dr Joseph Chamie, Director, United Nations Population Division; Mr Frank Laczko and Mr Jan de Wilde, International Organization for Migration; Mrs Anita Bundegaard, Co-ordinator for Durable Solutions, United Nations High Commissioner for Refugees (UNHCR); Mr Winston Cox, Deputy Secretary-General of the Commonwealth Secretariat; Mr Peter Bosch, Directorate General for Justice and Home Affairs, European Commission, and Head of the Commission’s Delegation to the High Level Working Group on Asylum and Migration; Mr Duncan Hindle, Deputy Director General, Department of Education, South Africa; Professor Richard Black, Professor Ronald Skeldon and Dr Ben Rogaly from the Development Research Centre on Migration, Globalisation and Poverty at the University of Sussex; Dr Nicholas Van Hear from the Centre on Migration, Policy and Society at the University of Oxford; Dr Roger Ballard from the Centre for Applied South Asian Studies at the University of Manchester; Professor L. Alan Winters, now of the World Bank; Dr Christian Dustmann, University College London; Professor James Buchan, Queen Margaret University College, Edinburgh; Dr Priya Deshingkar, Research Fellow on the DFID-funded Livelihoods Options Project, India, Overseas Development Institute; Mr Chukwu-Emeka Chikezie, African Foundation for Development; Councillor Murad Qureshi, British Bangladeshi International Development Group; Dr Lola Banjoko, Commonwealth Business Council, AfricaRecruit; Dr Cecilia Tacoli, Senior Research Associate, International Institute for Environment and Development; Dr Heaven Crawley, Director, AMRE Consulting and formerly Associate Director, IPPR; Ms Catherine Barber, Economic Policy Adviser, Oxfam; and Mr Abdirashid Duale, CEO and Dr Saad Shire, Managing Director, Dahabshiil Transfer Services. We would also like to thank the Rt Hon Harriet Harman MP for arranging an evidence session in Southwark. We are grateful to the following members of the Sierra Leonean diaspora for giving evidence on this memorable occasion: Councillor Columba Blango, The Worshipful Mayor of Southwark, Ms Cecilia N. Taylor-Camara, Mr Tamba John Sylvernus Lamina, Mrs Agnes Dugba Macauley, Dr Mohamed Koker and Mr Stephen Swaray.

We are particularly grateful to those organisations and individuals from developing countries, and/or with close links to developing countries, who took the time to engage with the inquiry. We greatly value their input and look forward to more input from
developing countries in future inquiries. We trust that they will feel that their efforts were worthwhile.

We would also like to thank our Specialist Adviser, Professor Richard Black of the University of Sussex Development Research Centre on Migration, Globalisation and Poverty. And finally, thanks to the Office for National Statistics for the information they provided to us. But we stress, as ever, that the views contained in this report are ours alone.
1 Migration: Putting development in the picture

Migration: Development challenges and opportunities

1. The history of migration is the history of peoples’ struggle to survive and to prosper, to escape insecurity and poverty, and to move in response to opportunity. The economist J.K. Galbraith, described migration as “the oldest action against poverty”. Worldwide, 175 million people, or just under three percent of the total, live outside their country of birth.

Migration may be the exception rather than the rule, but it is increasing. It is already very important – in terms of economics and politics, domestically and internationally – because of the links it establishes between countries.

Figure 1: Meaning of terms used in this report

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Migrant</td>
<td>A person who lives or has lived away from their place of birth for a period of one year or longer, having crossed the boundary of a political or administrative unit with the result that he or she does not automatically enjoy the same rights of citizenship and residence as someone who is a citizen or permanent resident of that place.</td>
</tr>
<tr>
<td>Seasonal Migrant</td>
<td>A migrant who – in an exception to the one year or longer criterion for a “migrant” – moves to and fro between home and another place on a seasonal basis.</td>
</tr>
<tr>
<td>Internal Migrant</td>
<td>A migrant who has moved within his or her country of birth, crossing a boundary between provinces, districts, municipalities or other political or administrative units.</td>
</tr>
<tr>
<td>International Migrant</td>
<td>A migrant who has moved outside their country of birth, crossing an international boundary.</td>
</tr>
<tr>
<td>Refugee</td>
<td>An international migrant who has fled his or her home country because of a well-founded fear of persecution for reasons of race, religion, nationality, membership of a particular social group or political opinion, and who has been granted refugee status by a receiving state according to the United Nations 1951 Geneva Convention on Refugees.</td>
</tr>
<tr>
<td>Asylum-seeker</td>
<td>An international migrant whose claim to refugee status is yet to be determined.</td>
</tr>
<tr>
<td>Economic migrant</td>
<td>A migrant who moves for economic reasons and who has no legitimate claim to refugee status.</td>
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</table>

2. Migration presents serious challenges. The places and people left behind – the home societies – face the challenge of coping without the migrants and their skills. The places where the migrants move to – the host societies – need to adapt to the influx of new people. The migrants themselves have the challenge of moving, and of working to realise their dreams of a better life. But there are opportunities too, from migration and from the resource flows which migration can generate. Even a slight relaxing of restrictions on the movement of workers – increasing the proportion of migrants in developed countries’ workforce to just 3 percent – would deliver global gains of $150 billion per year, some of which could be spent on poverty reduction.

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1 J.K. Galbraith, *The nature of mass poverty*, Harvard University Press, 1979, p.7; Q 87 [Tony Baldry, Chairman of the International Development Committee]
2 Ev 211 [International Organisation for Migration (IOM) memorandum]
gains which far exceed those which a successful conclusion to the World Trade Organisation’s (WTO) “Development Round” might achieve. The current volume of remittances sent home by international migrants is estimated to be $93 billion per year; with the addition of unrecorded remittances the total amounts to perhaps $300 billion. This compares to global aid of $68.5 billion per year. Migrants have the chance to employ their energies and enterprise in pursuit of a better life. Host societies have the opportunity to benefit from an influx of skills. Home societies can benefit from resources remitted by people who have moved away, and from the return of migrants, armed with new skills and ideas.

3. Overall, the challenge is to manage migration so that when people choose to migrate their experience, and that of the people they leave behind, is positive; the benefits are maximised; the costs are minimised; and both costs and benefits are shared equitably between home and host societies. From a development perspective, the challenge is to respond to the flows, in this case of people, and the resources which they may remit, to deliver benefits in terms of poverty reduction in developing countries and thereby to make globalisation work for the poor.

4. Determining what would be equitable and development-friendly outcomes from migration, and still further delivering them, is far from easy; migration produces costs and benefits, the distribution of which adds yet more complexity. Although migration is a global phenomenon, different people, in different places, have different stories to tell. They will weigh up the costs and benefits of migration differently too. From Hargeisa, Somaliland, the dominant story may be one of civil war, a struggle for independence, refugees and their gradual return, and the vital role which migrants’ remittances play in sustaining their home country; from Nairobi, Kenya, that of a capital city receiving economic migrants from rural areas, and economic migrants and refugees from neighbouring countries, all in search of a better life. From the UK, the stories are of increased cultural diversity, a health service dependent on foreign-born nurses and doctors, but also of desperate attempts to enter the UK in the back of lorries, and of

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4 Dani Rodrik of Harvard University states that “liberalizing cross-border labor movements can be expected to yield benefits that are roughly 25 times larger than those that would accrue from the traditional agenda focusing on goods and capital flows”. Dani Rodrik, Feasible Globalizations, John F. Kennedy School of Government Working Paper Series RWP02-029, July 2002, pp.19-20. See http://ksghome.harvard.edu/~drodrik.academic.ksg/Feasglob.pdf


6 Ev 247 [Oxfam memo]


9 Highlighting the fact that people assess migration differently, Newsweek suggested that: “The migrant worker is many things to many people. For conservative politicians and Trade Union organisers in industrial countries, he is the illegal migrant – who deserves a one way ticket back to whatever country he came from. For immigration advocates and business groups, he is a vital pillar of today’s globalized economic order, whether a legal resident of his new country or not. For the political leaders of developing countries, he is a modern day ‘hero’ who sends home a hefty portion of his paycheque to help support his family members and keep his old community afloat” (Newsweek International, 19th January 2004)
workers exploited by gangmasters and dying in the sands of Morecambe Bay. Too rarely in the UK is the narrative about the impacts on developing countries themselves.

5. Our priority as a Committee is international development, but we appreciate that governments’ migration policies are driven by a range of sometimes competing objectives. It is for governments to decide whether more or less migration is desirable and to design policies to meet their objectives. Our focus is on the quality of migration – what can be done to maximise its developmental benefits – rather than the quantity. In weighing up the costs and benefits of migration, policy-makers – even as they pursue national interests – must remember that different people in different places have different experiences, and stories to tell, about migration. Policy-makers should also bear in mind that national policies have global repercussions, which will lead in turn to challenges at the national level. As Goal 8 of the Millennium Development Goals (MDGs) reminds us, the UK has a responsibility – along with the rest of the international community – to establish a global partnership for development. Despite the silence of the MDGs on migration (see paragraph 144), the UK’s global developmental responsibilities need to be taken account of in the design of UK policies relating to migration.

6. This report is not about the costs and benefits to the UK of migration. Our priority is poverty reduction in developing countries, and specifically to ensure that the UK Government and its partners are working effectively in pursuit of the internationally-agreed MDGs. We broadly support the “managed migration” approach: the UK should be neither a fortress nor an open house. 10 It seems to us that on balance, migration is economically beneficial to the UK, but not by a huge amount. 11 We agree with Martin Wolf, the Chief Economics Commentator at the Financial Times, who argues – interestingly, for someone who is fond of promoting trade liberalisation on the basis of its economic benefits – that decisions about the desirable level of migration into the UK cannot be made on the basis of economics alone. There are important social, cultural and political costs and benefits to consider, and there are important distributional questions about which economic and social groups reap the benefits or suffer the costs of migration (see paragraphs 27—31). Ultimately, decisions about migration are more a matter of values than of economics. Martin Wolf’s conclusion in considering the costs and benefits of immigration to the UK is that “it is not a choice between wealth and poverty, but of the sort of country one desires to inhabit.” 12 We largely agree, but it is also about the sort of world that one wants to live in, and the relationship of one’s country to the world.

7. For the UK, the impact of immigration depends in large part on its nature: who the migrants are; what skills they bring; where they are from; how long they stay; and what they do whilst in the UK. This simple logic, and the entry-points it suggests for policy intervention, applies more widely. The developmental impact of migration depends upon the nature of the migration; the nature of the migration is itself shaped by the actions of migrants, and the policies pursued by authorities in home and host countries or regions.

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10 The Prime Minister, Tony Blair, Controlled Migration, speech given at the London Business School, hosted by the CBI, 27 April 2004. Available at http://www.labour.org.uk/tbmigrationspeech/
11 Q 32 [Sharon White, Director, Policy Division, DFID]
The inquiry and the report

8. We recognise that it is difficult to divide migrants – legally or analytically – into various categories, and as a Committee we are continuously concerned about refugees. But our primary focus has been on economic migrants as it is economic migration that links migration and development most clearly.

9. Our inquiry has been driven by five objectives:

- To raise awareness – within Parliament, Government, and the wider public – of the development dimension in ongoing debates about migration;
- To examine the nature of the relationship between migration and development, especially poverty reduction;
- To identify examples of best practice, where migration has been made to work for poverty reduction;
- To examine the coherence of UK policies relating to migration with policies on other development-related matters;
- To make policy recommendations as to ways in which UK and European Union (EU) policies relating to migration might effectively and coherently factor in development and poverty reduction objectives.

10. Chapter two of this report sets out our understanding of the complex relationship between migration and development, before then outlining how policies could be designed to deliver greater development benefits. The argument made is that the impact of migration depends upon the nature of the migration in question, and on the links which migration establishes between home and host societies. Chapter three identifies a range of ways in which policy can shape and respond to migration, to make it work better for development and poverty reduction. Looking in turn at different stages of the migration journey, issues explored include the so-called “brain-drain”, trafficking and smuggling, migrants’ rights, and temporary mobility schemes. Chapter four examines further ways in which policy might shape and utilise the links which migration establishes between home and host societies, focussing on remittances and the role of the diaspora. Chapter five considers migration management, partnerships and policy coherence, arguing that to make migration work for poverty reduction, more effective partnerships are needed at bilateral and multilateral levels, and that policy coherence needs to be increased. The report’s recommendations are primarily for the UK Government. There are however points directed to other governments, both in the developed and developing world, to multilateral organisations such as the United Nations and the International Organization for Migration (IOM), to civil society organisations including migrants’ organisations, and to the private sector.

11. The Secretary of State for International Development has welcomed this inquiry, acknowledging that the Committee, along with the Department for International Development (DFID) and others, is seeking to improve its understanding of the
migration–development nexus. We trust that this report will help to inform DFID’s work, and thereby contribute to successful development outcomes, for host countries, for migrants, and for the vast majority of the world’s poor who are left behind by migration.
2 Migration and development: Looking for development gains

Understanding migration and development

12. If Governments are to make migration deliver benefits in terms of poverty reduction, then policies need to be based on a sound understanding of the complex relationship between migration and development. Knowledge of the patterns of migration, the reasons for it, and its developmental impacts are the key building blocks for policy. In this chapter we outline the patterns of and reasons for migration. The remainder of the report explores migration’s developmental impacts.

Patterns of migration

13. The United Nations Population Division estimates that 175 million people – 2.9 percent of the world’s population – currently live outside their country of birth. In absolute terms, this is an increase of 100 million since 1965; in percentage terms it is an increase from 2.3 percent to 2.9 percent of the world’s total population. It may well be the case that many more people would like to migrate, but there is currently – in contrast to the impression given in some parts of the media – no “tidal wave” about to crash on the shores of the UK or the developed world as a whole.15

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<th>Year</th>
<th>International Migrants (stock) – millions, and percentage of total population</th>
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<tbody>
<tr>
<td>1965</td>
<td>75 (2.3%)</td>
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<tr>
<td>1975</td>
<td>84 (2.1%)</td>
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<tr>
<td>1985</td>
<td>105 (2.2%)</td>
</tr>
<tr>
<td>1990</td>
<td>120 (2.3%)</td>
</tr>
<tr>
<td>2000</td>
<td>175 (2.9%)</td>
</tr>
</tbody>
</table>

Data source: International Organization for Migration, World Migration 2003

14. Of the current stock of international migrants, 60 percent live in the developed world, and 40 percent in the developing world. Fifty-six million migrants live in Europe, 50


15 Q 57 [Professor Ronald Skeldon, Member, University of Sussex Development Research Centre on Migration, Globalisation and Poverty]

16 Some of the increase from 1985 to 2000 is accounted for by the dissolution of the USSR – new borders and countries have been established; people who have not moved find themselves classified as “international migrants”.

16 Some of the increase from 1985 to 2000 is accounted for by the dissolution of the USSR – new borders and countries have been established; people who have not moved find themselves classified as “international migrants”.
million in Asia, and 41 million in North America.\textsuperscript{17} Around nine percent of international migrants – 16 million people – are refugees. Refugees are overwhelmingly to be found in developing countries: Asia houses 9 million; Africa 4 million; and the developed world as a whole only 3 million. Developing countries are also home to most of the 25 million Internally Displaced Persons – people who have been forced to leave their homes, but who are not classified as refugees because they have not crossed over a national border.\textsuperscript{18} Figures on international migration overall fail to capture the vast scale of migration that also takes place within countries. For instance, there are estimated to be 200 million temporary and seasonal migrants in India, and 120 million internal migrants within China.\textsuperscript{19}

![Figure 3a: Top ten migrant sending countries (absolute)](image1)

<table>
<thead>
<tr>
<th>Country</th>
<th>Net emigrants (millions), 1970—95</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mexico</td>
<td>6.0</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>4.1</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>4.1</td>
</tr>
<tr>
<td>Philippines</td>
<td>2.9</td>
</tr>
<tr>
<td>Kazakhstan</td>
<td>2.6</td>
</tr>
<tr>
<td>Vietnam</td>
<td>2.0</td>
</tr>
<tr>
<td>Rwanda</td>
<td>1.7</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>1.5</td>
</tr>
<tr>
<td>Colombia</td>
<td>1.3</td>
</tr>
<tr>
<td>Bosnia and Herzegovina</td>
<td>1.2</td>
</tr>
</tbody>
</table>

![Figure 3b: Top ten migrant-receiving countries (absolute)](image2)

<table>
<thead>
<tr>
<th>Country</th>
<th>Migrant stock (millions), 2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>35.0</td>
</tr>
<tr>
<td>Russia</td>
<td>13.3</td>
</tr>
<tr>
<td>Germany</td>
<td>7.3</td>
</tr>
<tr>
<td>Ukraine</td>
<td>6.9</td>
</tr>
<tr>
<td>France</td>
<td>6.3</td>
</tr>
<tr>
<td>India</td>
<td>6.3</td>
</tr>
<tr>
<td>Canada</td>
<td>5.8</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>5.3</td>
</tr>
<tr>
<td>Australia</td>
<td>4.7</td>
</tr>
<tr>
<td>Pakistan</td>
<td>4.2</td>
</tr>
</tbody>
</table>

![Figure 3c: Top ten migrant-receiving countries (percentage)](image3)

<table>
<thead>
<tr>
<th>Country</th>
<th>Migrants as a percentage of total population, 2000</th>
</tr>
</thead>
<tbody>
<tr>
<td>United Arab Emirates</td>
<td>73.8</td>
</tr>
<tr>
<td>Kuwait</td>
<td>57.9</td>
</tr>
<tr>
<td>Jordan</td>
<td>39.6</td>
</tr>
<tr>
<td>Israel</td>
<td>37.4</td>
</tr>
<tr>
<td>Singapore</td>
<td>33.6</td>
</tr>
<tr>
<td>Oman</td>
<td>26.9</td>
</tr>
<tr>
<td>Estonia</td>
<td>26.2</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>25.8</td>
</tr>
<tr>
<td>Latvia</td>
<td>25.3</td>
</tr>
<tr>
<td>Switzerland</td>
<td>25.1</td>
</tr>
</tbody>
</table>

Data source: International Organization for Migration, World Migration 2003

15. South–north migration has important implications for development and poverty reduction in developing countries – not least because of the links it establishes between the rich world and the poor world.\textsuperscript{20} But migration is not primarily a south–north phenomenon.\textsuperscript{21} Most migration, and especially the migration of the poor, takes place

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\textsuperscript{17} Ev 124 [Department for International Development (DFID) memo]
\textsuperscript{18} Ev 249 [Oxfam memo]
\textsuperscript{19} Ev 124 [DFID memo]
\textsuperscript{20} Q 78 [Professor Richard Black, Director, University of Sussex Development Research Centre on Migration, Globalisation and Poverty]
\textsuperscript{21} Q 4 [Masood Ahmed, DFID]
within and between developing countries. For example: many countries in south–east Asia for instance are heavily–reliant on cheap migrant labour from neighbouring countries; international migration from Vietnam between 1994 and 1999 of 300,000 is far exceeded by the 4.3 million people who migrated within Vietnam over the same period; and, in many developing countries, urbanisation is fed by large volumes of rural–urban migration.

16. A very high proportion of migrants, and perhaps even the majority, migrate on a temporary basis, either for a number of years before returning home, or migrating to and fro each year. For instance, many Haitians go backwards and forwards between their home country and the Dominican Republic. And in India, temporary, circular, and seasonal migration, with people moving in response to opportunities for agricultural work, or for off–farm rural employment in construction and services, has long been part of poor people’s lives. Much south–south migration, especially temporary, circular and seasonal migration, falls between the cracks, with migration unrecorded and migrants undocumented. Because of their lack of documentation, and the absence of protective legal frameworks, such migrants have few rights, are vulnerable to exploitation, and are largely invisible to policy–makers. Policies aimed at delivering development and poverty reduction should not start from the assumption that migration is a rare occurrence, a south–north phenomenon, or a one–off event. Policies need to be based on an understanding of the multi–faceted nature of migration, including temporary, circular and seasonal migration, within and between developing countries, as well as from south to north.

17. We received some evidence suggesting that there had been a feminisation of migration, with women making up an increasing proportion of migrant flows. But other witnesses argued that the proportion of female migrants has been constant over the last 40 years, pointing out that in 1965 women made up 46.6 percent of international migrants. There may have been some change in the way in which women migrate; whereas women once moved to follow their husbands, now women increasingly move independently, responding to economic opportunities and seeking financial independence and personal empowerment. There is no doubt that some economic activities – domestic service, tourism, commercial sex–work, and some manufacturing industry – create a demand for

22 Ev 124 [DFID memo]; Ev 228 [New Economics Foundation (NEF)]
23 Ev 276 [Unlad Kabayan memo]
24 Ev 212 [IOM memo]
25 Ev 206 [IIED memo]
26 Q 64 [Dr Ben Rogaly, Member, University of Sussex Development Research Centre on Migration, Globalisation and Poverty]
27 Ev 155 [Catholic Institute for Institutional Relations (CIIR) memo]
28 Ev 232 [Overseas Development Institute (ODI) memo]; Ev 206 [IIED memo]; Ev 125 [DFID memo]
29 Ev 210 [IIED memo]; Ev 224 [Joint Council for the Welfare of Immigrants (JCWI) memo]
30 Q 88 [Dr Cecilia Tacoli, Senior Research Associate, IIED]; Ev 226 [JCWI memo]
31 Q 88 [Catherine Barber, Economic Policy Adviser, Oxfam]
32 Ev 256 [Oxfam memo]; Ev 210 [IIED memo]
33 Ev 210 [IIED memo]; Ev 257 [Oxfam memo]
female workers.\textsuperscript{34} In such contexts, women may well make up the majority of migrants. In general however, it seems unlikely that there has been a significant increase in the proportion of migrants who are women. Rather, there is a welcome increase in awareness of the fact that women migrate,\textsuperscript{35} and that gender has an impact on the experience of migration. \textit{Given the heightened vulnerability of female migrants to trafficking and exploitation, it is essential that policy is not based on the assumption that migrants are male. Policy-makers must pay careful attention to the experiences and concerns of female migrants to ensure that their migration is beneficial.}

\textbf{Reasons for migration}

18. Distinctions are often drawn between types of migrants (voluntary or forced), between their motivations for moving (economic or non-economic), and between “push” and “pull” factors in motivating migration.\textsuperscript{36} Voluntary migrants choose to move; forced migrants do not. Economic migrants move to gain access to resources or to improve their employment opportunities, whereas non-economic migrants move to escape persecution. Migrants responding to push factors are leaving places where life is a struggle, migrants responding to pull factors are moving to places where they think they might prosper.

19. Making distinctions between migrants and their motives is necessary in order to ensure that refugees fleeing political persecution are afforded protection and asylum (see paragraphs 54—56). But people who move often have multiple motives,\textsuperscript{37} and the places from which they move often have multiple problems – a lack of economic opportunities and political instability – linked by the common thread of poor governance.\textsuperscript{38} Forced migrants may retain some choice as to where they flee; voluntary migrants may be escaping depths of poverty and insecurity which give little room for choice. Economic migrants may be fleeing persecution as well as poverty. Policy-makers may seek clarity, but the line between voluntary and forced migration and economic and non-economic migrants is frequently blurred.\textsuperscript{39}

20. Nevertheless, conceptual categories such as “push” and “pull” factors may help us to understand migration. As regards the “push” factors, migrants may be motivated to leave a place for reasons ranging from the economic and demographic (poverty, unemployment, low wages, high fertility rates, lack of basic health and education), to the political (conflict, insecurity, violence, poor governance, corruption and human rights abuses), the social and cultural (discrimination on the basis of ethnicity, religion, gender or caste), and the environmental (harvest failure, resource depletion, and natural and/or man-made disasters).\textsuperscript{40} In terms of “pull” factors, perceived economic opportunities – broadcast by an

\textsuperscript{34} Ev 226 [JCWI memo]; Q 88 [Cecilia Tacoli, IIED]
\textsuperscript{35} Q 88 [Catherine Barber, Oxfam]
\textsuperscript{36} Ev 124 [DFID memo]
\textsuperscript{37} Ev 260 [Refugee Studies Centre memo]
\textsuperscript{38} Ev 124 [DFID memo]; Q 297 [Dr Heaven Crawley, Director, AMRE Consulting and formerly Associate Director, IPPR], See also Stephen Castles, Heaven Crawley and Sean Loughna, States of Conflict: Causes and patterns of forced migration to the EU and policy responses, The Institute for Public Policy Research (IPPR), 2003.
\textsuperscript{39} Ev 272 [UNHCR memo]; Ev 124 [DFID memo]; Q 288 [Anita Bundegaard, Co-ordinator for Durable Solutions, UNHCR]
\textsuperscript{40} Ev 140 [Anti-Slavery International (ASI) memo]; Ev 128 [DFID memo]; Ev 229 [New Economics Foundation memo]; Ev 193 [The Corner House memo]; Ev 260 [Refugee Studies Centre memo]; Q 289 [Heaven Crawley, AMRE Consulting]
increasingly global media – are key. Migrants are attracted by the possibility of employment, better standards of living, greater opportunities for personal and professional development, and family reunification whether their journey takes them to a nearby town, to the capital city, to a neighbouring country, or to a distant land.  

21. Migrants are motivated by various combinations of push and pull factors against a background of transport and other costs. In some circumstances, migration may begin as a result of push factors – drought, lack of work – and then, when migrants return with stories of a better life elsewhere, and family networks which link home and host regions are established, be driven more by pull factors. Or, migration may be initiated following a community making contact with, and learning more about, the outside world. Identifying push and pull factors does shed some light on the reasons for migration, but it is perhaps more useful to see migration as one of the options which poor people and households have for managing their risks and sustaining their livelihoods. If people felt that their current place of residence provided them with adequate chances for secure lives, free of poverty, and with the prospect of improvement, then they would not feel forced to move. Achieving this is a matter of improving the prospects for sustainable development in developing countries, and, as we heard clearly from Sierra Leonean migrants in Southwark, ensuring that the right structures – of governance, for education, for health – are in place.

Understanding migration as part of the range of poor people’s livelihood options has important implications for policy. Migration and migrants should not be seen as problems to be dealt with. Migration presents both challenges and opportunities. Migrants are people trying to improve their lives and must be treated accordingly.

22. This understanding of migration also serves to emphasise that migration cannot be divorced from the wider international system of economics and politics which shapes the lives of poor people. So, for instance, small farmers’ ability to survive on the land may be damaged by the dumping of subsidised agricultural produce by the EU, and the provision of food aid in kind by the USA. With this livelihood option closed off, they may face little choice other than migration to the capital city, or perhaps, if they have the resources, to the developed world. In seeking to manage or respond to migration, policy-makers in the developed and developing world should consider carefully the impacts of a range of other policies, on issues including aid, trade, investment, arms exports, climate change, human rights, corruption and governance (see paragraphs 151—167).
The migration hump

23. Migration requires resources. Poor people lack resources, including finance or access to the social networks and social capital which help to make migration possible.\textsuperscript{49} So the poorest people tend not to migrate, or more precisely, they do not migrate far.\textsuperscript{50} As the New Economics Foundation put it, “although international travel is cheaper and more accessible than at any other time in history, the cost of a plane or train ticket is still well beyond the reach of the majority of the world’s population.”\textsuperscript{51} Whilst the poor may migrate locally, long–distance migrants tend to be those with access to financial resources and social networks.\textsuperscript{52}

![Figure 4: The migration hump](image)

Data source: Committee’s own

24. The fact that poor people tend not to migrate internationally is described in aggregate terms by the phenomenon of the “migration hump”.\textsuperscript{53} The migration hump (see figure 4) describes the relationship between outward migration and level of a country’s development. What the migration hump shows is that there is little migration at low levels of development (zone A), but that as development takes place and income levels rise, so too does migration (zone B). People become more able to migrate, and – as it takes time for increased income levels and consumer demand to translate into increased domestic

\textsuperscript{49} Ev 234 [ODI memo]; Ev 186 [Childhood Poverty Research Centre memo]
\textsuperscript{50} Ev 273 [UNHCR memo]
\textsuperscript{51} Ev 228 [NEF memo]
\textsuperscript{52} Ev 205 [IIED memo]; Q 56 [Ben Rogaly, University of Sussex]
production and opportunities for employment\textsuperscript{54} – they remain subject to strong economic pushes and pulls. Migration continues to rise with income levels until an income threshold is reached.\textsuperscript{55} Once this threshold is reached, and the domestic economy begins to offer people opportunities at home, migration starts to taper off (zone C).\textsuperscript{56} So, for example, Spain and Portugal were some–way up the migration hump in the 1960s and 1970s, and witnessed rapidly increasing levels of out–migration. During the 1980s and 1990s as they passed over the hump, net outward migration decreased and has now been reversed.\textsuperscript{57} Italy and South Korea have followed similar trajectories.\textsuperscript{58}

25. The migration hump raises very important issues for policy. As the poorest do not migrate, or do not migrate far, it cannot be assumed that policies which help migrants will also help the poor.\textsuperscript{59} As Councillor Blango, the Sierra Leonean Mayor of Southwark, explained: “It is not everybody in such countries or every family that has the opportunity of having a member of the family overseas”.\textsuperscript{60} We must not lose sight of the main question: what is the impact of migration on those left behind in developing countries? A second implication which poses a dilemma for those who would like migration management to reduce migration, is that developed countries cannot expect to solve their immigration problems by reducing poverty in developing countries. Indeed the migration hump suggests that if we are successful in reducing poverty, we should expect increased out–migration from developing countries.\textsuperscript{61} But there may be aspects of development – democracy, good governance, gender equality – which developed countries might promote, and which might have the effect of reducing the push factors that encourage migration, leading to a situation where migration is an informed choice rather than a desperate option.\textsuperscript{62} Improving governance is of the utmost importance; better governance would make some migrants less desperate to leave, and – by encouraging migrants to remit and perhaps to return – would also make that migration which does take place more development–friendly. This is primarily the responsibility of developing country governments.

\textsuperscript{54} Ev 125 [DFID memo]

\textsuperscript{55} Ev 125 [DFID memo]. The income level at which migration begins to decrease is not clear. Recent World Bank research – see footnote 53 – gives a threshold of $1630 in 1995 dollars. In their memo, the Joint Council on the Welfare of Immigrants suggest a threshold of $4000 in 1985 dollars, but points out that Mexico, with a per capita income of $7000, is still a migrant–sending country (see Ev 220).

\textsuperscript{56} Ev 220 [JCWi memo]

\textsuperscript{57} Q 57 [Richard Black, University of Sussex]


\textsuperscript{59} Q 82 [Richard Black]; see also Uma Kothari, \textit{Migration and Chronic Poverty}, Chronic Poverty Research Centre Working Paper No. 16, Institute for Development Policy and Management, University of Manchester, March 2002. Available at http://www.chronicpoverty.org/pdfs/MigrationJun-02.pdf

\textsuperscript{60} Q 366 [Councillor Columba Blango, The Worshipful Mayor of Southwark]


\textsuperscript{62} Sharon Stanton Russell, \textit{Migration and Development: Reframing the international policy agenda}, Migration Policy Institute, 1 June 2003, paragraph 3. Available at http://www.migrationinformation.org/Feature/display.cfm?ID=126
Designing policy: Identifying development wins

26. Just as development and levels of poverty shape the nature and level of migration, so too does migration impact upon development and poverty. Recent research by the World Bank suggests that a ten percent increase in the share of migrants in a country’s population will lead to a 1.9 percent decline in the share of people living on less than $1 per day.\textsuperscript{63} Even when migration does not directly involve the poor, it still affects them, and its benefits can be harnessed to improve their livelihoods.\textsuperscript{64} But the developmental impact of migration depends upon the nature of the migration in question and on the links which migration establishes between home and host societies.\textsuperscript{65} In chapters three and four we explore various dimensions of migration, and for each of them suggest ways in which policy might make migration more development-friendly. (Figure 5 sets out this framework of analysis with a few dimensions of migration shown for illustrative purposes; figure 8, at the start of chapter five, summarises our findings).

Figure 5: The dimensions of migration

Data source: Committee’s own

\textsuperscript{63} Richard Adams and John Page, \textit{International Migration, Remittances and Poverty in Developing Countries} – see footnote 53.

\textsuperscript{64} Ev 212 [IOM memo]

\textsuperscript{65} Q 252 [Dr Christian Dustmann, University College London]; Ev 172 [COMPAS memo]
The political economy of migration

27. Mainstream economic theory suggests that global economic output would be maximised by abolishing restrictions on migration. Increasing the mobility of labour would allow resources to be allocated more efficiently. Labour would be more productively employed – there are more jobs for people to do in the UK than in Malawi – and total economic output would increase.\(^{66}\) This logic, when it is applied to capital mobility, is the basis of the Government’s enthusiasm for the liberalisation of trade in goods and services. Given the vast potential gains from liberalising the movement of workers, the economic case for more migration is clear.

28. So much for economic theory; the real world is different. First, as the British Bangladeshi International Development Group put it: “For inevitable political reasons, a can of beans has more rights of free movement across the globe then someone in the developing world, even though in principle both people living in absolute poverty and the makers of the can of beans would prosper more if freedom of labour was dealt with equally.”\(^{67}\) There is a difference between the free flow of goods and the free movement of people, and a need to balance the right of sovereign states to control their borders and pursue their national interests, with individuals’ rights to mobility.\(^{68}\) Second, as with trade liberalisation, the benefits of enhanced migration, and the costs, are distributed unevenly both between and within countries and social groups, depending on how they are affected by migration.\(^{69}\)

29. In host countries, the economic impact of migration may be felt in terms of tax revenues, welfare spending, migrants’ consumption of public services including health, education and housing, wage rates, employment levels and overall economic growth. And the impact of migration may also be felt in other ways: cultural enrichment, increased diversity and innovation, or social and ethnic tensions. In the UK there has been much debate about the economic impact of immigration. The Government – whilst acknowledging that the data is far from perfect – maintains that the effects are “small but positive”, suggesting the resultant revenue receipts for the exchequer outweigh extra welfare payments by £2.5 billion, and that immigration adds a quarter of one percent to growth in terms of Gross Domestic Product (GDP).\(^{70}\) However, whilst immigration may lead to economic growth, it will not necessarily increase the host society’s per capita income.\(^{71}\) Whether the balance is positive or negative – overall, or on a per capita basis – depends on the nature of the migration, and on whether the migrants are able to prosper in the host country.

30. There are costs and benefits for migrants themselves. On the plus side, migrants have the opportunity to accumulate wealth and skills,\(^{72}\) working in a context where their labour

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66 Q 251 [Professor L. Alan Winters, University of Sussex – now at World Bank]
67 Ev 150 [British Bangladeshi International Development Group (BBIDG) memo]
68 Q 332 [Hilary Benn, Secretary of State for International Development]
70 Q 32 and Q 339 [Sharon White, DFID]
72 Ev 233 [ODI memo]
and skills can be employed more productively and for greater reward, and where they may feel more secure. On the minus side migrants may suffer from a lack of access to health, education and other services, poor living conditions, and exploitation – by traffickers en route, and then by employers – no matter whether they have moved from a village to a town in India, or from Somaliland to London. Home countries and communities left behind by migrants are also affected. On the plus side, migration can provide an outlet for under-employed skills, reducing unemployment and increasing wages. It can also increase the incentives for people to pursue higher education, generate remittances, lead to the return migration of people with new and improved skills, expose developing countries to different ideas and values, and establish links which may be used in future for trading and business purposes. But there are significant costs too for home countries and the communities left behind, including the creaming-off of skilled and educated people, the loss of their energies and potential taxes, a reduction in the domestic pressures for economic and political reform, and the undermining of family and other support structures. Such dynamics will further undermine the livelihoods of the chronically poor.

31. Migration’s costs and benefits will be distributed unevenly. Economic theory suggests strongly that migration will increase global economic output, giving scope for win-win outcomes, but many of the developmental gains are likely to impose costs for some. To take the UK as an example, immigration may add to the UK’s economic output, but depending on the benefits which migrants claim, the taxes they pay, and the jobs they do, immigration may benefit high-skilled British workers, but be at a cost to the low-skilled, and may benefit consumers but cost tax-payers. We should not be surprised at this. Economic restructuring distributes its costs and benefits unevenly. This of course is where politics comes in, distributing the gains and losses from migration. At a domestic level this is complex; when we add an international dimension this complexity is increased.

Evidence-based policy?

32. There may be some win-wins and cost-free ways of making migration work for development, but these are likely to be few. Policy design should therefore be about finding the most effective and efficient ways to make migration work for development and poverty reduction. To do this, one would need to identify which dimensions of migration matter most in terms of their developmental impact, what the direction of this impact is, and then design policies which can be used to shape the various dimensions of migration to

73 Ev 243 [ODI memo]
74 Ev 202 [Home Office memo]
75 Q 329 [Hilary Benn, Secretary of State for International Development]
76 Q 195 [Dr Joseph Chamie, Director, United Nations Population Division]
77 Q 250 [Christian Dustmann, University College London]
78 Ev 186 [Chronic Poverty Research Centre memo]
79 On chronic poverty, see The Chronic Poverty Report 2004-05, Institute for Development Policy and Management, University of Manchester - see http://www.chronicpoverty.org/cpr/aboutCPR.htm
80 In general terms low-skilled immigration into the UK tends to have more costs and fewer benefits for the poor than it does for the better off. The case outlined is one of low-skilled immigration.
81 Q 270 [Christian Dustmann, University College London]
influence its overall developmental impact. It is then the job of governments – which are primarily concerned with protecting and pursuing the interests of their citizens – to determine how far they want to go in making their migration–related policies development–friendly. This should involve factoring in the non–economic costs and benefits of migration, distributional issues, and other policy objectives (see paragraphs 151—167). Finally, a wise development agency will want to compare the effectiveness and efficiency of migration as a route to poverty reduction, with other sorts of development interventions.

33. Unfortunately the evidence–base for policy on migration and development is very poor. There seems to be no model of the relationship between the various dimensions of migration and development. It was noticeable that several expert witnesses – and this is not to criticise them – were unable to provide evidence–based answers to what one would think were basic questions. Asked about the relationship between international migration and development, Joseph Chamie, the Head of the UN’s Population Division – the man who would know – explained that because of the lack of good data, “Right now, we are unable to say precisely what is going on.”

In their written evidence, the International Organization for Migration stated:

“Information and data on migration from and to developing countries are relatively scant and unreliable. More and better information is essential for policy–makers to address migration and development challenges more effectively. In particular, more and more specific research and data collection in developing countries is needed if the impact of both migration and return migration is to be better understood and factored into programmes to assist countries of origin to develop and retain, and further improve their national resources, including human resources.”

34. There is also a lack of information about the numbers of people trafficked; the role migrant communities themselves, smuggling networks and government policy play in shaping migration flows; the contribution of migrants to their host countries; migrants’ contribution to their home countries through remittances and other mechanisms; and, the impacts of return migration. Data on some issues, illegal migration and unofficial remittances for example, are inherently difficult to collect. But policy should not be designed on the basis of hunches and anecdotes. If development policies are to be well–designed, on the basis of a sound understanding of the causes and consequences of migration and development, then the evidence–base urgently needs improving. In particular, better data on internal migration is needed.

35. We were pleased to hear that DFID acknowledges the need to improve the evidence–base, and is making efforts – through its Development Research Centre on Migration, Globalisation and Poverty at the University of Sussex, and with the World Bank – to improve the situation. Sharon White, DFID’s Head of Policy, stated that in 18 months’ time the information base would be much better. We shall see. The IOM suggests that the

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82 Q 255 [Alan Winters, University of Sussex]
83 Ev 205 [IIED memo]; Ev 124 [DFID memo]
84 Q 181 [Joseph Chamie, United Nations Population Division]
85 Ev 217 [IOM memo]
86 Q 9 [Masood Ahmed, DFID]
Government produce a short annual report on migration to the UK from developing countries. By providing information about who is coming to the UK, where they come from, what they do in the UK, to what extent they are remitting, and whether and when they return to their countries of origin, and by outlining what the Government is doing to make migration more development–friendly, such a report could do much to raise awareness about the linkages between migration and development.\(^{87}\) We support this proposal and recommend that the Government takes it up.

\(^{87}\) Q 181 [Mr Frank Laczko, Chief of Research and Publications (Geneva), IOM]; Ev 218 [IOM memo]; Ev 136 [African Foundation For Development (AFFORD) memo]
3 Migration journeys: From departure to return

36. The impact of migration on development and poverty reduction depends on the nature of the migration, and also on the links which migration establishes between home and host societies. In this chapter we examine different stages of the migration journey, identifying a range of ways in which policy might be adjusted to make migration work better for development and poverty reduction.

Leaving and being left behind

37. At the risk of stating the obvious, migration journeys begin with the decision to move. The stimulus for migration matters for development, because it shapes the impact of migration both on the migrants themselves, and on those left behind. Migration works best for development when it is freely–chosen and when it is planned for. For migrants, supplies can be taken, the journey arranged, accommodation and perhaps employment at the destination organised, and plans made to keep in contact with those left behind. For receiving societies, plans can be made to integrate migrants and to maximise their contribution to the host society. For those left behind, plans can be made so that communities are not simply abandoned by a sudden exit of people. If migration is forced, unplanned and poorly regulated, migrants may find themselves vulnerable to exploitation by traffickers and smugglers, may not know where they are going or what they will do when they get there, and may not have been able to make plans to keep in touch with those left behind. As the Secretary of State for International Development, Hilary Benn, put it, referring in particular to women subject to trafficking and exploitation: “People who have to move due to circumstances that are not connected with their own personal choice are more likely to be vulnerable in terms of the conditions in which they find themselves living and those susceptible to being exploited.”

The “brain-drain”, or, the export of skilled labour

38. The “brain-drain” – the loss of educated and skilled personnel at a rate faster than they can be replaced, resulting in a shortage of skills – is the most obvious way in which migration can harm the development prospects of the countries and communities left behind. Recent evidence suggests that whilst 88 percent of migrants to countries of the Organisation for Economic Co-operation and Development (OECD) have at least a secondary education, most developing countries do not lose a huge proportion of their highly skilled citizens to the “brain-drain.” On average, perhaps five percent of secondary–educated and ten percent of tertiary–educated people from developing
countries have become international migrants. Nevertheless some countries do lose many people, and even a small loss can be significant for developing countries which lack a large pool of human capital. A recent paper by the Institute for Public Policy Research notes that: some 40 percent of tertiary-educated adults from Turkey and Morocco, and nearly a third of Ghana’s, have emigrated to OECD countries; over half of tertiary-educated adults from the Caribbean live in the USA, including 75 percent of tertiary-educated Jamaicans and Haitians; over 10 percent of Mexico’s tertiary-educated population lives in the USA, along with 30 percent of its doctoral graduates; and, the proportion of secondary-educated Nicaraguans and El Salvadorians living abroad amounts to 40 and 50 percent respectively. In particular sectors – health and education – the “brain-drain” can be especially dramatic, with, for instance, 60 to 70 percent of Ghana’s health professionals emigrating.

39. In their submission the Commonwealth Business Council’s AfricaRecruit programme described the outflow of skilled personnel from Africa to the developed world as “Africa’s foreign assistance to the developed world”. From the Philippines, the migrants’ organisation, Unlad Kabayan, describe the brain-drain as a new form of imperialism. Developing countries, whose health and education systems are unable to provide basic health services, cannot afford to lose their skilled personnel, or their taxes. It is unfair, inefficient and incoherent for developed countries to provide aid to help developing countries to make progress towards the Millennium Development Goals (MDGs) on health and education, whilst helping themselves to the nurses, doctors and teachers who have been trained in, and at the expense of, developing countries.

40. But whereas the export of skilled labour is an immoral “brain-drain” to some, to developed countries it can be a way of filling skills gaps in their economies, to migrants it is a way of improving their lives, and to some developing countries it is a way of tapping into the benefits of remittances, and the eventual return of skilled labour. The Philippines, for instance, trains more nurses than they need, deliberately, for the export market, whilst other countries – Bangladesh, El Salvador, India, Jamaica, Mexico, Nicaragua, Pakistan and Sri Lanka, according to the IOM – also actively promote the foreign employment of their citizens. In addition, some argue that the “brain-drain” may generate a positive dynamic within developing countries, and that there is therefore an “optimal level” of skilled migration. There is some scepticism about this but the suggestion is that people will

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91 Ibid. p.6
92 Q 10 [Sharon White, DFID]
93 Ev 188 [Commonwealth Business Council (CBC) Africa Recruit memo]
94 Ev 277 [Unlad Kabayan memo]
95 Q 133 [Dr Nicholas Van Hear, Senior Researcher, Centre on Migration, Policy and Society (COMPAS), University of Oxford]
96 Ev 214 [IOM memo]
97 B. Lindsay Lowell, Allan Findlay and Emma Stewart, Brain Strain: Optimising highly skilled migration from developing countries, Asylum and Migration Working Paper 3, IPPR, May 2004
98 In a World Bank Policy Research Working Paper, David Ellerman writes: “much of the literature is excessively optimistic about the impact of [south-north] migration on the South. Some of the literature has the Pollyannaish (if not Panglossian) flavour of almost ignoring strong first-order effects that are negative in the determined search for second- or third-order effects that might be positive. Examples would include the literature that sees remittance income as tantamount to ‘development’ or that suggests promoting the brain drain as a positive inducement for
have more incentive to pursue their education in order to increase their chances of migrating to the developed world, but that only a small proportion of them will actually migrate, leaving the developing country with a more educated workforce than it would otherwise have.99 In the absence of good evidence about the extent of the “brain-drain” and its impacts it is difficult to assess the validity of this argument.100

41. It is too simplistic to say that the export of skilled labour necessarily results in a net loss to developing countries. The impact depends on the extent of remittances by the migrants, on the skills that they acquire whilst overseas, and on whether they return to their home country (see paragraphs 82—87 on return; see paragraphs 100—123 on remittances). And most importantly, it depends on whether the developing country’s skill base is deep enough to cope with out–migration, and whether its labour markets and education and training systems have the flexibility to respond to the loss of personnel, without themselves becoming too focussed on the production of skilled labour for export and thereby neglecting the needs of the domestic economy.101

42. Highly–skilled labour migration from developing to more developed countries poses problems for many developing countries. One response would be to attempt to stop such migration. But in our view, this would be neither desirable or practical. Such a response would sever the links between developed and developing countries, along which remittances and other resources can flow.102 And as well as curtailing the rights of individuals to move to pursue opportunities and to make the most of their skills,103 it simply would not work. People would still move, but in the absence of legal channels for migration they would be pushed into the arms of traffickers and smugglers. A second response would be to compensate developing countries for the loss of skilled personnel. At first glance this seems a sensible response, but we agree with DFID; compensation is not the most appropriate response because it would be very difficult – that is, too expensive – to level up wage rates globally.104 Such harmonisation of wage rates might also entail costs for developing countries; higher salary bills, and perhaps a loss of their comparative advantage.

Regulating recruitment

43. To its considerable credit, the UK Government highlighted the tension between the UK’s need to recruit staff to fill skills gaps in the National Health Service (NHS), and the needs of developing countries’ health systems, in its second White Paper on International Development.105 DFID in particular is fully aware of the development implications of

99 Ev 252 [Oxfam memo]; Q 49 [Masood Ahmed, DFID]
100 Richard Adams, *International Migration, Remittances and the Brain Drain: A study of 24 labor exporting countries* – see footnote 89.
101 Q 10 [Sharon White, DFID]; Q 80 [Richard Black, University of Sussex]; Ev 279 [Unlad Kabayan memo]
102 Ev 221 [JCWI memo]
103 Q 328 [Hilary Benn, Secretary of State for International Development]
104 Q 12 [Sharon White, DFID]
highly skilled migration and international recruitment specifically. The UK Government’s response to this tension has been to develop a Code of Practice for NHS employers involved in the international recruitment of healthcare professionals. The Code asks employers not to recruit actively from countries which would suffer as a result of losing staff. The Department of Health has worked with DFID to produce a list of countries from which there should be no active recruitment, based on the OECD Development Assistance Committee’s list of aid recipients. Exceptional agreements have been reached with the Philippines, and with India – with the exception of those states which receive DFID assistance. These two countries have decided that they are content for the UK to recruit from them. The Department for Health also publishes a list of recruitment agencies which operate in line with the Code of Practice, and strongly advises employers to consult this list.

44. Welcome as the Code of Practice is, there are serious questions about its effectiveness. James Buchan, an expert on “brain-drain” and recruitment issues in the health sector, and on the operation of codes of conduct, explained to us that the Code should be assessed in terms of its content, coverage and compliance. The content is fine, but the coverage is partial, and the level of compliance is unclear. There are several loopholes in the NHS Code of Practice. One, it is a voluntary code with no enforcement powers; two, whilst it discourages active recruitment, it does not discourage employers from responding to enquiries from individuals in developing countries (so-called passive recruitment); three, it applies to England, but not to Scotland, Wales or Northern Ireland; and four, it does not apply to private sector recruitment agencies. This means that employers can get round the code through the use of private sector recruitment agencies. They can also circumvent the code by recruiting migrants who enter the UK for other reasons, but are subsequently employed by the NHS. Several issues need clarifying. How effective has the NHS Code of Practice been? What will the Government do to enforce the Code of Practice or to encourage NHS employers to adhere to it? Where does passive recruitment end, and active recruitment begin? Why is there not a Code of Practice for Northern Ireland, Scotland and Wales? And perhaps most importantly, how significant a loophole is the fact that the Code does not apply to the private sector; specifically, how many health–workers from developing countries are employed in the private and public sectors, and how many of those employed in the public sector were initially recruited for the private sector?

45. In evidence to us, Hilary Benn acknowledged that there are clearly “issues to do with the activities of private recruitment agencies”, which make for a situation where in this respect the code “clearly does not work”. We were pleased therefore to read about the


108 Q 210 [Professor James Buchan, Queen Margaret University College, Edinburgh]

109 Ev 252 [Oxfam memo]

110 Health matters are for the devolved assemblies to deal with. Nevertheless the question stands.

111 Q 343 [Hilary Benn, Secretary of State for International Development]
Government’s plans to tighten up the Code of Practice,\(^\text{112}\) and look forward to seeing the detail of these proposals. They must be effective, and their effectiveness must be proven. James Buchan reported to us that the NHS cannot say how many nurses from developing countries it employs. He described this as “unfortunate”.\(^\text{113}\) We need not be so restrained. Data should be collected on the number of doctors and nurses born and trained in developing countries who are employed by the NHS. This is a gaping hole in the evidence-base for policies relating to migration and development. We also recommend that UK–based employers be required to use only recruitment agencies which are registered in the countries from which they are recruiting. In this way developing country governments might have some leverage over recruitment agencies,\(^\text{114}\) or at the very least have some opportunity to plan for the impacts of recruitment.

46. Recruitment would be better regulated through international cooperation rather than unilateral or bilateral approaches which run the risk, first, of diverting migrant streams to receiving countries which are not party to an agreement, and second of displacing the problem of skills shortages onto neighbouring countries that are not covered by agreements. This illustrates that the international recruitment of health–workers is not simply a south–north issue. It is also a north–north issue, as UK–based personnel are tempted by higher salaries and better conditions in North America, and – more importantly from a development perspective – a south–south issue. That is, if one developing country seeks to replace the staff it has lost to the UK by recruiting from a neighbouring, probably poorer, developing country, it will be the poorest who will ultimately lose out. What chance then for the MDGs? We were interested to hear from Winston Cox, the Deputy Secretary–General of the Commonwealth, about initiatives to establish codes of practice relating to the recruitment of health workers and teachers.\(^\text{115}\)

The UK Government is a member of the Working Group which has developed the Commonwealth’s Draft Protocol on the Recruitment of Teachers; we trust that this is a sign of its commitment. The UK is not a signatory to Commonwealth’s Code of Practice for the International Recruitment of Health Workers. By its support the UK could play an important role in improving the multilateral regulation of recruitment. We invite the Government to explain its position.

**Addressing the push factors**

47. Hilary Benn told us of a recent conversation he had with the head of the Ghanaian Health Service. The Secretary of State had expected to be taken to task about the UK’s recruitment of health–service professionals, but the conversation revolved in large part

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\(^\text{112}\) “Reid vows curbs on ‘trafficking’ to recruit nurses”, *The Times*, 12 May 2004, p.8.

\(^\text{113}\) Q 210 [Professor James Buchan, Queen Margaret University College, Edinburgh]; see also Hansard 9 February, col. 1208w

\(^\text{114}\) Q 210 [Mr Duncan Hindle, Deputy Director General, Department of Education, South Africa]

around the push factors which lead many of Ghana’s doctors and nurses to migrate.\textsuperscript{116} The lesson to be drawn was that whilst recruitment does need to take account of developing countries’ needs, attention also needs to be given to the conditions within developing countries that push doctors and nurses to work elsewhere. We agree; people want their skills to be well-used and rewarded. It is important therefore, that the UK works with developing country governments to make their health and education systems – the conditions, the pay, the prospects for professional development – suitable environments in which to work,\textsuperscript{117} as well as vigorously promoting the good governance and political stability which is fundamental to sustainable development. Improving conditions in home countries so that skilled professionals have less incentive to migrate, is the first line of defence against the “brain-drain”.\textsuperscript{118}

\textbf{Towards a triple–win?}

48. The “brain-drain” has to be tackled at both ends. Developing countries should, with the assistance of donors, seek to reduce the push factors which lead their professionals to migrate. Developed countries should – whilst factoring in the benefits of remittances, skill acquisition and return – ensure that their recruitment practices do not undermine the development prospects of developing countries. Further, it seems to us that there is the potential here for a development triple–win, a way of addressing the “brain-drain” issue which can be to the benefit of developed countries, developing countries, and migrants themselves.\textsuperscript{119} If the NHS is to depend on overseas workers\textsuperscript{120}, then we recommend that the Government considers designing schemes to train nurses in developing countries for temporary employment for a specified number of years in the NHS, on the understanding that they would then return to their home country. Such schemes should be designed with the input of developing countries, migrants’ organisations and employers. The nurses would have an opportunity to earn more and to acquire skills. The UK would receive a temporary influx of staff for its health service. The developing country would see an increase in its skills base. Such a scheme would need careful design, not least to ensure that migrants did return to their home countries. But the potential development benefits, and the fact that this would be a more cost–effective way of training nurses,\textsuperscript{121} no matter where they ended up working, make it worthy of serious consideration. The costs of training nurses should not be borne by countries which do not benefit from their training.

49. With the signing of a Memorandum of Understanding with South Africa in October 2003 the UK has made a step towards establishing partnerships with developing countries

\textsuperscript{116} Q 328 [Hilary Benn, Secretary of State for International Development]
\textsuperscript{117} Q 10 and Q 11 [Sharon White, DFID]
\textsuperscript{118} Q 145 [Dr Lola Banjoko, CBC AfricaRecruit]; Q 142 [Mr Chukwu-Emeka Chikezie, African Foundation for Development]
\textsuperscript{120} This is a big IF as there are clearly other ways of staffing the NHS such as training more nurses and paying them better. See also James Buchan and Ian Seccombe, \textit{Going Global? UK Nursing Labour Market Commentary 2003/4}, Commissioned by the Royal College of Nursing, April 2004. See - http://www.rcn.org.uk/publications/goingglobal.doc
\textsuperscript{121} Q 203 and Q 208 [Winston Cox, The Commonwealth]
on recruitment issues.\textsuperscript{122} The Memorandum of Understanding sets out a joint approach to allowing the temporary migration of South African health service professionals into the UK so as to provide the UK with personnel, and to provide potential migrants with opportunities to learn new skills which on their return to South Africa would be of benefit to their home country. We acknowledge that “just training yet more nurses”\textsuperscript{123} as Hilary Benn put it, will not in itself reduce the brain-drain, although it may help to address what appears to be a global shortage of nurses. However, in combination with efforts to address the push factors, such an approach has considerable potential to make migration work better – more fairly, and more cost-effectively – for development and poverty reduction.

\section*{Travelling, arriving and living}

\subsection*{Trafficking, smuggling and illegal migration}

50. The ways in which migrants travel, the ways in which they are treated when they arrive in host countries or regions, and the lives they are able to lead once there, also shape migration’s impacts on development. As regards the journey itself, trafficking and smuggling exploit the vulnerability and desperation of migrants and extract profits from their plight. There is a fine line between trafficking and smuggling. Smuggling moves people across borders in return for a fee. Trafficking is non-consensual, often involves violence and deception, and is done with the intention of profiting from the migrants’ forced labour or sexual exploitation.\textsuperscript{124} Women and children are particularly prone to trafficking. There is little reliable data, but estimates suggest that nearly half a million people, many of them women and children, are smuggled or trafficked into Western Europe every year, and two million are trafficked and smuggled globally.\textsuperscript{125} Trafficking and smuggling is by no means an exclusively south–north phenomenon. Porous borders and a lack of resources to police these borders, ensure that trafficking and smuggling within and between developing countries remains a big problem. There is for instance a booming trade in women and children in South–East Asia for prostitution and sexual exploitation, and widespread illegal movement of children in West Africa to work in conditions approaching slavery.\textsuperscript{126}

51. Illegal migration is risky and costly, and reduces the development benefits of migration. The profits extracted by traffickers and the fees paid to smugglers are resources lost to migrants and to their home countries.\textsuperscript{127} Migrants who enter a country illegally with the help – requested or otherwise – of traffickers and smugglers are then subject to further exploitation and hardships including appalling living conditions, pitiful wages, and large debts. This reduces their ability to save, to remit and to return to their home countries. Illegal migration increases public resistance to all forms of migration, leads to the exploitation of vulnerable people – both by traffickers and smugglers \textit{en route} to a host

\textsuperscript{122} Ev 126 [DFID memo]
\textsuperscript{123} Q 344 [Hilary Benn, Secretary of State for International Development]
\textsuperscript{124} Ev 249 [Oxfam memo]
\textsuperscript{125} Ev 249 [Oxfam memo]; Q 6 [Masood Ahmed, DFID]; Ev 134 [DFID supplementary memo]
\textsuperscript{126} Ev 209 [IIED memo]
\textsuperscript{127} Ev 217 [IOM memo]
country or region, and by unscrupulous employers once there — and perhaps most importantly reduces the ability of home and host countries to respond to migration to make it work for development and poverty reduction.128

52. Illegal migration takes place when there is a demand for migrant labour in host societies, a supply of willing migrants in home societies, and a lack of legal channels to link these demands and supplies.129 Oxfam — citing research by the Home Office — told us that there is strong circumstantial evidence that measures aimed at preventing access to the EU had “led to growing trafficking and illegal entry of both bona fide asylum seekers and economic migrants.”130 Even where there are legal channels for entry, migrants who are not aware of them, or who feel that such channels do not afford them quick enough entry into a country, may opt for illegal routes of entry.131 One way of reducing illegal migration might be to open up more transparent and efficient channels for legal migration. Indeed, this is what the UK has been doing in recent years, through measures such as reform of the seasonal agricultural workers scheme and the introduction of sector-based short-term work schemes for hospitality and food manufacturing workers.132 Migration, especially legal migration, can be of benefit to the UK, migrants, and their home countries. But whilst opening up channels for legal migration may undercut traffickers and smugglers, it will not satisfy the latent demand for migration. Migration still needs to be managed, and illegal migration tackled.

53. Tackling illegal migration requires concerted international action, including more support for Southern governments to address the issue, and to share lessons and experiences, particularly in a regional context.133 For its part, the UK Government, and governments of other developed countries, need to address the issue of sex tourism which fuels the exploitation of women and children in south–east Asia particularly, and ensure that existing legislation protecting the rights of migrant workers is vigorously enforced. We were pleased therefore to hear that the UK has recently adopted the UN Trafficking Protocol and the EU Framework Decision on Trafficking for the Purposes of Sexual and Labour Exploitation, and is tightening up legislation on trafficking for sexual exploitation, forced labour and the removal of organs.134

Economic migrants, asylum seekers and refugees

54. Our inquiry is primarily about economic migrants rather than refugees and asylum seekers. The efficiency of systems for processing asylum claims and determining who is

128 Ev 141 [ASI memo]
129 Ev 140 [ASI memo]; Ev 249 [Oxfam memo]; Ev 217 [IOM memo]; Q 100 [Catherine Barber, Oxfam]
131 Q 299 [Mr Peter Bosch, Directorate General for Justice and Home Affairs, European Commission, and Head of the Commission’s Delegation to the High Level Working Group on Asylum and Migration]
132 Ev 125 [DFID memo]; Ev 203-204 [Home Office memo]
133 Q 109 [Cecilia Tacoli, IIED]; see also DFID/Refugee and Migratory Movements Research Unit Regional Conference on Migration, Development and Pro-Poor Policy Choices in Asia, Dhaka, Bangladesh, 21-24 June 2003 – information available at http://www.livelihoods.org/hot_topics/migration/dhaka_conf.html
134 Ev 203 [Home Office memo]
and who is not a refugee is not something we have particularly addressed. But there is clearly a huge overlap – in terms of migrants’ motives, governments’ policies, and public perceptions – between economic migration and refugee movements. Therefore we have some brief comments to make.

55. Migrants have multiple motives for moving, which makes it difficult to distinguish between economic migrants and people escaping persecution. And of course many economic migrants seek to claim asylum. Nevertheless we agree with the United Nations High Commissioner for Refugees (UNHCR); if the international community is to give refugees the protection they need, then states must be able to differentiate between refugees and other sorts of migrants. In this context, written submissions from the Corner House and from the New Economics Foundation called for the definition of refugees under the United Nations 1951 Convention on Refugees (see figure 1) to be extended, to include people who have been displaced by development policies, or by environmental change induced by the developed world. We have some sympathy with such proposals – people who have been displaced through no fault of their own deserve assistance, and attention needs to be given to the policies and practices which have led to their displacement. To extend the definition of “refugees”, however, in the absence of increased financial commitments, would simply dilute the protection afforded to people fleeing persecution.

56. The fact that migrants move for multiple motives, and that streams of refugees and economic migrants are entangled, poses significant problems for policy, beyond the challenge of identifying refugees. A policy that might be appropriate for dealing with refugees, might not be a suitable response to economic migration, and vice-versa. As UNHCR put it: “While there are obvious inter-linkages between refugee and migratory movements, they nevertheless each raise fundamentally different concerns and require distinct policy responses and legislative measures.” In particular, policies to control immigration – in particular, “non-arrival” policies to prevent migrants making it as far as a country’s borders – can make it more difficult for refugees to find safe haven. Governments, including the UK Government, need to ensure that they do not, in their enthusiasm to control migration – prevent refugees from gaining asylum. And if public confidence in a government’s ability to control migration is to be maintained, asylum claims need to be processed fairly and quickly. If this is not achieved, public support for economic migration will disappear, and with it the potential development gains.

Migrants’ lives: Resource use, social exclusion and rights

57. The developmental impacts of migration, on migrants themselves as well as host and home societies are also shaped by the sorts of lives that migrants are able to lead once they

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136 Q 288 [Anita Bundegaard, UNHCR]
137 Ev 192 [The Corner House memo]; Ev 227-231 [NEF memo]
138 Ev 271 [UNHCR memo]
139 Ev 274 [UNHCR memo]
140 Ev 274 [UNHCR memo]
have arrived at their destination.\textsuperscript{141} This is the case for all migrants, both refugees and economic migrants, whether they end up in developing countries or developed countries. The ways in which migrants live – and the ways in which they are treated by the host authorities, by legal systems, by employers and by the wider public – can tip the balance of costs and benefits one way or the other, determining whether migration brings net benefits or net costs for migrants, for hosts and for migrants’ homelands. To enable migrants to be active agents of development, certain conditions have to be met. As the Joint Council for the Welfare of Immigrants argued: “If the potential utility of migrants as a development resource is to be realised a significant improvement in their employment and social conditions in the host countries will certainly be required.”\textsuperscript{142}

58. Migrants’ lives shape the developmental impact of migration in many ways. For example, where migrants arrive in large numbers over a short period of time – as is the case with many refugee flows – there may be significant short–term impacts on local resources such as water, energy and food, or on local services such as health care or welfare benefits. In developing countries international humanitarian assistance ought to provide the additional resources needed. If such assistance does not materialise, then the consequences for both refugees and the host society can be severe, with conflict over resources in some cases exacerbating wider social and political tensions, and leading to violence and conflict.\textsuperscript{143} In more developed countries, the issue of resource use may be seen in terms of migrants’ claims on state benefits and welfare systems, although many migrants do not in practice have such entitlements.

59. Some facts bear repeating. A reader of the British press might assume that the UK is in the front–line of dealing with refugees. Such a view is incorrect and should not be allowed to mis–inform debates about migration. In the UK, there are 3.2 refugees per 1000 population; in Georgia, there are 51 per 1000; in Liberia there are 87 per 1000.\textsuperscript{144} There are 100,000 Afghan refugees in the EU. In comparison Iran and Pakistan have hosted 1.4 million and more than 2 million Afghan refugees respectively.\textsuperscript{145} Two–thirds of refugees are hosted by developing countries, with thirty–five percent of refugees living in the least–developed countries.\textsuperscript{146}

60. Enabling migrants, including refugees, to live more productive lives which do not drain local resources would be better for migrants and refugees, for host societies, and for development and poverty reduction. Otherwise, hosting large numbers of refugees can be costly, with these costs falling disproportionately on the developing countries where most refugees are to be found. The UK contributes to the work of the UNHCR, which provides a structure through which countries can share the responsibility for dealing with refugees. However, there is already evidence of some developing countries becoming less willing to host refugees because they feel that developed countries are shirking their

\begin{itemize}
\item \textsuperscript{142} Ev 221 [JCWI memo]
\item \textsuperscript{143} Ev 254 [Oxfam memo]; Ev 225 [JCWI memo]
\item \textsuperscript{144} Ev 248 [Oxfam memo]
\item \textsuperscript{145} Ev 268 [Statewatch memo]
\item \textsuperscript{146} Q 306 and Q 304 [Anita Bundegaard, UNHCR]
\end{itemize}
responsibilities. It is essential that the UK contributes its fair share to international humanitarian assistance. There is also a need for both donors and developing countries – including government at national and local levels – to take into account the needs of refugees, and the implications for policy, in Poverty Reduction Strategy Papers.

61. The extent to which migrants find themselves able or not to access resources and services in the same way as citizens of the host society, also plays a major role in shaping the impact of migration. Migrants are often less able to access services than the local population, because they have fewer rights and often an unclear legal status. For many hosting states this is a deliberate policy so as not to encourage migration. For migrants who have made the journey their social exclusion and lack of access to welfare benefits can have a devastating impact. Migrants in developing countries may end up living in informal low-income settlements or slums, where they are unable to connect to electricity, water and sanitation infrastructure and may find themselves unable to access secure land and housing. They may also have poor access to health and education services, and – as we heard in relation to India – to subsidised food. In Vietnam, we were told that unregistered migrants may also find that they are unable to access services including low-interest loans, free health care and exemptions from school fees provided under the Hunger Eradication and Poverty Reduction Programme. Further, even when migrants have been granted access to services, or to land for agriculture, such access may be withdrawn. Migrants are highly vulnerable to the denial of access, the undermining of rights, and to forcible eviction. For instance, migrants were expelled from Ghana following legislation in 1969, and migrants’ right to own land in Côte d’Ivoire was removed in 1998.

62. Host countries need to ensure that migrants living within their borders are able to live productive lives, enjoy adequate access to services, welfare services, and have their rights protected. We were pleased to hear that DFID is funding innovative rural livelihoods programmes in India which, by including support to migrants, are making a big difference to migrants’ lives. Such initiatives include the development of a system of identity cards which can help to reduce the harassment which migrants face from police and other officials, and ways of working with non-governmental organisations (NGOs) to help migrants and potential migrants to access information on wage rates, working conditions and rights. Also in the context of India, we were told of the possibility of introducing computerised identity cards to enable migrants to obtain basic healthcare and education. There is also a joint-initiative by NGOs, donors and the state to provide migrants’ children with education through a school for migrants’ children. We applaud such creative efforts to improve the lives of migrants, which will in turn help to make migration work better for development and poverty reduction. We trust that mechanisms will be put in place to ensure that policy-makers elsewhere can learn from

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147 Ev 172 [COMPAS memo]
148 Q 306 [Anita Bundegaard, UNHCR]; Ev 173 [COMPAS memo]; Ev 277 [Unlad Kabayan memo]
149 Ev 208 [IIED memo]
150 Q 82 [Priya Deshingkar, ODI]
151 Ev 208-209 [IIED memo]
152 Q 84 [Priya Deshingkar, ODI]
153 Ev 243 and 246 [ODI memo]
these projects. In addition, governments should take better account of migrants and their rights as they reform their land tenure systems to ensure that migrants are able to work productively and without risk of sudden eviction.\textsuperscript{154} This is something that donors might usefully encourage developing countries to do.

63. Migrants – especially those who have entered a country illegally, or who are awaiting decisions on their refugee status – are also likely to have less access to productive, well-paid, secure and formal employment, which makes good use of their skills.\textsuperscript{155} The numbers of trained professionals from developing countries working in less skilled jobs in London is proof enough of this. This has a major impact on migrants’ ability to contribute to their host societies, and to their homelands through remittances.\textsuperscript{156} And those migrants who do find work are likely to be employed in sectors where there is little regulation or protection of employees’ rights.\textsuperscript{157} For example, in low and middle-income countries migrants – and particularly women migrants – may be employed in Export Processing Zones; in developed countries, as well as developing, they may be employed as cleaners, carers and domestic servants, or in the agriculture and horticulture industry where they may find themselves subject to exploitation by gangmasters, many of whom operate outside the law.\textsuperscript{158}

64. Migrants need help to find suitable work, which will enable them to contribute economically to their host societies, as well as remitting resources home. For the UK, Oxfam recommends that the Government establish a comprehensive support and education system for migrants on their arrival, to educate migrants about the labour market and their legal rights and obligations as workers, to provide advice and support on finding a job and accessing services, to offer English language teaching, and information about life in the UK.\textsuperscript{159} Such a programme would help migrants to find their place in society and to make migration work better for development and poverty reduction. We invite the Government to outline what it does to help migrants’ integration in the UK, and to consider Oxfam’s recommendation of a comprehensive support and education system. Similarly, where appropriate, the Government should encourage and help its developing country partners to establish similar schemes.

65. Authorities in host countries and regions have an important role to play in ensuring that migrants’ rights – in employment and other spheres – are protected. Oxfam argue in their submission that refugees and asylum seekers should have the right to work, so that they can improve their lives and contribute to the host community.\textsuperscript{160} Oxfam have told us that Home Office research disproves the idea that giving asylum seekers the right to work would increase the attractiveness of the UK to potential refugees and asylum seekers.\textsuperscript{161} We would welcome clarification of the Government’s views. If asylum seekers

\textsuperscript{154} Ev 208 [IIED memo]
\textsuperscript{155} Ev 208 [IIED memo]
\textsuperscript{156} Q 95 [Nicholas Van Hear, University of Oxford]
\textsuperscript{157} Ev 211 [IIED memo]
\textsuperscript{159} Ev 252 [Oxfam memo]
\textsuperscript{160} Ev 254 [Oxfam memo]. The research that Oxfam claims disproves the idea that the right to work would be a pull factor for asylum seekers is Vaughan Robinson and Jeremy Segrott, Understanding the decision-making of asylum
in the UK are not to be given the right to work, it is – as DFID acknowledged in oral evidence – important that quick and fair decisions are made about migrants’ legal status so that they can enjoy the same labour market participation as UK citizens. Governments should do their utmost to protect migrants’ rights – through legislation and its enforcement, and through the provision of information – to ensure that they are not subject to exploitation by employers, gangmasters and employment agencies. We welcome the swift progress of the Gangmasters (Licensing) Bill through Parliament; once this Bill becomes law it will be an important step in preventing the exploitation of workers, including migrant workers, by gangmasters. Particular attention should be paid to those sectors in which female migrants work – including care homes, cleaning, and the hospitality industry – and which tend to be poorly regulated. The protection of migrants and their rights should not be neglected in developing countries either; donors need to ensure that their developing country partner governments are aware of the benefits of migrant protection, and helped to design effective policies.

66. The need to protect the rights of migrants is recognised internationally in the International Labour Organisation’s (ILO) 1949 Convention no. 97 on Migration for Employment and 1975 Convention no. 143 on Migrant Workers, and in the UN’s 1990 Convention on the Rights of All Migrant Workers and their Families. But by May 2004, only 25 countries had ratified the UN Convention. Most of the countries which have ratified are migrant–sending countries; so far no major country of destination has ratified the Convention. Some of the means to protect migrants, and to regulate migration at the international level, are in place; what is lacking is the political will.

67. Several organisations are urging the UK Government to ratify the UN Convention. Oxfam argues that migrant workers are particularly vulnerable to exploitation, and should therefore be entitled to special protection above that provided by existing legislation. Noting that no other EU state has ratified the Convention, the Government says it has no plans to ratify the UN Convention, believing that it has “struck the right balance between the need for immigration control and the protection of the interests and rights of migrant seekers”. Home Office Research Study, 243, July 2002. Available at http://www.homeoffice.gov.uk/rds/pdfs2/hors243.pdf

162 Q 31 [Sharon White, DFID]
163 Q 109 [Cecilia Tacoli, IIED]; [Unlad Kabayan memo]; Ev 142 [ASI memo]; Ev 281 [Unlad Kabayan memo]; Environment, Food and Rural Affairs Committee, Eighth Report of the Session 2003-04, Gangmasters (follow up), HC455. Available at http://www.publications.parliament.uk/pa/cm200304/cmselect/cmenfru/455/455.pdf
164 Hansard, 21 May 2004, col. 1210
165 Q 88 [Cecilia Tacoli, IIED]
166 Q 84 [Ronald Skeldon, University of Sussex]
167 Hereafter this is referred to as the “UN Convention”; Ev 143 [ASI memo]
169 Ev 281 [Unlad Kabayan memo]
170 Q 180 [Frank Laczko, IOM]
171 Ev 143 [ASI memo].
172 Ev 249 [Oxfam memo]. Oxfam Great Britain is part of the Coalition for the Rights of Migrant Workers, led by the United Nations Association-UK (UNA-UK), which seeks ratification of the 1990 UN Convention. Further information on the work of the Coalition, which also includes Anti-Slavery International, Kalayaan, the TUC, TGWU and UNISON, is available from UNA-UK Headquarters – see http://www.una-uk.org/
workers”. The Government also believes that migrants’ rights are adequately protected by existing legislation including the Human Rights Act of 1998.

68. Care does need to be taken to ensure that the UK is not seen as a soft-touch for illegal migrants, and also to ensure that migrants’ rights are not protected at the expense of the well-being of UK citizens. But there may be ways of protecting migrants and their rights which do not lead to the UK being a magnet for economic migrants. It is not immediately clear to us that there is a trade-off or balance to be struck between the rights of migrants once they are in the UK and immigration control. The argument that there is such a balance seems to rest on the assumption that if the UK ratified the UN Convention, then more migrants would come to the UK. *We invite the Government to explain why it has not ratified the UN Convention and to provide us with the evidence to support the assumption that there is a trade-off between migrants’ rights and immigration control* (see also paragraph 65). *We would also like to know how the Government came to the conclusion that it had struck the right balance; that is, how was the value of migrants’ rights and the value of immigration control assessed?*

69. If there is such a trade-off, then the benefits of providing better protection for migrants and their rights – for migrants, and for their ability to contribute to host and home societies – must not be discounted. As the Joint Council for the Welfare of Immigrants explained, better protection of migrants’ rights, including through ratifying the UN Convention, would: “create a more secure environment and protect many from the worst consequences of a marginal existence in the host country, such as exploitation, forced labour and below minimum health, education and welfare standards. The effect of making migration an undertaking in which there is a greater likelihood that the individual will prosper would in itself increase the capacity for productive investment in developing countries.” By ratifying the Convention, the UK, and the EU, would be making an important contribution to building a multilateral framework for migration management. *If there were a multilateral commitment on the part of all migrant-receiving countries to ratify the Convention, and to protect migrants’ rights accordingly, then no one country would risk being seen as a soft-touch as a result of its ratification.*

**Returning, reintegrating and circulating**

70. Better communications and well-established social networks mean that migrants feel the pull of employment opportunities in the developed world from far away, and are able to maintain links with their homelands once they have moved. Cheaper transport is making temporary and circular migration more of a possibility for some long-distance migrants. If migration is to be made to work better for development and poverty reduction, policy needs to respond to these new patterns of migration. As Heaven Crawley, an expert on asylum and migration issues, explained:
“the migration systems that we have set up have a tendency to trap people in systems which do not necessarily benefit them and their countries of origin in the long–term: so when people come to a country like the UK through a managed migration programme often they have had quite a difficult time getting onto that programme in the first place, and when they get to the UK their first thought is not to think about how to return, because they found it difficult trying to get here in the first place, it is more about how to stay. In reality what we need, in order to benefit both the countries that need labour but also to benefit the countries from which those people originate, are policies of managing migration, allowing circularity of people as well as capital, because at the moment we have got systems of circularity of the remittances, for example, but the flow of people is not so easily dealt with because there are concerns that once you open up borders people stay.”

71. Economic theory suggests that increasing the mobility of labour will increase the size of the global economy, offering scope for migrants, developing countries and developed countries to benefit. Economic modelling predicts that the global welfare gains from a modest increase in the volume of migration – increasing to 3 percent the proportion of the developed world’s workforce made up of migrants from developing countries – would be very large, perhaps in the order of $150 billion per year. This is more than twice the current volume of aid, three times the estimated amount of additional aid flows needed to finance the MDGs, and one and a half times the predicted gains from fully liberalising trade in goods and services. There is plenty of scope for win–win outcomes.

72. Further, there is a desire on the part of migrants, developed countries and developing countries to see more temporary and circular migration. Many migrants feel a strong sense of responsibility to their homelands, and, having spent some time in a developed country, would like to return home, perhaps temporarily, if conditions were right. Developed countries, whilst keen to employ the labour of migrants, are also keen to see migrants return home. Temporary migration relieves, or reduces, many of the political issues surrounding immigration into developed countries. In fact well–designed mechanisms to facilitate temporary and circular migration could reduce the incidence of illegal immigration, and could act as an incentive for labour–sending countries to assume more responsibility for countering illegal migration. Developing countries would like to see the return of their people – their human capital. If migration were more temporary and migrants returned home, then this would reduce the developmental down–sides of

178 Q 304 [Heaven Crawley, AMRE Consulting]; see also Ev 172 [COMPAS memo]
181 Ev 126 [DFID memo]
182 Q 362 [Dr Mohamed Koker]
183 Q 186 [Jan de Wilde, Chief of Mission, IOM London]
184 Ev 217 [IOM memo]
migration from developing countries.\textsuperscript{185} India’s success with building a software industry on the basis of returning migrants’ Information Technology skills and social networks has shown that a “brain-drain” can be transformed into a “brain-gain”.\textsuperscript{186}

**Temporary migration schemes**

73. Temporary migration schemes which provide benefits for migrants, receiving countries and sending countries are perhaps the ultimate goal of migration policy. But past experience has led some to conclude that temporary migration inevitably becomes permanent. For some this is the lesson to be learned from Germany’s guest–worker programme, where many Turkish guest–workers ended up as permanent residents.\textsuperscript{187} There are also serious questions about the effectiveness of programmes to return and reintegrate migrants in their home countries (see paragraphs 82—87).

74. Nevertheless, we heard of many examples of temporary migration schemes which appear to have worked. In North America, long–established and successful schemes have provided both Canada and the USA with temporary migrant labour from Mexico and the Caribbean, as Masood Ahmed, DFID’s Director General for Policy and International Division, acknowledged.\textsuperscript{188} As regards the Canadian scheme, it is reported that no Mexicans have over–stayed in twenty–eight years.\textsuperscript{189} Switzerland too has run a successful programme to provide labour to the hotel and service industry for nine years.\textsuperscript{190} Schemes in the Gulf region have provided temporary contract labour both from developing and developed countries, with migrants not permitted – and in many cases having no desire – to remain permanently.\textsuperscript{191} In summary, there are temporary migration schemes that work, and schemes that do not work. What is not in doubt is that there is a demand for workers in developed countries such as the UK, and demand for employment from people in developing countries.\textsuperscript{192} There is a need to examine the evidence to learn the lessons and to understand what can be done to make temporary migration and assisted voluntary return schemes work and deliver development benefits.\textsuperscript{193} The UK Government, working with the International Organization for Migration and other international organisations, should ensure that this challenge is taken up.

\textsuperscript{185} Ev 215 [IOM memo]; Q 195 [Jan de Wilde, IOM]
\textsuperscript{186} Q 6 [Masood Ahmed, DFID]
\textsuperscript{187} However for some commentators, even in this case a significant proportion of guest–workers did leave, and, there are specific reasons why temporary migrants became permanent: employers pressed the government to keep the workers because the suspension of the programme meant that there could be no replacements; workers tried to stay because they recognised that if they left they would not be able to re–enter Germany to work. See Ev 198, footnote 89 [Nigel Harris memo].
\textsuperscript{188} Q 26 [Masood Ahmed, DFID]; Ev 198 [Nigel Harris memo]; North-South Institute Research Project on Canada’s seasonal agricultural workers program as a model of best practices in migrant worker participation in the benefits of economic globalization - see http://www.nsi-ins.ca/ensi/research/progress12.html
\textsuperscript{189} Ev 198, footnote 89 [Nigel Harris memo]
\textsuperscript{190} Q 26 [Masood Ahmed, DFID]
\textsuperscript{191} Q 183 [Joseph Chamie, United Nations Population Division]; Ev 198 [Nigel Harris memo]; Q 277 [Christian Dustmann, University College London]
\textsuperscript{192} Ev 144 [Richard Black memo]
\textsuperscript{193} Q 26 [Masood Ahmed, DFID]
75. The UK Government deserves considerable credit for the steps it has taken to open up legal channels for temporary migration in particular sectors.\(^{194}\) But this has been primarily in response to the labour market needs of the UK economy. There is scope to make such schemes deliver progress towards the UK’s international development objectives.\(^{195}\) Many migrant–receiving countries are keen to employ the skills of high–skilled migrants, but are less enthusiastic when it comes to low–skill migration.\(^{196}\) In development terms this is regrettable as developing countries have plentiful supplies of low–skilled labour to export,\(^{197}\) but cannot spare their highly–skilled personnel (but see paragraphs 38—42 on “brain–drain”). As economic models of increasing labour mobility predict, developing countries – and indeed developed countries – gain much more if the labour migration is low–skilled.\(^{198}\)

76. The UK Government has begun to address this issue by broadening entry routes to the UK labour market through measures such as the reform of the seasonal agricultural workers scheme, and the introduction of sector–based short–term work schemes for the hospitality and food manufacturing sectors.\(^ {199}\) But more can be done. DFID, and through DFID, other development stakeholders – including migrants’ organisations and labour ministries in key migrant–sending countries – should be consulted when the UK Government is designing and revising temporary migration schemes. If countries with a Department or Ministry concerned with the welfare of their overseas workers were given priority in such consultations, developing country governments might be encouraged to do more to protect their overseas workers.\(^ {200}\) The input of development stakeholders would make the schemes work better for the UK and deliver more benefits to developing countries. On 27 April 2004 the Prime Minister announced a wholesale review of the UK’s immigration schemes; DFID must be fully involved in this review so that development objectives are fully considered.

77. If poor people from developing countries had more access to legal migration channels, then more development benefits could be had from migration. In their submission, the Joint Council for the Welfare of Immigrants suggest that migration ought to be regulated by an international authority – a reformed WTO or a new World Migration Organisation – whose rules would ensure that the arrangements for migration were demonstrably to the benefit of developing countries\(^ {201}\) (see paragraphs 145—148). More realistically, at least in the short–term, codes of conduct might be developed for recruitment into sectors beyond health and education, for instance, for domestic workers, the hotel industry and agricultural workers. Well–regulated recruitment agencies – offering transparent fee structures, involving migrant workers’ associations, and rigorously enforcing minimum wage and other health and safety conditions in the workplace – could be

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194 Ev 203-204 [Home Office memo]
195 Q 76 [Richard Black, University of Sussex]
196 Ev 125 [DFID memo]
197 Q 21 [Masood Ahmed, DFID]; Ev 252 [Oxfam memo]
199 Ev 125 [DFID memo]; Ev 203-204 [Home Office memo]
200 Ev 147, including footnote 51 [Richard Black memo]
201 Ev 223 [JCWI memo]; Jagdish Bhagwati, Borders Beyond Control, Foreign Affairs, Vol. 82, No. 1, Jan/Feb 2003 - see http://www.foreignaffairs.org/
given preferential access to legal immigration routes into the UK, providing an incentive for, and a model of, good practice.\textsuperscript{202} In this way, the private sector’s dynamism, and market incentives, could be employed for poverty reduction. More simply still, progress could be made in simplifying visa arrangements, and controlling the actions of unscrupulous agents who control access to the recruitment process.

Skills acquisition

78. If migration were optimised for development, temporary migrants would acquire skills which they would be able to make use of on their return to their home country. In some cases, this will happen; Oxfam give the example of Albanian migrants returning to Greece with new agricultural skills which enabled them to increase their own vegetable production and to train other farmers.\textsuperscript{203} But overall the evidence on migrants’ acquisition of new skills is not encouraging, especially for low–skilled migrants. Early studies of Turkish guest–workers returning from Germany suggest that less than ten percent had received any useful training whilst in Germany. And recent research from Thailand shows that very few returning migrants had been employed in occupations which might have imparted new skills.\textsuperscript{204}

79. These examples do not bode well for the ability of temporary migration to improve the skills of migrants. But they begin to explain why it is that temporary migration tends not to lead to human capital development; it is in part because of the sorts of jobs which migrants find themselves doing. If migrants were able to find suitable work, they might be in a better position to learn skills which would be useful on their return home. But there are limits to what policy can do. We may have to accept that temporary migrants prioritise earning as much money as possible before going home, rather than being keen to invest their time in learning new skills.\textsuperscript{205} And as far as the host country and its employers are concerned, the priority is always likely to be using migrants’ labour rather than providing migrants with transferable skills. Nevertheless in some cases – nursing and teaching for instance – temporary migration can enable migrants to learn new skills, and in many cases it can play a useful role in exposing migrants – as well as host societies – to new ideas and ways of doing things, some of which may be usefully continued or adopted after the migrant’s return (see paragraph 127). The experience of VSO volunteers and their “volunteer journeys” may hold important lessons for efforts to improve the skills acquisition element of temporary migration.\textsuperscript{206}

Ensuring that temporary migration is temporary

80. For migrant–receiving countries the most pressing question is how to ensure that temporary migrants do not become permanent. The answer, in general terms, is to provide incentives for migrants to leave and to return home. This is primarily the responsibility of home countries – migrants will only return home if home is a place where they feel they

\textsuperscript{202} Ev 148 [Richard Black memo]
\textsuperscript{203} Ev 252 [Oxfam memo]
\textsuperscript{204} Ev 252 [Oxfam memo]
\textsuperscript{205} Q 256 [Christian Dustmann, University College London]
\textsuperscript{206} Ev 283 [VSO memo]
can live secure and productive lives, free from hardship. But host countries can play their
part too. One suggestion we heard was that of compulsory savings, whereby temporary
migrants entering the UK would have to agree to pay a proportion of their earnings into a
fund, which would then be made available to them on their return home.\footnote{Q 276 [Alan
Winters, University of Sussex]; see also Dani Rodrik, \textit{Feasible Globalizations}, p.23 - see
footnote 4.} This may seem draconian, particularly for migrants who earn little whilst in the
UK, but it would be one way of providing an incentive for return. It would help to ensure that
temporary migration really is temporary. It would also ensure that on their return home, migrants had resources
to invest. If the conditions of temporary migration were well understood in advance by
participants, and if a compulsory savings scheme were not used as a way of circumventing
minimum wage legislation\footnote{Ev 146 [Richard Black memo]}, there might be fewer objections. Alternatively, return could be encouraged by reimbursing migrants with a portion of their unused National
Insurance contributions once they had left the UK. Given that migrants who leave will
not be making a claim on their contributions, we consider that there is some sense of
fairness in this suggestion.

Another way of encouraging exit and return would be to allocate quotas for temporary
migration to migrant-sending countries, with these quotas being regularly revised
depending on how many migrants have in the past returned.\footnote{Q 188 [Jan de Wilde, IOM]; see also Dani Rodrik, \textit{Feasible Globalizations}, p.23 - see footnote 4.} This would give migrant-sending countries an incentive to create an economic and political climate which migrants
would like to return to, but whether it would work, and whether it would be fair to
essentially punish future potential migrants for the sins of previous non-returners is less
clear.\footnote{Q 276 [Alan Winters, University of Sussex]} There may be a way of making such a mechanism work by involving employment
agencies. If such agencies operated under licence, their licences could be renewed only on
the condition that the agency was able to show that an agreed proportion of the workers
they had placed in the previous time period had gone home.\footnote{Ibid.} The Government should
consider seriously the idea of involving employment agencies in making temporary
migration schemes work, as well as the proposal to reimburse National Insurance
contributions. It should also ensure that lessons are learnt and disseminated from the
experience of other countries such as Canada and the USA with making their
temporary migration schemes truly temporary.

\textit{Sustainable return}

If temporary migration is to deliver development benefits, the story must not stop once
migrants have left the countries where they have been temporarily employed, or when they
step foot back in their home country.\footnote{Bimal Ghosh, \textit{Return Migration: Journey of hope or despair?}, Co-published by the International Organization for Migration and the United Nations, 2000.} Migrants who return to their home countries can
do much to stimulate development, but this will only happen if their return is sustainable
and they are able to integrate back into their societies. Indeed, whilst many migrants would
like to return to their homelands on a short, medium or long-term basis, most will only do this if they feel that the conditions are right.213

83. A variety of factors can dissuade migrants from returning. In many cases, these factors are the same factors which will have led migrants’ to leave the country initially. First, migrants’ sustainable return can be impeded by a lack of commitment on the part of their government.214 It is easy for a government to say to its people overseas “come home, you are welcome”, but, unless things have changed, returning migrants may well find themselves battling against the same issues of poor governance, bureaucracy and corruption which led to their departure.215 And having been away, migrants may well find themselves excluded from the social networks which can provide a basis for integration and sustainable return. Returning migrants – with high skills, financial power, new ideas and perhaps different political views – may even be seen as a threat.216 Returning migrants may also be faced by a lack of opportunities for employment which will enable them to use their skills, contribute fully to society and be paid adequately.217 Returning public sector workers may find that they are stuck at a low-level on the career ladder having not “served their time” at home, and may find that they have forfeited some of their rights to social protection assistance.218 Most straightforwardly, migrants’ sustainable return may be hampered by a lack of basic health and education services, language barriers for children born overseas, and concerns about personal security. Such obstacles are considerable; those who attempt to overcome them to contribute to their homeland’s development – such as the people we met in Hargeisa who had returned to Somaliland from London and Sheffield – are little short of heroic.

84. As Masood Ahmed, DFID’s Director General for Policy and International, put it, “people go back primarily when they have something to go back to.”219 To ensure that people do have something to go back to, governments, with the support of donors, need to:

- be serious about welcoming migrants back;
- make progress with improving governance and tackling corruption;
- ensure that pay structures and progression within the civil service do not unfairly penalise migrants who have worked elsewhere and may have acquired useful skills; and,
- help returning migrants to find suitable jobs, or to set up their own businesses.

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213 Q 366 [Councillor Columba Blango, Mayor of Southwark]
214 Q 364 [Cecilia N. Taylor-Camara]
215 Ibid.
216 Q 366 [Councillor Columba Blango, Mayor of Southwark]
217 Ev 280 [Unlad Kabayan memo]; Q 362 [Councillor Columba Blango, Mayor of Southwark]
218 Q 27 [Masood Ahmed, DFID]; Q 190 [Frank Laczko, IOM]
219 Q 27 [Masood Ahmed, DFID]
85. The IOM has considerable experience in Asia, in Latin America and in Africa with programmes to facilitate sustainable voluntary return. The IOM works with governments of the countries of origin to identify suitable candidates and find them employment, financing their return and assisting with their reintegration, to contribute to rebuilding and strengthening the country’s human resources. Specific measures to encourage and assist return and reintegration may include tax exemptions, financial assistance with moving costs, seed capital to establish a business, and citizenship rights for spouses and children. The Commonwealth Business Council’s AfricaRecruit programme plays a similar role in matching employers with potential returnees. The IOM’s Return of Qualified African Nationals programme returned about 2000 people over the course of the 1990s; its programme for the return of Afghans – initially with funding from DFID – has thus far returned 536 people, although no data is available on how many of these returnees stayed on after the period of programme support.

86. The IOM’s experience in running these schemes has shown that encouraging return and facilitating successful integration is not easy, especially when the economic and political conditions in the country are not attractive, and it is a labour-intensive process. In part as a result of its earlier experiences, the IOM’s latest programme for the return of qualified nationals – Migration for Development in Africa (MIDA) which is currently running in ten African countries – focuses more on temporary return and tapping the diaspora. We were pleased to hear that DFID and the EU are supporting programmes including the IOM’s MIDA and pilot schemes in Ghana and Sierra Leone. It is only through learning from experience that the best ways of facilitating sustainable return can be discovered.

87. There is value in donors such as DFID learning about sustainable return. But in the absence of improvements in the economic and political conditions in migrants’ home countries, any scheme to facilitate sustainable return is likely to fail. Indeed, if the conditions are not right, the return or repatriation of large numbers of migrants can place huge demands on a developing country, raising the potential for instability, conflict and renewed out-migration. Donors who provide incentives and opportunities for returnees in an environment which is not conducive to sustainable development, are throwing their money away. If developing countries are to benefit from the sustainable return of their migrants, they need to pursue policies – better governance, less bureaucracy, and economic growth – which will make migrants want to return, and which will ensure that those migrants who have returned have a sense that they, and their country, are moving towards a brighter future.

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221 Ev 216 [IOM memo]
222 Ev 188-190 [CBC AfricaRecruit memo]
223 See also Q 277 [Christian Dustmann, University College London];and, Q 188 [Joseph Chamie, United Nations Population Division]
224 Q 186 [Frank Laczko, IOM]; see also Migration for Development in Africa website at http://www.iom.int/MIDA/
225 Q 349 [Hilary Benn, Secretary of State for International Development]
226 Ev 174 [COMPAS memo]
227 Q 27 [Masood Ahmed, DFID]
Facilitating circular migration

88. As Hilary Benn explained in evidence to us, for some migrants it is not a choice of either living in their home country, or living overseas. Rather it is about how to live their lives in two countries.228 There is some evidence that if migrants feel that a decision to return home is not irreversible, they will be more likely to make such a decision. So for instance, if migrants in the UK knew that they would be able to come back, they may well be more willing to take a chance and try to return home for a period of time.229 There is considerable evidence – including from the USA’s Green Card scheme – to show that easier re-entry encourages migrants to return, perhaps temporarily, to their homelands.230 Prior to their countries entry into the European Union, Spanish, Portuguese and Greek migrants were keen to settle permanently. Once they had residence rights across Europe, the need to stay was reduced.231 Conversely, when the USA tightened border restrictions with Mexico, Mexican migrants stayed longer, fearing that if they left they would not be able to re-enter.232 Preserving the freedom to circulate seems to be a condition of workers being willing to return home.

89. Circular migration might be encouraged by the introduction of flexible citizenship or residence rights.233 The UK, for instance, allows individuals to hold dual nationality.234 This is a good start, but there should perhaps be more flexibility and scope for re-entry, including for migrants who do not have dual nationality. And if circular migration is to be encouraged, migrants’ home countries also need to accept dual nationality. Otherwise, as is the case with Sierra Leone, returning migrants will be faced with the requirement to surrender their British citizenship and with it their passport to circular migration.235 The UK Government should explore the potential development benefits which might be gained from more circular migration, and – alongside its developing country partners – should examine the different ways in which such circular migration might be encouraged. The Government should also consider whether there is scope – in sectors such as health where developing countries would benefit a great deal – to help migrants to return home temporarily by offering leave of absence from employment and other forms of assistance.236

GATS Mode 4 and southern liberalisation

90. The General Agreement on Trade in Services (GATS) provides, under the auspices of the WTO, a framework for liberalizing international trade in services. The GATS Agreement works through a request and offer process in which countries make requests

228 Q 349 [Hilary Benn, Secretary of State for International Development]
229 Q 145 [Chukwu-Emeka Chikezie, African Foundation for Development]
230 Q 27 [Masood Ahmed, DFID]
231 Ev 198 [Nigel Harris memo]
232 Q 276 [Alan Winters, University of Sussex]
233 Ev 174 [COMPAS memo]
234 Ev 201 [Home Office memo]
235 Q 368 [Cecilia N. Taylor-Camara]
236 Q 149 [Lola Banjoko, CBC AfricaRecruit]
and/or offers for enhanced market access. GATS outlines four ways in which services can be provided (traded) internationally. GATS Mode 4 refers to a section of the agreement which covers one of the four ways in which services can be supplied (traded) across borders, by the temporary movement of natural persons. Thus far few countries have made either offers or requests, and those offers that have been made have been largely concerned with high-skilled and intra-corporate transfers. The World Bank reports that 40 percent of Mode 4 commitments are for intra-corporate transfers, and another 50 percent are for executives, managers, specialists and business visitors. If the mobility of workers from developing countries – including unskilled workers – could be enhanced under GATS Mode 4, then there would be significant benefits, both for developed countries which face growing skills gaps, and for developing countries.

91. Economic Needs Tests are a second obstacle to GATS Mode 4 providing a framework for orderly migration and the resultant development benefits. Such Tests provide countries with an opt-out from their commitments to enhance labour mobility, a safety valve to go back on commitments to admit workers if their admission is proving economically harmful or politically unpopular. If the nature of a country’s Economic Needs Test is not clearly set out, then that country can hardly claim to have open borders, or predictable and transparent admission procedures. Further, as Oxfam note, whilst there are similar safety valves elsewhere in the WTO – anti-dumping and countervailing duties – WTO members cannot refuse to import foreign goods on the grounds that domestic substitutes are available; nor does the agreement on Trade-Related aspects of Intellectual Property Rights (TRIPS) allow a government to refuse to award patents because the local economy does not need them. If GATS Mode 4 is to deliver well-ordered labour migration for the provision of services, then Economic Needs Tests need to be made more transparent, harmonised across countries and ideally removed altogether, except for temporary safeguards as is the case in other areas of international trade. Finally, it is worth noting that GATS includes nothing to prevent migrant workers’ rights being infringed; again, the contrast with TRIPS’ efforts to stop the infringement of intellectual property rights is stark.

92. Developed countries are reluctant to make commitments under GATS Mode 4 for understandable reasons. Migration remains a very sensitive subject, over which countries are anxious to retain their control. Indeed many NGOs and developing countries have similar concerns about entering into other GATS agreements. In addition, migration is seen by most countries as the province of Home Affairs, rather than Ministries for Trade, Labour or Development. Unless there are effective mechanisms for achieving policy

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239 Ev 126 [DFID memo]; Ev 217 [IOM memo]

240 Q 285 [Alan Winters, University of Sussex]

241 Ev 253 [Oxfam memo]

242 Q 283 [Christian Dustmann, University College London]


244 Q 281 [Alan Winters, University of Sussex]
coherence between Ministries, the potential of migration to capture trade, labour and development benefits is likely to be missed (see paragraphs 151—167).

93. In its present guise GATS Mode 4 amounts to a “positive, though somewhat limited step in the direction of greater international labour mobility.” It could amount to a bigger step if countries made more commitments, if commitments extended to unskilled labour, and if the use of Economic Needs Tests was more transparent and less frequent. In the absence of such changes, developing countries will see few benefits from GATS Mode 4. DFID reported that the UK’s position on GATS Mode 4 is widely viewed as being among the most progressive. The Government should make the UK’s policy stance on GATS Mode 4 clearer and explain what the UK is doing to promote an agenda which will be to the mutual benefit of the UK and developing countries. The Government should also clarify its position on a simplified GATS visa.

94. Another possible reason for the slow progress made with GATS Mode 4 is the reticence of many developing countries. Many developing countries restrict immigration. As such they might find it politically difficult to find themselves embroiled in negotiations which require them to open up their labour markets too. Developing countries’ restrictions on the immigration of skilled workers may be short-sighted; the economic logic of migration, suggesting that migration should be liberalised, is knocked off-course by politics in the south, just as it is in the north. As is the case with trade liberalisation more widely, developing countries could secure benefits from liberalising south–south migration, perhaps through the establishment of regional passports, and by making it easier for skilled people from the north to offer their services in developing countries. There is a pool of people in countries such as the UK who are keen to employ their skills in developing countries; developing countries should take advantage of this. As regards south–south migration, we were interested to hear that the European Commission is working with the African Union on migration management in Africa. We would welcome further information about this.

95. There is much scope to make migration work better for development, and to ensure that it delivers benefits for host societies, home societies and migrants themselves. By working on its various dimensions, policy can shape the nature of migration to make it more development-friendly. Overall, migration is best when it takes place within a framework of law and policy which looks after the interests of migrants, receiving communities, and those left behind. The Joint Council for the Welfare of Immigrants sets an ambitious aim, suggesting that: “The task is to ensure that all movements across the globe take place within a framework of law and policy which will properly allocate the rights and obligations of all parties participating in the process.” This should be the goal.

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246 Ev 126 [DFID memo]

247 Q 281 [Alan Winters, University of Sussex]

248 Q 256 [Alan Winters, University of Sussex]; Q 220 [Winston Cox, The Commonwealth]

249 Q 303 [Peter Bosch, European Commission]

250 Ev 225 [JCWI memo]
Somaliland

During our visit to East Africa in January 2004, the Committee paid a brief visit to Hargeisa, the capital of Somaliland. The visit raised questions about the way in which the UK’s development policy relates to Somaliland, a territory which largely corresponds to the former British Somaliland. Following independence in 1960, it joined together with the former Italian Somaliland to form a unified country. The union was not a happy one. The dictator, Siad Barre destroyed Hargeisa, causing a reputed 50,000 deaths and mass evacuation. Somaliland has now declared itself independent but this status has not been recognised by any other nation. In the meantime, the rest of the territory known as Somalia has collapsed into anarchy and is without a functioning government. Much of the territory seems to be run by warlords. Peace conferences have been held in various venues but they have failed to produce a settlement. Somaliland has refused to take part in these conferences, as it is adamant that it should be independent. Other parts of Somalia are united in their opposition to the independence of Somaliland.

Somaliland’s non-recognised status restricts the aid which it can receive. It qualifies only for humanitarian relief and not for long term development assistance from national donors such as DFID, the EU or multilateral bodies such as the World Bank. But Somaliland shows a far higher quality of governance than elsewhere in Somalia: it has two Houses of Parliament; the president is elected, local government elections have been held, and parliamentary elections are scheduled. Somaliland’s desire for independence has been backed by an internationally-monitored referendum. Guns have been taken off the streets and there are properly-constituted police and armed forces. Formidable assistance has also been given by the considerable Somaliland diaspora to assist the recovery of their homeland. In short, the country is behaving in a way that the international community would wish. But there must be a very real danger than unless its stability is recognised and supported, Somaliland will slip back into the chaos found elsewhere in Somalia. We suggest that DFID clarifies its position on whether it sees it as being in the interests of the people of Somaliland and the wider area that such limited assistance is given. It is very difficult to involve the private sector to develop Somaliland’s resources when the country is not recognised. This is particularly apposite when there are reported to be Al Qa’ida activities in the area. Here is a moderate government which is endangered by the general unrest in the area.

DFID is not the only government department involved. We therefore seek assurances that the Government is pursuing a joined-up approach to its policy on Somaliland. The unrest in Somalia has had major disruptive consequences for its neighbours. The Foreign and Commonwealth Office should clarify its position on the issue of recognition, particularly if Somaliland continues to govern itself in a responsible and democratic way, while the other parts of Somalia continue as a failed state. The Home Office is also involved. Somalis have for many years been one of the largest national groups to settle and seek asylum in the UK. Now the Home Office is compulsorily repatriating those who have been unsuccessful in obtaining asylum. At the camp in the grounds of the former State House in Hargeisa, we saw for ourselves the unsatisfactory living conditions for those who have been returned. We would welcome a response from the Government on the measures it has taken to assist the successful resettlement of those who have been repatriated.
4 Resource flows: Remittances and the role of the diaspora

99. This chapter continues the task of identifying ways in which migration can be made more development–friendly. In this chapter our focus is on ways in which policy might shape and utilise the links which migration establishes between home and host societies, and along which resources flow. First we examine remittances, and secondly we look at the role of the diaspora.

Remittances for poverty reduction?

The development potential of remittances

100. Migrant workers’ remittances are an increasingly important source of finance for many developing countries.251 By 2003 remittances sent by migrant workers to developing countries through official channels had risen to $93 billion from $20 billion in 1988, and just $2 billion in 1970 (see figure 6). Global remittance flows far exceed the flow of aid, and are second only to Foreign Direct Investment (FDI) as a source of external financing for developing countries.252 In net terms, largely because they do not generate corresponding outflows from developing countries, remittances are the most significant financial transfer to developing countries; in 2001 they were ten times the value of net transfers from private sources, and double that from official sources.253 For Bangladesh, the value of remittances in 1976 was $25 million; by 2002 this had risen to $2.6 billion.254 For the Philippines, some $7 billion of official remittances at the start of this decade amounted to approximately nine percent of the country’s GDP, nearly three times the value of FDI inflows, or nearly seven times the value of its aid receipts.255 Roger Ballard of the Centre for Applied South Asian Studies at the University of Manchester suggested – optimistically equating remittances with aid – that migrant workers are now by far the largest suppliers of development aid to their communities of origin, and the Africa Foundation for Development argued that Africans, Asians and Latin Americans are, through their diasporas, their own biggest aid donors.256
Latin America and the Caribbean receives the most remittances ($30 bn.), followed by South Asia ($18 bn.), East Asia and the Pacific ($18 bn.), the Middle East and North Africa ($13 bn.), and Europe and Central Asia ($10 bn.). Sub-Saharan Africa, including the poorest countries in the world, receives the smallest amount of remittances ($4 bn.). Unsurprisingly, the regions and countries which receive the greatest volume of remittances are those from which many migrants originate. Large countries are the main recipients of remittances in terms of absolute volumes, but small countries are most reliant on remittances (see figure 7). An alternative measure of the importance of remittances is provided by Oxfam and by the British Bangladeshi International Development Group: in Mexico, remittances are as high as revenues from tourism; in Colombia, they amount to half the revenues from coffee; and in Bangladesh, their value is on a par with earnings from the garment industry. Interestingly, and with implications for the sort of migration which would be most development-friendly, temporary, low-skilled and female migrants seem to remit more.

258 Ev 215 [IOM memo]; Ev 152 [BBIDG memo]; Q 17 [Masood Ahmed, DFID]; Ev 188 [CBC AfricaRecruit memo]; Ev 142 [ASI memo]
259 Ev 250 [Oxfam memo]; Ev 150 [BBIDG memo]
260 Q 17 [Masood Ahmed, DFID]; see also World Bank, Global Development Finance, 2004, p.171 - see footnote 5
102. Official estimates of the value of remittances fail to capture the full picture because many migrants transfer funds back home through a wide range of channels, from the informal to the formal: physically, through a friend or family–member; through a trader doing business in the home country; through a shopkeeper or travel agent with a counterpart in the home country; through an unlicensed independent remittance agency; through a licensed remittance agency; through a multinational such as Western Union; or, through a bank. Migrants’ reasons for preferring informal channels include considerations of cost, speed, ease of making and receiving the transfer, coverage within the home country, and greater confidence and trust in the service provided. Indeed many migrant communities in the UK rely on their own remittance networks – the hawala system for south Asian migrants for instance – which are based on trust and shared culture.

103. Migrants’ extensive use of unofficial remittance channels means that reliable estimates of the volume of these remittances cannot be made. In 2002 a United Nations study put the value of remittances flowing through informal money transfer systems at between $100 and $300 billion per year. The evidence we have received includes similar estimates. As far as the UK is concerned the picture is unclear. Perhaps the most authoritative estimate comes from the World Bank which puts the value of remittances from the UK at $1.3 billion in 2001. Such a figure tallies with recent research commissioned by DFID which estimates the total value of remittances from the UK at £1.4 billion, with £0.5 billion of this flowing through unofficial channels. We recognise the difficulty of gathering reliable

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**Figure 7a: Top 5 recipients**

<table>
<thead>
<tr>
<th>Country</th>
<th>Remittance receipts ($ bn.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mexico</td>
<td>11.0</td>
</tr>
<tr>
<td>India</td>
<td>8.4</td>
</tr>
<tr>
<td>Philippines</td>
<td>7.4</td>
</tr>
<tr>
<td>Pakistan</td>
<td>3.6</td>
</tr>
<tr>
<td>Egypt</td>
<td>2.9</td>
</tr>
</tbody>
</table>

**Figure 7b: Top 5 dependents**

<table>
<thead>
<tr>
<th>Country</th>
<th>Remittance receipts as a % of GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tonga</td>
<td>38.6</td>
</tr>
<tr>
<td>Lesotho</td>
<td>28.7</td>
</tr>
<tr>
<td>Jordan</td>
<td>23.0</td>
</tr>
<tr>
<td>Moldova</td>
<td>16.7</td>
</tr>
<tr>
<td>Samoa</td>
<td>16.1</td>
</tr>
</tbody>
</table>

**Figure 7c: Top 5 senders**

<table>
<thead>
<tr>
<th>Country</th>
<th>Remittances sent ($ bn.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>31.4</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>15.9</td>
</tr>
<tr>
<td>Switzerland</td>
<td>9.2</td>
</tr>
<tr>
<td>Germany</td>
<td>7.9</td>
</tr>
<tr>
<td>Malaysia</td>
<td>3.8</td>
</tr>
</tbody>
</table>

*Data source: World Bank – including Global Development Finance 2004*
data on unofficial remittances, and applaud the Government for its efforts to gather information about remittance outflows from the UK. The Government should encourage other European governments to do the same. In the absence of such information, evidence-based policy on remittances and on migration will remain an aspiration.

104. Remittances are in effect a share of the additional output created by the productivity gains which migration delivers. Remittances can provide developing countries with large injections of resources, enabling them to narrow the trade gap, increase foreign currency reserves, service their debts, and make progress in reducing poverty and achieving sustainable development. World Bank studies suggest that on average a ten percent increase in the share of international remittances in a country’s GDP will lead to a 1.6 percent decline in the proportion of people living in poverty. Remittances are a particularly valuable source of finance for developing countries because they tend to be more stable and predictable than other financial flows such as FDI and portfolio investments. In fact, remittances tend to be counter-cyclical, providing some buffer against economic shocks, because migrants send more money home when their families and communities are in need. Remittances can also reach a broad section of the population; in El Salvador for instance perhaps 75 percent of households receive remittances. In addition, as remittances are person-to-person transfers, there may be less loss in the transfer process (although see paragraphs 109—112), and they may be better targeted to the needs of recipient households than other resource flows including aid.

105. At the household level, remittances can be a major source of income. In Bangladesh remittances account for more than half the income of families who receive them. In Senegal, the figure is reported to be ninety percent. Particularly in rural areas, remittances may be the most important source of income for families who receive them. In conflict or post-conflict situations remittances can be crucial to survival, sustenance, rehabilitation and reconstruction. The importance of remittances in such contexts is something we saw for ourselves in Somaliland, and heard about from a Sierra Leonean migrant in Southwark: “Without remittances from abroad, families would actually suffer a great deal because they lost everything during the war and the money we remit from here helps to sustain them through difficult times. […] without the remittances, it is almost a zero life for most families in Sierra Leone.” Families without members working away and

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268 Ev 176 [Chequepoint memo]
269 Q 252 [Christian Dustmann, University College London]
270 Ev 142 [Asl memo]
271 Q 42 [Masood Ahmed, DFID]; Richard Adams and John Page, *International Migration, Remittances and Poverty in Developing Countries* - see footnote 53
272 Ev 126 [DFID memo]; Ev 251 [Oxfam memo]
273 Q 17 [Masood Ahmed, DFID]; Ev 282 [VSO memo]
274 Ev 169 [COMPAS memo]; Q 6 [Masood Ahmed, DFID]; Ev 126 [DFID memo]
275 Ev 127 [DFID memo]
276 Ev 208 [IIED memo]; Ev 240 [ODI memo]
277 Ev 169 [COMPAS memo]
278 Q 362 [Agnes Kumba Dugba Macauley]
sending back remittances are likely to have much lower household incomes. Remittances – as is the case with migration – are selective. Remittances go to the places where migrants come from, and as such tend to go to the better-off households, in the better-off communities, in the better-off countries.280

106. Migrants and their families have long been aware of the value of remittances.281 Greater awareness on the part of governments and development agencies is welcome.282 But if the potential of remittances is to be maximised, then more needs to be done to understand remittances and their use, to increase the flow of remittances and to make them work better for poverty reduction.

**Increasing the flow of remittances: Incentives, transactions costs and regulation**

107. One way of making remittances work better for poverty reduction is to increase their volume. The flow of remittances is primarily a function of the numbers of migrants, the amount of money they earn, and their propensity to remit. But beyond this there may be ways of encouraging migrants to remit by providing incentives and attractive vehicles for investment. Over the course of the inquiry we heard about various schemes to encourage remittances. Perhaps the simplest approach is for the migrant-sending country to promote financial instruments targeted at its overseas migrant workers and to offer higher interest rates for foreign currency accounts. Such schemes have been tried by India, Pakistan and Bangladesh.283 A second related set of approaches to encouraging remittances is through the use of special incentives and tax breaks, something which the Philippines and India have tried.284 A third set of approaches involves bond issues. Either bonds might be promoted to migrants as attractive investment vehicles,285 or bonds might be issued with future flows of migrants’ remittances used as collateral. This approach, pioneered by the Banco de Brazil, seems to offer considerable potential.286 Fourth, perhaps the best known approach is the “three plus one” matching funds scheme pioneered by the Zacatecas State Government in Mexico. In this scheme every dollar remitted by a Mexican migrant worker to their Home Town Association is matched with three more, one from the municipality, one from the state, and one from the federal government.287 A final set of approaches is focussed more on the migrant-hosting state. The UK for example could encourage remittances through the provision of guarantees to back the issue of bonds by developing country governments,288 by the use of tax incentives such as treating

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279 Ev 277 [Unlad Kabayan memo]  
280 Ev 169 [COMPAS memo]  
281 Ev 166 [CASAS memo]; Ev 150 [BBIDG memo]  
282 Q 338 [Hilary Benn, Secretary of State for International Development]  
283 Ev 251 [Oxfam memo]  
284 Q 18 [Masood Ahmed, DFID]  
285 Ev 152 [BBIDG memo]  
286 Ev 222 [JCWI memo]; see also World Bank, *Global Development Finance*, 2003, p.161 - see footnote 266  
287 Ev 251 [Oxfam memo]; Ev 222 [JCWI memo]; Q 133 [Nicholas Van Hear, University of Oxford]; Ev 143 [ASI memo]; Ev 171 [COMPAS memo]  
288 Ev 149 [BBIDG memo]; Ev 176 [Chequepoint memo]
person–to–person remittances as charitable and therefore tax–deductible donations.289 For their part, migrants’ associations might wish to investigate acquiring charitable status, or, a charitable arm. As a charity, donations channelled through them would be tax–deductible.

108. DFID’s Masood Ahmed sounded a note of caution: it might be problematic for developing countries to restrict investment incentives and tax breaks to their migrants; similarly, it might be problematic for developed countries to offer incentives or tax relief only to migrants sending money home.290 And, in the enthusiasm to maximise the impact of remittances, we should not forget that the poorest countries and the poorest families seldom receive remittances. Money spent maximising the impact of remittances will likely have little impact on them; remittances are not a substitute for aid. Nevertheless efforts to encourage migrants to remit have considerable potential. As with temporary migration, so with remittances; there will be schemes which work for poverty reduction and schemes which do not. Along with other development agencies such as the World Bank, DFID needs to ensure that lessons are learnt and best practice is disseminated widely. DFID should also help its partner governments in developing countries to assess whether and how they might encourage their migrant workers to remit. The DFID–World Bank International Conference on Migrant Remittances provided an excellent start, bringing together as it did a wide range of stakeholders.291 Such activity needs to be taken forward.

109. A large slice, 15 percent or more, of the value of remittances is taken in transfer costs and foreign exchange fees, with higher percentages charged for smaller amounts.292 Given the volume of remittances – approaching $100 billion through formal channels, and perhaps three times that in total – reducing these transactions costs offers great potential for increasing the flow of remittances and in turn the resources available for consumption, investment and poverty reduction. Put simply, the transactions costs of remittances are high because the market for remittance services is not working efficiently. There is too little competition and a lack of information; remittance agencies can charge high fees without losing all of their customers. In sectors of the market where there is competition – such as between the UK and Somalia – fees are much lower.293 If transactions costs are to be reduced, then the market for remittance services needs to work better so that service providers compete harder, to offer better and cheaper services, to more informed customers.

110. Many migrants are not able to open bank accounts because of their legal status, lack of identification or inability to meet the minimum deposit requirements.294 Banks need to know their customers, particularly with heightened concerns about money–laundering and the financing of terrorism, but there may be some scope for making it easier for migrants

289 Q 236 [Saad Shire, Dahabshiil Transfer Services]
290 Q 18 [Masood Ahmed, DFID]
292 Ev 251 [Oxfam memo]; Ev 170 [COMPAS memo]; Ev 215 [IOM memo]
293 Q 231 [Saad Shire, Dahabshiil Transfer Services]
294 Ev 215 [IOM memo]
to access the formal banking system. This would give migrants more choice, and – assuming that a competitive market will prevent banks charging exorbitant rates – would make for a more efficient remittance system.\footnote{Ev 142 [ASI memo]; Ev 221 [JCWI memo]} Other initiatives can also play their part. In Mexico, the installation of cash machines has enabled city-dwellers to access funds deposited by family-members in the USA.\footnote{Q 18 [Masood Ahmed, DFID]}

111. Competition amongst service providers is the best way of reducing transactions costs; DFID notes that the costs of transferring small amounts of money are projected to fall from around 15 percent to five percent in the near future.\footnote{Ev 127 [DFID memo]} The remittance market offers great potential for those banks and transfer agencies which can offer attractive products at competitive prices.\footnote{Ev 162 [CASAS memo]} For example the Banque de l’Habitat du Sénégal was able to capture a 26 percent share of the official remittances from France to Senegal – $24 million – by introducing a special service for migrants.\footnote{Ev 143 [ASI memo]} Other examples of remittance-aware banks are to be found particularly in the Americas.\footnote{Ev 251 [Oxfam memo]} Technology – cash machines and the internet – will foster competition, but in addition there is a need for greater transparency so that migrants can compare the prices charged by different remittance agencies, and regulation to ensure that the market is competitive.\footnote{Q 163 [Lola Banjoko, CBC AfricaRecruit]; Ev 170 [COMPAS memo]}

112. The UK Government, NGOs and the private sector can all play their part in driving down the costs of remittances. Competition will help, but the Government needs to encourage this process by raising awareness about remittances, disseminating good practice and ensuring that the market is transparent and well-regulated. Banks should not be allowed to crowd out their competitors by excluding them from access to banking services. In order to prevent the voice and interests of powerful players dominating, we recommend that the Government support the establishment of an Association of Independent Money Transfer Companies. We also recommend that the Government consider the merits of a code of practice to regulate banks’ relationships with independent transfer companies.\footnote{Ev 175-176 and Ev 178-179 [Chequepoint memo]} Further, the Government might encourage an NGO or consumers’ organisation to compile a price-comparison table – “Which remitter?” – showing the costs of transferring remittances to a range of developing countries through different firms.\footnote{A paper which makes a start with this is Manuel Orozco, \textit{Worker Remittances in an International Scope}, Working Paper commissioned by the Multilateral Investment Fund of the Inter-American Development Bank, March 2003. Available at http://www.iadialog.org/publications/country_studies/remittances/worldwide%20remit.pdf}

113. Since the terrorist attacks on September 11\textsuperscript{th} 2001 the informal remittance business has come under considerable scrutiny because of suspicions that it might be used for money-laundering and the financing of terrorism. For countries such as Somalia and Pakistan which are reliant on informally-channelled remittances the consequences can be
severe.\textsuperscript{304} Hawala and other informal funds transfer systems play a key role in facilitating remittances. Governments need to ensure that such systems are not abused by criminals, but should also ensure that regulatory solutions are proportionate to the risks and sensitive to the possible impacts on those who rely on remittances.\textsuperscript{305} We are pleased that the UK Government – informed by DFID’s analysis – appreciates the need to strike a balance between tackling the financing of terrorism, and ensuring the free-flow of remittances.\textsuperscript{306} The UK Government was praised by our witnesses for its light-touch approach to regulating the UK remittance sector. It should persuade its EU partners to follow suit.\textsuperscript{307}

\textit{Making remittances work for poverty reduction}

114. In addition to increasing the flow of remittances, another route to greater development benefits is to make given volumes of remittances work better for poverty reduction. Key to this approach is understanding what remittances are used for, and exploring how their impact might be broadened. Remittances are spent on a wide range of things including food, consumer goods such as bicycles and radios, medicine, education, marriage, houses, starting a business, land, agricultural inputs and livestock.\textsuperscript{308} Such expenditures span the spectrum from “consumption” (e.g. the purchase of food) to “investment” (e.g. the purchase of a piece of agricultural machinery). If remittances are spent on consumption rather than invested so that they deliver long-term benefits, then their potential may be wasted. Given that remittances do seem to be spent largely on consumption this is a serious concern. However if remittances spent on extra food or medicine enable a family to survive a poor harvest or an outbreak of disease, then this clearly amounts to a sound investment in their future.\textsuperscript{309}

115. There are clearly more and less productive ways of spending remittances, but we should be wary of using our ideas about what constitutes productive and unproductive expenditure as a template for assessing decisions made by poor households in desperate situations. Whilst interventions can be made to improve the situation in which people find themselves, and thus encourage more productive expenditure, the recipients of remittances are in a better position than we are to make rational decisions based on the risks and opportunities that they face.\textsuperscript{310} And even when remittances are spent “unproductively”, if they are spent on locally-produced goods and services, then they will likely generate jobs for local people.\textsuperscript{311}

\textsuperscript{304} Q 134 [Catherine Barber, Oxfam]; Q 235 [Dr Roger Ballard, Centre for Applied South Asian Studies (CASAS), University of Manchester]

\textsuperscript{305} Ev 134-135 [Letter from Hilary Benn to Tony Baldry, 17 May 2004]

\textsuperscript{306} Q 355 [Hilary Benn, Secretary of State for International Development]; Q 358 [Sharon White, DFID]; Ev 127 [DFID memo]

\textsuperscript{307} Q 236 [Saad Shire, Dahabshiil Transfer Services]; Ev 176 [Chequepoint memo]

\textsuperscript{308} Ev 142 [ASI memo]; Ev 240 [ODI memo]; Ev 208 [IIED memo]

\textsuperscript{309} Ev 170 [COMPAS memo]

\textsuperscript{310} Ev 251 [Oxfam memo]; Q 18 [Masood Ahmed, DFID]

\textsuperscript{311} Q 241 [Saad Shire, Dahabshiil Transfer Services]; Ev 142 [ASI memo]; Ev 170 [COMPAS memo]
116. Remittances are not a panacea for poverty reduction.\textsuperscript{312} Migration is itself selective, and remittances are sent back home by migrants to their families and communities of origin, rather than to “Pakistan”, “the Philippines” or “Sri Lanka”.\textsuperscript{313} Remittances will not directly lead to broad-based poverty reduction. Rather they will benefit particular households and communities which receive remittances, and – unless they generate significant multiplier effects – may lead to heightened inequality between remittance-rich and remittance-poor households.\textsuperscript{314} In the wrong circumstances remittances may foster dependency and paradoxically lead to under-development in a capital rich environment.\textsuperscript{315} In such instances, the outcomes of remittance inflows might include: the displacement of local jobs and incomes; the inflation of local prices for land, housing and food; and the creation of a culture of economic dependency.\textsuperscript{316} Remittances which provide a boost to the service sector and house building, can leave the more productive sectors of the local economy, particularly agriculture, in desperate straits. If income can be earned from house-building, from selling land to house-builders, or from sending family members away to work, then why bother investing time and resources in agriculture?\textsuperscript{317} Or, to put it starkly, why cultivate grain, when you can cultivate visas?\textsuperscript{318}

117. The challenge is to ensure that remittances set in train a virtuous cycle of development, rather than a vicious one of under-development. One approach is for governments – in developed and developing countries – to seek to channel remittances into more productive uses which might have an impact in terms of poverty reduction and the MDGs.\textsuperscript{319} This is something which the Philippines’ government has tried, encouraging investment in education.\textsuperscript{320} Local governments and NGOs have a role too. Local authorities need to be able to respond to the opportunities which remittances provide.\textsuperscript{321} NGOs and migrants’ associations can help migrants and their families to pool their savings and to invest remittances in businesses that will create local employment.\textsuperscript{322}

118. Governments can play a role in creating an environment in which remittances can be used productively, but they must be wary of interfering in what are essentially private transactions. Migrants remit in order to support their families, households and perhaps their communities of origin.\textsuperscript{323} If migrants feel that their hard-earned funds are being captured by governments – even for the best of intentions – then the flow of remittances, and especially the flow of official remittances, will be reduced. Particularly given many migrants’ distrust of their home governments, clumsy governmental interference would be

\textsuperscript{312} Q 136 [Nicholas Van Hear, University of Oxford]
\textsuperscript{313} Ev 159 [CASAS memo]; Q 362 [Mr Tamba John Sylvernus Lamina]
\textsuperscript{314} Ev 173 [COMPAS memo]; Ev 160 [CASAS memo]
\textsuperscript{315} Ev 161 [CASAS memo]
\textsuperscript{316} Ev 170 [COMPAS memo]
\textsuperscript{317} Ev 159 [CASAS memo]; Ev 207 [IIED memo]; Ev 278 [Unlad Kabayan memo]
\textsuperscript{318} Q 243 [Roger Ballard, University of Manchester]
\textsuperscript{319} Ev 142 [ASi memo]; Q 85 [Richard Black, University of Sussex]
\textsuperscript{320} Ev 278 [Unlad Kabayan memo]
\textsuperscript{321} Ev 210 [IIED memo]
\textsuperscript{322} Ev 277 [Unlad Kabayan memo]
\textsuperscript{323} Q 184 [Frank Laczko, IOM]
most unwelcome. Further, there is little reason to think that development professionals in capital cities or in London are in a better position than the recipients of remittances to make sensible decisions about their use.

119. There may however be scope for voluntary schemes which enable those migrants who so choose to send remittances to particular projects and/or for particular purposes. Voluntary schemes have been tried; the Multilateral Investment Fund of the Inter-American Development Bank promotes and funds initiatives which allow migrants to invest resources in development projects in their homelands; and, the IOM has a pilot project in Guatemala. Whilst most migrants remit primarily to support their families, some migrants would welcome the opportunity to see their remittances have a wider impact. The principle responsibility for establishing such schemes should probably lie with migrant communities in host societies, and their counterpart communities back home. As part of its continuing dialogue with diaspora organisations (see paragraphs 129—134), DFID should learn from the diaspora’s existing practices, and explore: what enthusiasm there is for Government involvement in establishing voluntary schemes to channel remittances towards poverty reduction; what ideas migrants have for the design of such schemes; and, how best DFID might help. In addition, the UK Government, along with the IOM or the World Bank, should ensure that lessons are learnt from existing voluntary schemes and that best practice is widely shared.

120. NGOs and private–sector organisations have a role to play too, employing their expertise so that migrants can remit more productively, and at the same time getting in at the ground floor of a good business opportunity. In the UK, Chequepoint and Opportunity International are pioneering innovative approaches to making remittances work better for poverty reduction. Chequepoint supports charitable projects in the countries in which it works and plans to enable migrants to earmark a portion of funds sent with Chequepoint to a specially–designated country fund, or even to a specific project in a particular place. Opportunity International is developing partnerships with private sector financial institutions to combine its micro–finance expertise with their banking expertise and technological know–how. In Ghana, Metcare is developing a scheme to channel remittances towards healthcare insurance. The Government should encourage innovative public–private–NGO partnerships which aim to make remittances work better for poverty reduction, and do what it can to make them a success.

121. One of the conclusions of the DFID–World Bank International Conference on Remittances was that improving access to financial services is central to enhancing the financial inclusion of migrants.
development impact of remittances.\footnote{DFID-World Bank, \textit{Report and Conclusions}, from the International Conference on Migrant Remittances: Development Impact, Opportunities for the Financial Sector and Future Prospects, 9-10 October 2003, p.12 - see footnote 291.} In the UK, this is about making it easier for migrants to open bank accounts. In developing countries it is about improving the financial infrastructure so that – by improving access, including the rural poor’s access to financial services – remittances can be easily received, banked and circulated within the local economy, rather than simply received and spent.\footnote{Q 247 [Saad Shire, Dahabshiil Transfer Services]} This might be achieved through partnerships between banks, other financial institutions, micro-finance organisations, credit unions and post offices.\footnote{Ev 127 [DFID memo]; Ev 170 [COMPAS memo]} There is a potential synergy here: using banks and other financial institutions for remittances will introduce many people to financial services for the first time, and increase the demand for an efficient financial sector\footnote{Ev 251 [Oxfam memo]; Ev 166 [CASAS memo]; Q 134 [Catherine Barber, Oxfam]}; better financial services may encourage migrants to remit more. \textbf{We were pleased to hear that there is a team within DFID’s policy division looking at financial sector reform and banking systems, particularly in rural areas, and the linkages with remittance issues, and look forward to seeing the fruits of this team’s work.}\footnote{Q 358 [Sharon White, DFID]}

122. Remittances work best in environments where they can be invested, where they can set in train a virtuous cycle of development, and where their impact can trickle down from remittance-receivers to the wider community. If remittances produce good returns – in terms of poverty reduction or narrower economic returns – then migrants are likely to remit more.\footnote{Q 234 [Roger Ballard, University of Manchester]; Q 18 [Masood Ahmed, DFID]; Q 133 [Cecilia Tacoli, IIED]} \textit{The best way of making remittances work for poverty reduction is to ensure that there is an investment climate and an infrastructure which enables their productive use. Key factors include: stable exchange rates, low inflation, the absence of excessive bureaucracy and corruption, reliable power supplies, decent roads and other communications.}\footnote{Ev 251 [Oxfam memo]; Ev 166 [CASAS memo]; Q 134 [Catherine Barber, Oxfam]}

123. In evidence to us Roger Ballard suggested – whilst emphasising that such initiatives need to be based on a sound understanding of the local context and existing local initiatives – that DFID consider establishing “smart aid” programmes to unlock the potential of places where there are local obstacles to the productive use of remittances. Such assistance could kick-start the local economy by remedying specific deficiencies – irrigation and transport systems perhaps – in the local infrastructure.\footnote{Ev 157 [CASAS memo]; Q 244 [Roger Ballard, University of Manchester]; Ev 209 [IIED memo]} \textbf{Donors and the international community have a role to play in helping to remove international and structural obstacles to poor countries’ development, and in supporting developing countries to improve their infrastructures and to create good business environments. The primary responsibility however lies with developing countries themselves, or if the government itself is an obstacle, with the political process.} As Cecilia Tacoli of the International Institute for Environment and Development (IIED) put it: “Any expectation that migration [and remittances] can contribute to development in home areas has to go hand in hand with strengthening the institutions in home countries, making them accountable,
representative, and capable of responding to the opportunities which are provided by remittances. So far, we have not seen much of that – especially in the poorest countries, which are the ones which need it the most.”

**Diaspora communities and development**

*The diaspora and its members as agents of development*

124. The diaspora refers to international migrants who, although dispersed from their homelands, remain in some way part of their community of origin. “The diaspora” is a shorthand: there are at least as many diasporas as there are nations, and great diversity exists within diasporas too. Migrants in the diaspora create the link between their home and host societies, building transnational networks on the basis of emotional and family ties, and in many cases a strong sense of commitment or responsibility. With advances in information technology and transport services, migrants are now more than ever able to maintain connections with people back home.

125. Migrant organisations include ethnic, alumni, religious or professional associations, investment or political groups, groups focused on education or cultural activities, or Home Town Associations. They play an important role both within host societies such as the UK, and in connecting host and home societies. Within host societies they can provide support and a place where experiences can be shared, can help migrants’ voices to be heard and can ensure that their interests and rights are defended. By helping migrants to find their place in host societies, migrants’ organisations contribute to making migration a better experience for the migrants, as well as enabling migrants to contribute more both to their host societies and to their home societies. Internationally, the diaspora – its members, communities and organisations – links home and host societies, providing a network along which resources can flow. As such the diaspora can play a crucial role in making migration more development-friendly.

126. Financial capital, including remittances (see paragraphs 100—123) is the first set of resources which flows through diaspora networks. Migrants’ associations can help migrants to channel remittances, as well as other capital, into investments designed to benefit migrants’ home communities. Wary of governmental interference in what are essentially private transactions, Hilary Benn suggested that the principal responsibility for establishing voluntary schemes to channel remittances for poverty reduction lies with diaspora communities in the UK and other host societies. Particularly in the Americas, Home Town Associations involve themselves in charitable work, providing goods for religious festivals and construction materials for their home town church, raising money to

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340 Q 133 [Cecilia Tacoli, IIED]
341 Q 83 [Ronald Skeldon, University of Sussex]
342 Ev 170 [COMPAS memo]
343 Ev 258 [PANOS Paris Memo]
345 Ev 251 [Oxfam memo]
346 Q 353 [Hilary Benn, Secretary of State for International Development]; Ev 127 [DFID memo]
improve water and sewerage systems or to improve the provision of health and education services, and helping to organise relief efforts following natural disasters, as well as channelling remittances.\(^{347}\) In addition to channelling financial resources, diaspora networks can also be the basis of business partnerships, trade, and flows of investment, with the Chinese and Indian diasporas providing perhaps the best examples here.\(^{348}\) Business linkages can be created by returning migrants, or by migrants who do not return but maintain connections. Much the same applies to the skills, ideas, knowledge and experience which migrants may have acquired. Return, including temporary return, allows home countries to benefit from these resources, and has the potential to transform the “brain-drain” into a “brain-gain” for developing countries.\(^{349}\)

127. Migration provides opportunities for learning and a stimulus to social innovation by exposing people to different cultures, ideas and values. As Joseph Chamie of the United Nations Population Division explained, “you export culture, you export ideas, you export democracy, you export many things which [cannot be easily valued in terms of] dollars and cents.”\(^{350}\) For instance, when migrants return, or when they tell family members back home about women’s roles and rights in host societies, this can lead to changes in the ways in which women are treated. In calculating the costs and benefits of migration, and designing policies to make migration work better for poverty reduction, governments should not focus solely on factors which can be valued in monetary terms. Migration can lead to political, social and cultural change in the countries of origin – and indeed in host societies – as people become aware that other ways of life, and other ways of organising society and politics, are possible.\(^{351}\)

128. The diaspora can play a more direct role in peace–building and democratisation too, mediating between competing groups or providing resources for reconciliation and reconstruction. Chukwu Emeka–Chikezie of the Africa Foundation for Development reminded us of the African diaspora’s role in the anti–apartheid movement and the more recent engagement of the Ugandan and Nigerian diasporas with politics back home.\(^{352}\) Sierra Leonean migrants in London told us of their active involvement in peace–building, lobbying the UK Government to intervene, and in reconstruction.\(^{353}\) But remittances, resource transfers and international lobbying can also perpetuate conflict.\(^{354}\) National diasporas include a diverse range of groups, with different political opinions. Diasporas’ views are valuable and may help to deliver peace in their home countries, but it would be a mistake to assume that communities in exile are better able than people back home to represent their nations’ interests.\(^{355}\)

\(^{347}\) Ev 171 [COMPAS memo]; Ev 170 [COMPAS memo]; Ev 189 [CBC AfricaRecruit memo]

\(^{348}\) Q 6 [Masood, Ahmed, DFID]

\(^{349}\) Ev 169 [COMPAS memo]; Ev 214 [IOM memo]; Ev 195 [IOM memo] [IOM memo]; Ev 189 [CBC AfricaRecruit memo]

\(^{350}\) Q 195 [Joseph Chamie, United Nations Population Division]

\(^{351}\) Ibid.

\(^{352}\) Q 140 [Chukwu-Umeaka Chikezie, AFFORD]

\(^{353}\) Q 362 [Mohamed Koker]

\(^{354}\) Ev 169 [COMPAS memo]

\(^{355}\) Q 363 [Councillor Columba Blango, The Mayor of Southwark]; Ev 170 [COMPAS memo]
Working with the diaspora and diaspora organisations

129. Diaspora organisations have until recently been largely ignored by other players in international development, including NGOs and governmental authorities at local, national and international levels. The potential contribution of diaspora organisations to making migration more development-friendly is slowly being appreciated, as governments and others begin to work with the diaspora to establish and reinforce the connections between migrants’ host societies and homelands. The challenge for policy-makers in developed and developing countries is to create an environment conducive to enhancing the diaspora’s contributions to development.

130. At an international level, programmes supported by the IOM and the United Nations Development Programme (UNDP) are designed to encourage and improve links between the diaspora and migrants’ countries of origin, drawing on the skills and experience of the diaspora. The UNDP’s Transfer of Knowledge Through Expatriate Nationals includes the production of databases of skilled nationals overseas who may be willing to engage in particular development projects. The IOM’s Migration for Development In Africa (MIDA – see paragraph 86) plays a similar role, seeking to mobilise the skills of African nationals abroad for the benefit of Africa’s development.

131. Developing country governments themselves have begun to recognise the value of their diasporas. China’s success with mobilising its diaspora, and encouraging investment and remittances, has led other countries including India to seek to emulate China’s success. African countries too are beginning to mobilise their diasporas, working both individually and through the African Union. South Africa has established the South African Network of Skills Abroad, linking skilled nationals abroad who want to contribute to their home country’s economic and social development, with local experts and development projects. AfricaRecruit – an initiative established by the Commonwealth Business Council, working with the New Partnership for Africa’s Development (NEPAD) Secretariat, and supported by the African Union – provides a platform for debate with the African diaspora as to how best to ensure that Africa has the skills it needs, and a means of helping governments, employers and diaspora communities to work more closely together to match job opportunities with skilled nationals abroad. Nevertheless few developing countries have well-developed strategies for engaging with their diasporas.

132. The UK Government committed itself in it’s 1997 White Paper on international development to “build on the skills and talents of migrants and other ethnic minorities within the UK to promote the development of their countries of origin”. Progress with

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356 Ev 258 [PANOS Paris memo]
357 Ev 214 [IOM memo]
358 Ev 171 [COMPAS memo]
359 Ev 128 [DFID memo]
360 Ev 171 [COMPAS memo]
361 Ev 129 [DFID memo]
362 Ev 189 [CBC AfricaRecruit memo]
meeting this commitment has been slow. DFID consulted the Indian diaspora as part of the process for producing the new Country Assistance Plan, and has begun to establish a dialogue with the Nepali diaspora. As witnesses from DFID readily acknowledged, these are small steps.\textsuperscript{364} A very welcome development which DFID failed to mention in its original submission is the “Connections for Development” initiative, a network of Black and Minority Ethnic (BME) voluntary and community organisations which aims to mobilise civil society for action on international development.\textsuperscript{365} DFID supports this initiative with a Strategic Grant Agreement, providing £750,000 over three years. DFID’s Civil Society Challenge Fund also aims to engage with a wide range of civil society organisations in developing and developed countries; this ought to include BME organisations, but as yet DFID is not able to easily identify whether such organisations are making use of this scheme.\textsuperscript{366} We welcome the Government’s recognition of the importance of working with Black and Minority Ethnic organisations, and look forward to seeing more rapid progress in this area.\textsuperscript{367} AFFORD called for DFID to report regularly on its engagement with diaspora communities and particularly on what DFID is learning from the dialogue; we support this suggestion.

133. The Government needs to be clear about what it seeks to add to diaspora–home country connections by its involvement, and ought to approach the dialogue as an opportunity to learn from the diasporas’ great diversity.\textsuperscript{369} But there is certainly scope for DFID and other Government Departments – the Home Office, the Treasury, the Foreign and Commonwealth Office and the Department for Trade and Industry – to work more with migrants’ organisations and other BME organisations. This might be in relation to issues such as trafficking and smuggling, migrants’ lives in the UK, return, remittances and peace–building in migrants’ home countries.\textsuperscript{370} There are a range of ways in which the Government and DFID might work more with the diaspora:

- DFID might usefully include diaspora organisations more systematically in consultations on draft Country Assistance Plans, and in consultations on policy areas in relation to which migrants’ organisations may have valuable insights;\textsuperscript{371}
- DFID and other Departments including the Treasury should explore with diaspora organisations the possibility of developing schemes to enable migrants, if they so wish, to channel remittances so that they have maximum impact on poverty;
- DFID and relevant Departments should examine, alongside diaspora organisations, whether there are initiatives they could take to encourage the temporary return of migrants to their home countries.\textsuperscript{372} and,

\textsuperscript{364} Q 3, Q 29 and Q 30 [Sharon White, DFID]
\textsuperscript{365} Ev 136 [AFFORD memo]; Q 142 [Chukwu-Emeka Chikezie, AFFORD]
\textsuperscript{366} Ev 133 [DFID memo]
\textsuperscript{367} Q 3 [Sharon White, DFID]; Q 349 [Hon Hilary Benn, Secretary of State for International Development]; Ev 133 [DFID supplementary memo]; Ev 127 [DFID memo]
\textsuperscript{368} Ev 136 [AFFORD memo]
\textsuperscript{369} Ev 139 [AFFORD memo]; Ev 136 [AFFORD memo]; Ev 138 [AFFORD memo]
\textsuperscript{370} Q 36 [Nicholas Van Hear, University of Oxford]
\textsuperscript{371} Ev 137 [AFFORD memo]; Ev 149 [BBIDG memo]
• most simply, the Government should encourage initiatives to create migrant associations, promote and publicise their activities, and help them to work effectively.373

134. In this regard DFID should consider seriously the proposals made by PANOS (Paris) about how to share best practice and disseminate information about diaspora organisations and their role in development.374 Specifically the Government should consider following the example of the Netherlands and instituting a competition to encourage migrants’ organisations to come up with innovative ways to engage in development cooperation. Such an initiative could do much to encourage innovation, and to publicise and celebrate the role of the diaspora in development.375 Diaspora organisations must not be seen as marginal players in international development; rather, the Government, DFID, the private sector and mainstream NGOs should work harder to involve them more fully.

372 Q 366 [Councillor Columba Blango, The Mayor of Southwark]
373 Ev 214 [IOM memo]; Ev 280 [Unlad Kabayan memo]; Q 363 [Mr Tamba John Sylvernus Lamina]; Q 363 [Councillor Columba Blango, The Mayor of Southwark]
374 Ev 259 [PANOS Paris memo]
375 Ev 280 [Unlad Kabayan memo]
Figure 8: How to make migration more development-friendly

<table>
<thead>
<tr>
<th>LESS DEVELOPMENT-FRIENDLY</th>
<th>MORE DEVELOPMENT-FRIENDLY</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PLANNED AND CHOSEN MIGRATION</strong></td>
<td>Preventing “brain drain”, regulating recruitment, addressing push factors, exploring win-wins</td>
</tr>
<tr>
<td><strong>TRAFFICKING, SMUGGLING AND ILLEGAL IMMIGRATION</strong></td>
<td>Tackling trafficking and smuggling, preventing illegal migration, making quick and fair asylum decisions</td>
</tr>
<tr>
<td><strong>PRODUCTIVE AND PROTECTED LIVES</strong></td>
<td>Providing assistance and access to resources, and protecting rights</td>
</tr>
<tr>
<td><strong>RETURN, REINTEGRATION AND CIRCULATION</strong></td>
<td>Establishing effective temporary migration schemes, facilitating sustainable return, improving governance, encouraging circularity</td>
</tr>
<tr>
<td><strong>REMITTANCES FOR POVERTY REDUCTION</strong></td>
<td>Incentivising remittances, reducing transactions costs, improving governance, enabling the voluntary chanelling of remittances for poverty reduction</td>
</tr>
<tr>
<td><strong>THE ROLE OF THE DIASPORA</strong></td>
<td>Recognising the importance of the diaspora and working with diaspora organisations</td>
</tr>
<tr>
<td><strong>POLICY COHERENCE FOR DEVELOPMENT</strong></td>
<td>Increasing policy coherence within and between countries</td>
</tr>
<tr>
<td><strong>PARTNERSHIPS</strong></td>
<td>Establishing effective partnerships at bilateral and multilateral levels</td>
</tr>
<tr>
<td><strong>GOVERNANCE</strong></td>
<td>Improving governance in developing countries</td>
</tr>
</tbody>
</table>
5 Managing migration for poverty reduction

135. The developmental impact of migration depends upon the nature of the migration in question, and on the links which migration establishes between home and host societies. Policies can shape migration in order to make it more development–friendly (see figure 8). In chapter three we examined migration journeys, outlining what policy might do – at various stages of a migration cycle – to make migration work better for development and poverty reduction. In chapter four our attention turned to ways in which policy might shape and utilise the links which migration establishes between home and host societies.

136. Migration must be managed if it is to deliver benefits for migrant–receiving countries, migrant–sending countries and for migrants themselves. Well–managed migration has the potential to bring great benefits. But there are two major stumbling blocks. First, different countries and different social groups have competing interests and each would like migration to be managed so that their gains are maximised. By default, the costs and benefits of migration will be distributed according to who has the most power and resources. If our goal is development and poverty reduction, then mechanisms need to be established to distribute migration’s costs and benefits more equitably. Effective partnerships are needed to make migration work for poverty reduction. As the ILO’s Commission on the Social Dimension of Globalisation stated:

“Fair rules for trade and capital flows need to be complemented by fair rules for the cross–border movement of people. International migratory pressures have increased and problems such as trafficking in people and the exploitation of migrant workers have intensified. Steps have to be taken to build a multilateral framework that provides uniform and transparent rules for the cross–border movement of people and balances the interests of both migrants themselves and of countries of origin and destination. All countries stand to benefit from an orderly and managed process of international migration that can enhance global productivity and eliminate exploitative practices.”

137. A second issue is that migration is not a closed system. Many other issues, and policies relating to other issues, have an impact on migration; terrorism and security concerns, HIV/AIDS, environmental degradation, international trade, urbanisation and gender inequality provide obvious examples. Similarly, migration and policies relating to migration impact on a wide range of other issues. Migration and policies relating to migration must be considered in the round with every effort made to ensure that policies are coherent – both within and between countries – or at the very least that they do not undermine each other (see paragraphs 151—167).


Migration partnerships for poverty reduction

138. Migration links different places; this is the nature of migration. Unless governments in migrant–sending and migrant–receiving places recognise their common interests in, and shared responsibilities for, delivering well–managed migration, the gains from migration will not be secured. Still less will they be distributed equitably and put to work for poverty reduction.378

Bilateral partnerships

139. Partnerships entail responsibilities for migrant–receiving and migrant–sending countries and regions. National and local authorities in migrant–receiving societies have similar responsibilities no matter what their society’s level of development. They need to consider carefully the development implications of decisions about who they admit, from where, for how long, and to do what. Authorities need to tackle trafficking and smuggling en route and, once migrants have arrived, ensure that migrants’ rights are protected and that they have access to basic services. Authorities also need to put in place effective systems for temporary and circular migration and sustainable return, do what they can to encourage the flow of remittances for poverty reduction, and work better with diaspora communities.

140. National and local authorities in migrant–sending countries need to meet their responsibilities too.379 They need to plan for migration and do what they can to make it work for poverty reduction. They should also ensure that people are not excluded from social services, health and education just because they move around.380 The impact of migration on countries’ capacities to provide health and education should also be assessed and efforts made both to cope with expected outflows, and to address the factors which push people to migrate. Schemes should also be put in place to encourage and facilitate sustainable return, to harness the potential of remittances, and to work more closely with the diaspora.381 And, fundamentally, migrant–sending countries must do what they can to create an economic and political environment which pushes fewer people to leave, and which encourages those who have left to maintain links, to send remittances and to return. Better governance is key: it can reduce the need for migration, and it can make that migration which does occur more development–friendly.

141. Migrant–receiving countries such as the UK have a responsibility to work with their developing country partners – migrant–senders, migrant–receivers, and migrant–senders–and–receivers – to help them to make migration work better for poverty reduction. Bilateral relationships built on long–term historical connections and recognised responsibilities may provide a good basis for effective partnerships to manage migration for poverty reduction. DFID should ensure that its partner governments take account of migration as a development issue and are aware of its potential to deliver development benefits.382 Beyond this the UK should help partner governments to consider their

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378 Ev 173 [COMPAS memo]
379 Ev 173 [COMPAS memo]
380 Q 120 [Catherine Barber, Oxfam]
381 Ev 277 [Unlad Kabayan memo]
382 Q 120 [Catherine Barber, Oxfam]; Q 327 [Hilary Benn, Secretary of State for International Development]
various options for managing migration, helping them to design effective strategies, and providing support so that they can implement these strategies. This should include, but not be limited to, support for refugee-hosting countries. If migration is unduly neglected in partner countries’ development strategies, then UK aid spent in support of these strategies will not be as effective as it could otherwise be.383

142. Donors should tread carefully when using the aid relationship as an entry point for policy dialogue on migration. Using aid to limit migration would – for the UK – risk contravening the International Development Act; withdrawing aid to countries which fail to limit out-migration would be counter-productive; threatening such a withdrawal would undermine any notion of partnership (see paragraphs 161—162). Nevertheless the aid relationship and donor support for countries’ poverty reduction strategies is the primary means through which donors can encourage developing countries to mainstream migration in their development strategies. As DFID reported to us, the potential poverty-reducing benefits of migration are seldom acknowledged in Poverty Reduction Strategy Papers (PRSPs): “A recent review of 48 poverty reduction strategy papers found that 21 made no mention of migration; nine saw it as a cause of ’brain-drain’, while others saw internal migration in negative terms, as a cause of urban poverty, the spread of HIV/AIDS or other social ills.”384 To take a specific case, we were told that India’s Ten-Year Plan – the nearest thing India has to a PRSP – includes little mention of migration, especially internal migration.385 The same is true of DFID’s Country Plan for India for 2004—2008. Very few PRSPs – even for countries hosting large refugee populations – mention refugees.386 DFID and other donors have a lot of work to do.

143. DFID and other donors should, where appropriate, encourage developing countries to integrate migration into their development strategies. PRSPs and Country Assistance Strategies should not mention every single development issue, but for countries where migration is important, DFID’s Country Assistance Strategies should outline what DFID will do to help developing countries: to improve their data-gathering and information management capacities; to identify specific ways in which the costs and risks of migration might be minimised and the benefits maximised; and, to provide a policy and governance environment conducive to making migration development-friendly.387 There is also scope for DFID to do more work – as it has in India – with lower tiers of government and NGOs, establishing pilot schemes through which lessons can be learnt, and ways of better managing migration demonstrated.388 In addition, given that most international migration takes place between countries in the same region, donors should encourage dialogue and cooperation between developing countries on migration. DFID, along with other players such as the IOM, has played an important role in encouraging regional dialogue, for instance through a conference on migration and
poverty in Asia held in Dhaka in 2003.\textsuperscript{389} We trust that the lessons learnt are being widely disseminated and that this sort of initiative will be established in other regions too.

\textbf{Migration, the MDGs and the multilateral system}

144. Considering the range of issues to which migration relates – poverty, economic growth and private sector development, gender equality, HIV/AIDS, the environment, health and education – the absence of any mention of migration in the Millennium Development Goals is surprising. The MDGs are a result of a political process of bargaining and negotiation between different countries and country–groups.\textsuperscript{390} Migration was too contentious to be included in the MDGs. Its exclusion from the MDGs is symptomatic too of a lack of coherence between migration and development at the international level, with governments extremely reluctant to cede control over migration policy to international organisations, and many development organisations only recently waking up to the importance of migration.\textsuperscript{391}

145. Many international organisations are concerned with aspects of migration. Outside the United Nations system such organisations include the IOM, the OECD, the World Bank and the WTO. Inside the United Nations, UNHCR, the ILO, UNDP, the UN Children’s Fund, the UN Population Fund, the UN Population Division and UN Regional Economic Commissions are among the most prominent players.\textsuperscript{392} What is lacking is coordination and coherence.\textsuperscript{393} As the Doyle Report, an internal UN document on how migration is treated within the UN, noted in 2003, “International migration is very lightly institutionalised within the United Nations system”.\textsuperscript{394}

146. In January 2004, whilst we were conducting our inquiry, a Geneva–based Global Commission on International Migration began its work. This independent Commission was established by the UN General Assembly following discussion of the Doyle Report and has three aims: to place migration issues on the global agenda; to analyse gaps in current policy approaches to migration and examine inter–linkages with other issue–areas; and to present recommendations to the United Nations Secretary–General and other stakeholders.\textsuperscript{395} We look forward to seeing the output of the Commission when its work is completed in mid–2005 and hope that our report may be of use to its work. Also in Geneva, an interagency forum for bringing together the various UN organisations that deal with migration and development has recently been established by the IOM.\textsuperscript{396}

147. Several proposals have been made to improve the way in which migration is dealt with at an international level. Jagdish Bhagwati – a prominent economist and advocate of trade

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\textsuperscript{389} Q 36 [Sharon White, DFID]; Ev 210 [IIED memo]; and see footnote 133.
\textsuperscript{390} Q 173 [Joseph Chamie, United Nations Population Division]
\textsuperscript{391} Q 174 [Frank Lacizzo, IOM]
\textsuperscript{392} Ev 129 [DFID memo]
\textsuperscript{393} Q 174 [Frank Lacizzo, IOM]
\textsuperscript{394} “The Doyle Report”, Background report on migration prepared for the senior management group, United Nations, March 2003, p.12.
\textsuperscript{395} Global Commission on International Migration (GCIM) website http://www.gcim.org/; Ev 129 [DFID memo]; Q 180 [Joseph Chamie, United Nations Population Division]
\textsuperscript{396} Q 179 [Frank Lacizzo, IOM]\
\end{flushleft}
liberalisation – has suggested that a World Migration Organization is needed to fill what he sees as an institutional gap at the international level.\textsuperscript{397} Establishing a WTO–like organisation for migration would in no way guarantee the prioritisation of development and poverty reduction. But if such an organisation was able to protect migrants’ basic human rights, and provide a forum in which ground rules for migration management could be agreed and countries’ compliance with them monitored and if necessary enforced, then it would be an important step towards making migration more development–friendly.\textsuperscript{398} Joseph Chamie of the UN’s Population Division reported to us the views of the Secretary–General of the UN: Kofi Annan feels that there is a need for a World Migration Organisation, but thinks that it will probably not come about in his term in office.\textsuperscript{399} It seems that the vast majority of states – and particularly powerful migrant–receiving states in the developed world – currently take the view that the potential benefits which a World Migration Organisation offers are not sufficient to warrant the surrender of their control over immigration policy.

148. Until states recognise that heightened interdependence necessitates enhanced international coordination on migration, the international community will muddle through. One way of reducing the muddle would be to bring the IOM into the UN system as the lead migration agency.\textsuperscript{400} This seems a sensible suggestion. Regardless of what approach is taken, we agree with the IOM: it is necessary “to integrate migration management approaches more explicitly and coherently within a broader context of economic and social development frameworks.”\textsuperscript{401} This would make it possible to identify common priorities and to assess what contribution migration management could make towards achieving the MDGs. Greater coordination could also contribute to addressing the lack of good data, accelerate the establishment of a global inventory or “one–stop–shop” for best practice options, and facilitate the search for genuine win–win solutions which would not require states to surrender their sovereignty.\textsuperscript{402}

149. The IOM warned us of the dangers of top–down regulation. If multilateral frameworks for migration are to be effective, then they need to be based on a shared consensus between governments. There is little point in developing new far–reaching international rules on migration if states do not accept the legitimacy and usefulness of existing rules.\textsuperscript{403} Lessons should be learnt from the existing arrangements, not only at the international level, but also at the regional level. Indeed some of the most promising developments as regards migration and development have been at this level, in regional consultative processes including the Regional Conference on Migration (the Central and North American “Puebla Process”), the Western Mediterranean Cooperation Process, the Migration Dialogue for Southern Africa and the Migration Dialogue for Western Africa.\textsuperscript{404}
150. We applaud DFID for the leading role it is playing in moving migration up the international development agenda. The Government should consider further what might be done at a multilateral level to manage migration better, and particularly to make it work better for poverty reduction. In addition we would like to be kept informed as to the involvement of the UK Government in the Global Commission on International Migration. This Commission provides an excellent opportunity to promote a more positive and development–friendly agenda on migration; the UK Government should be an active participant.

Towards policy coherence for development

What policy coherence means and why it matters

151. Coherent policies are mutually supportive, or at the very least do not undermine each other. Policy coherence matters in circumstances where policies on one issue impact upon the likelihood of policies on another issue achieving their objectives. It also matters when policies pursued by one country impact on the likely success of policies pursued by another. Policy coherence matters in the sphere of migration and development because patterns of migration shape and are shaped by a range of other issues such as economic development, trade, agricultural subsidies, urbanisation and environmental degradation. Therefore, policies to manage migration are likely to have impacts in other spheres, and policies to shape other spheres are likely to have implications for migration.

152. In some cases there may be a complementarity or synergy between policies; in other cases there may be a tension between policies, reflecting the competing priorities or objectives which they are designed to achieve. The path to policy coherence begins with the recognition of interdependence between issues, and objectives and policies, both within and between countries. The next step is to understand whether and how policies can be made more coherent. In some circumstances policies to make migration more development–friendly will fit well with policies to achieve other objectives; in other circumstances, there will be competing priorities. The next step is to assess how far from the ideal of coherence current policies are. And the most important step is, through the use of effective mechanisms, to move towards policy coherence.

153. In our view poverty reduction and development should be given a higher priority, and policy coherence should be policy coherence for development. But no matter what priority is accorded to development and poverty reduction in designing policies to shape migration, migration should not be considered in isolation. Greater attention must be paid

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405 Q 195 [Frank Laczko, IOM]
407 Ev 210 [IIED memo]
408 Q 136 [Nicholas Van Hear, University of Oxford]
409 An ongoing attempt to measure countries commitment to development across a range of policies is the Center for Global Development’s “Ranking the rich” development index – see http://www.cgdev.org/rankingtherich/home.html
to ensuring that policies relating to migration, and policies relating to other issues, are coherent, both within and between countries. For example, if policy on issue A (providing export subsidies to European farmers to support a particular form of agriculture) is at odds with policy on issue B (providing aid to developing countries so that their farmers can be enabled to sell their produce, and as a result remain on the land rather than migrating to the cities), then one or both of these policies ought to be changed, on efficiency grounds if nothing else. If policies are at odds, the first question for policy-makers is, are there ways of achieving both objectives? Or, if the objectives are fundamentally in contradiction, the question is which objective matters more? By committing themselves to achieve greater policy coherence, and establishing mechanisms to this end, governments can become more effective, and – by making explicit the fact that there are competing priorities – more accountable too.

154. During the course of this inquiry we have come across many instances where the possibility of migration delivering developmental benefits is undermined by other objectives and policies. IIED gave the example of cotton farmers in the Sahel, pushed off the land, in part by cotton subsidies, and drew attention to the migration implications of agricultural mechanisation and poorly planned rural development.410 UNHCR noted that refugee crises and migration problems are compounded when these issues are isolated from issues of human rights, democracy, good governance, trade and sustainable development.411 The Campaign Against the Arms Trade drew attention to the possibility that UK arms exports might contribute to human rights abuses, reduce spending on basic needs, and lead to more migration.412 The Corner House raised the issue of UK support for projects such as pipelines which may not take adequate account of their environmental, social and human rights impacts, and thus may contribute to migration.413 And Friends of the Earth drew our attention to the knock-on environmental, and in turn migration, effects of investments in pulp and paper projects.414

155. Many of the written submissions emphasised the need for improved policy coherence both as regards the UK’s policies on immigration and development, and as regards UK-supported development interventions in poor countries.415 Oxfam argues that: “Migration policy needs to be joined up with asylum, development, humanitarian, trade and foreign policies in order both to effectively address the root causes of migration, safeguard the legal obligations towards forced migrants and ensure the best and most equitable migration outcome for the individual, host and sending countries.”416 Focussing more on interventions in developing countries, IIED suggests that any “poverty reduction initiative that does not include an understanding of the role of migration in the livelihoods of poor and vulnerable groups risks being seriously flawed”.417
156. Policy coherence is desirable within countries and between countries, whether this is on a bilateral, multilateral or regional basis. Since the treaty of Amsterdam in 1999 the European Union has taken important steps towards greater policy coherence, recognising that an effective EU asylum and (im)migration policy must necessarily involve cooperation with countries of origin and transit, and beginning to integrate migration with the external policy and programmes of the Community. The EU’s approach is based on four principles which were reflected in a Commission Communication on Migration and Development in December 2002, which was adopted by the Council in May 2003. These principles are:

- integration of migration must respect the overall coherence of the Community’s external policies and actions;
- a long term priority is to address the root causes of migration, complementing the development policy’s focus on poverty reduction and conflict prevention;
- the mid–term review of the Country Strategy Paper framework, launched in 2003, is the appropriate forum to review the scope for action; and
- additional resources for targeted actions on migration will be necessary, complementing development actions.

157. The centre–piece of the EU’s policy and relationship with third countries is the Country Strategy Paper. As Peter Bosch of the European Commission put it, the EU is trying to insert migration into the Country Strategy Papers for those African–Caribbean–Pacific (ACP) countries where it is relevant, and is also considering making more resources available to some African countries to help them better manage migration. At a level above the Country Strategy Papers there are other mechanisms for policy coherence. First, there is a Special Working Party within the Commission in which all the various Directorates–General (DGs) are represented. Second, when communications or legal proposals are being drafted there is intensive communication between DGs with responsibility for development, foreign affairs, and justice and home affairs. Third, and perhaps most importantly, the European Council brings together member–state representatives in the High–Level Working Group on Asylum and Migration.

158. The High Level Working Group (HLWG) on Asylum and Migration was established in 1998. It aims to achieve greater coherence between the EU’s policies on asylum, migration, development and foreign policy more widely. The HLWG analyses a variety of issues relating to migration from these countries, and produces Action Plans which suggest policy initiatives that might be taken to regulate migratory flows between the country

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418 Ev 265 [IOM memo]; Ev 129 [DFID memo]
420 Q 303 [Peter Bosch, European Commission]
421 Q 310 [Anita Bundegaard, UNHCR]
concerned and the EU. Action plans have been produced for Afghanistan, Albania, Iraq, Morocco, Somalia and Sri Lanka.\footnote{Q 315 [Heaven Crawley, AMRE Consulting]} By bringing together areas such as conflict prevention, development, and legal and illegal migration, forcing member states to discuss these issues, and forcing departments within member states to communicate better, the HLWG is a step in the right direction.\footnote{Q 310 [Peter Bosch, European Commission]; Q 35 [Sharon White, DFID]}

159. But there are several lessons to be learnt about achieving policy coherence for development. First, the HLWG has not generated much in terms of follow up actions.\footnote{Ev 256 [Oxfam memo]} Second, questions have been raised about how the HLWG works with countries which are supposed to be partners in the process.\footnote{Ev 221 [JCWI memo]; Ev 173 [COMPAS memo]} Third, there are concerns about a lack of transparency.\footnote{Ev 260 [Refugee Studies Centre memo]} Efforts to make policies on migration deliver for development must lead to action, need to be based on real partnerships with developing countries, and should be open to public scrutiny and accountability.

160. Perhaps of greatest concern is the fact that the migration control imperative seems to have dominated concerns about sustainable development, human rights and refugee protection. As DFID’s Sharon White diplomatically put it, the HLWG “veered off slightly into discussions around border controls”.\footnote{Q 34 [Sharon White, DFID]; Q 123 [Nicholas Van Hear, University of Oxford]; Q 310 [Heaven Crawley, AMRE Consulting]; Ev 265 [Statewatch memo]} Indeed for some commentators the situation is actually worse: the HLWG includes an attempt to use aid and development policies to achieve migration control objectives. So, for instance, one of the tasks of the HLWG as set out in its terms of reference, is to conduct assessments of “aid and development strategies in the battle to limit economic migration”.\footnote{Joanne Van Selm, \textit{The High Level Working Group: Can foreign policy, development policy and asylum and immigration policy really be mixed?}, Paper submitted to the UNU-WIDER Conference on Poverty, International Migration and Asylum, September 2002, p.4. Available at http://www.wider.unu.edu/conference/conference-2002-3/conference%20papers/van-selm.pdf} The Commission’s Peter Bosch, not wanting to step on the Council’s toes, was unwilling to hazard a guess as to what this might mean.\footnote{Q 320 [Peter Bosch, European Commission]} But it does require some explanation. The \textit{Government needs to make clear how the HLWG imagines that aid and development strategies might be employed in the battle to limit economic migration, and what its assessments concluded.}

161. If processes of consultation and discussion are to be worthwhile, stakeholders need to participate actively, and to support the process with resources and political will. Otherwise such fora will rightly be dismissed as talking shops. We were disappointed to hear that few development ministries regularly attend the HLWG, but pleased to hear that DFID has been one of the few.\footnote{Ev Q 34 [Sharon White, DFID]} Indeed DFID’s active participation, and the energies of the former Secretary of State, Clare Short, played a major role in heading off one of the HLWG’s more outrageous plans at the Seville Summit of 2002. The plan was to use the threat of cutting off aid as a stick to persuade countries to spend more of their scarce resources on stopping
migration to the EU.431 Clare Short did well to block this proposal. Nevertheless there is still a danger of development policies being unduly influenced by migration control and security concerns.432 As Statewatch notes, whilst the more extreme version of linking aid to cooperation on migration was defeated at Seville, the European Council did agree that each future association or cooperation agreement which the European Union or the European Community concludes with any country should include a clause on joint management of migration flows and on compulsory readmission in the event of illegal immigration.433 The EU also demanded the insertion of a clause on readmission and repatriation during the final stage of renegotiating the Lomé Convention with its ACP “partners”, a feature which will likely be strengthened in the Cotonou Agreement.434

162. The UK and other donors rightly use the aid relationship as an entry point for policy dialogue, on migration as well as other issues. It is sensible to support governments which are moving in the right direction, improving governance and fighting poverty, but it would be a mistake to make aid conditional on measures which aim to limit out-migration. Withdrawing aid to countries which fail to limit out-migration would simply plunge them further into poverty; threatening such a withdrawal would force developing countries to spend scarce resources on border controls rather than poverty reduction, would undermine any notion of partnership, and would simply succeed in pushing more migrants into the arms of smugglers and traffickers.435 Development assistance or the threat of its withdrawal must never be used as a tool for migration management. We trust that this remains the Government’s position.

DFID, Whitehall and policy coherence for development

163. EU policies relating to migration are determined by the member states. Those states who wish to see migration work better for poverty reduction need to work actively at the European level to further this agenda. The Danish Presidency of 2002 played an important role in stimulating policy discussion on migration and development.436 The Presidency of the European Union in 2005 will provide the UK with an opportunity to promote a positive agenda on migration which takes full account of its development potential. We trust that the Government is preparing now to take this opportunity.

164. Domestically the debate about migration is evolving as the Government seeks to emphasise the benefits which the UK can gain from well-managed migration. But, there is as yet little recognition of the links between migration and development, and the poverty-reducing potential of well-managed migration. DFID’s Masood Ahmed suggested that the debate on migration and development is at a similar stage to where the debate on trade and development was about ten years ago; people are beginning to say that there is a development dimension to migration, but there is a lack of joined-up thinking at national

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431 Ev 256 [Oxfam memo]
432 Ev 265 [Statewatch memo]
433 Ev 267 [Statewatch memo]
434 Ev 266 [Statewatch memo]
435 Ev 256 [Oxfam memo]; Ev 221 [JCWI memo]; Ev 265 [Statewatch memo]; Stephen Castles, Heaven Crawley and Sean Loughna, States of Conflict: Causes and patterns of forced migration to the EU and policy responses, IPPR, 2003; Q 304 [Heaven Crawley, AMRE Consulting]; Ev 256 [Oxfam memo]
436 Q 324 [Heaven Crawley, AMRE Consulting]
and international levels, and some resistance to connecting the issues.\textsuperscript{437} We share this analysis and trust that DFID will work tirelessly to move the debate on.

165. The interests and objectives of DFID are unlikely to be the same as those of the Home Office, or other Departments with an interest in migration. DFID’s focus is poverty reduction; the Home Office is rightly concerned with immigration and asylum.\textsuperscript{438} But the Government as a whole must ensure that it works effectively in pursuit of its overall goals, and, where there is a tension between different policies or objectives, should ensure that priorities and policies are determined on the basis of open, informed, evidence-based discussions rather than being the result of institutional inertia. It is only through such discussions that Departments can explore whether and how their policies can be made more coherent. If development objectives are to get a fair hearing, then it is important that DFID has a seat at the table. Hilary Benn assured us that the Departments do talk to each other, but it was somewhat disappointing to learn that DFID was not represented either at the Prime Minister’s “summit” on immigration held on 6 April 2004 or at the “immigration stocktake” held on 12 May 2004.\textsuperscript{439}

166. DFID has performed well on the international stage, influencing the debate and policies on migration at European and international levels, and beginning to raise the issue of migration with its developing country partners.\textsuperscript{440} \textbf{DFID also has an important role to play in the domestic context, helping the Government to examine the development implications of its migration policies, and working hard to ensure that development objectives are not marginalised.}\textsuperscript{441} Immigration from developing countries has been increasing, in absolute terms and in terms of its share of the whole. The Office for National Statistics estimates that in 2002 52.5 percent – 269,500 people – of immigrants arriving in the UK came from developing countries. In 1993, immigrants arriving from developing countries numbered 91,000 or 34.4 percent of total immigration.\textsuperscript{442} On this basis alone, DFID must be fully involved in the formulation of policies on migration. A clear statement of the objectives of UK development policy in relation to migration will also be valuable; this is something we expect to see from DFID by the end of 2004.\textsuperscript{443}

167. In evidence to us, DFID explained that over the last year or so it has begun to play a more active role in inter-departmental discussions on migration and development, and that there is less of a separation “between development as done by DFID and asylum and migration policy as done by the Home Office.”\textsuperscript{444} This is welcome news, but it begs several questions: how much of a separation remains, what scope there is to reduce the separation, and – if there is scope to reduce the separation – what is being done to reduce it? \textbf{We invite...}
the Government to outline, in relation to migration initially: the issue areas where Departments’ objectives and policies overlap; the nature of each of these overlaps; what scope there is for increasing policy coherence in these areas; and finally, what mechanisms are in place, and how they are being used, to achieve greater policy coherence for development.

168. DFID has been working to deepen its knowledge of the issues surrounding migration and poverty reduction, to improve its understanding of the impact of migration, and to develop a comprehensive approach to migration issues. The aims of DFID’s work on migration and development are: to sharpen and strengthen DFID’s country work; to equip DFID to play a more effective role in inter-Departmental discussions on policy; and to support the Government’s efforts to provide a more balanced debate on migration and its policy of managed migration. DFID is working hard to achieve these aims. We hope that this report will help to accelerate the journey which DFID, the Government and others with an interest in migration and development are making towards policies which will make migration work for poverty reduction. It must not take ten years to reach the stage we are now at on trade and development.
Conclusions and recommendations

Migration and development: looking for development gains

Understanding migration and development

1. Policies aimed at delivering development and poverty reduction should not start from the assumption that migration is a rare occurrence, a south–north phenomenon, or a one–off event. Policies need to be based on an understanding of the multi–faceted nature of migration, including temporary, circular and seasonal migration, within and between developing countries, as well as from south to north. (Paragraph 16)

2. Given the heightened vulnerability of female migrants to trafficking and exploitation, it is essential that policy is not based on the assumption that migrants are male. Policy–makers must pay careful attention to the experiences and concerns of female migrants to ensure that their migration is beneficial. (Paragraph 17)

3. Understanding migration as part of the range of poor people’s livelihood options has important implications for policy. Migration and migrants should not be seen as problems to be dealt with. Migration presents both challenges and opportunities. Migrants are people trying to improve their lives and must be treated accordingly. (Paragraph 21)

4. As the poorest do not migrate, or do not migrate far, it cannot be assumed that policies which help migrants will also help the poor. […] We must not lose sight of the main question: what is the impact of migration on those left behind in developing countries? A second implication which poses a dilemma for those who would like migration management to reduce migration, is that developed countries cannot expect to solve their immigration problems by reducing poverty in developing countries. Indeed the migration hump suggests that if we are successful in reducing poverty, we should expect increased out–migration from developing countries. But there may be aspects of development – democracy, good governance, gender equality – which developed countries might promote, and which might have the effect of reducing the push factors that encourage migration, leading to a situation where migration is an informed choice rather than a desperate option. Improving governance is of the utmost importance; better governance would make some migrants less desperate to leave, and – by encouraging migrants to remit and perhaps to return – would also make that migration which does take place more development–friendly. This is primarily the responsibility of developing country governments. (Paragraph 25)

Designing policy: Identifying development wins

5. Policy should not be designed on the basis of hunches and anecdotes. If development policies are to be well–designed, on the basis of a sound understanding of the causes and consequences of migration and development, then the evidence–base urgently
needs improving. In particular, better data on internal migration is needed. (Paragraph 34)

6. The International Organization for Migration (IOM) suggests that the Government produce a short annual report on migration to the UK from developing countries. By providing information about who is coming to the UK, where they come from, what they do in the UK, to what extent they are remitting, and whether and when they return to their countries of origin, and by outlining what the Government is doing to make migration more development–friendly, such a report could do much to raise awareness about the linkages between migration and development. We support this proposal and recommend that the Government takes it up. (Paragraph 35)

Migration journeys: from departure to return

Leaving and being left behind

7. It is unfair, inefficient and incoherent for developed countries to provide aid to help developing countries to make progress towards the Millennium Development Goals on health and education, whilst helping themselves to the nurses, doctors and teachers who have been trained in, and at the expense of, developing countries. (Paragraph 39)

8. As regards the regulation of the recruitment of healthcare professionals by the UK, several issues need clarifying. How effective has the NHS Code of Practice been? What will the Government do to enforce the Code of Practice or to encourage NHS employers to adhere to it? Where does passive recruitment end, and active recruitment begin? Why is there not a Code of Practice for Northern Ireland, Scotland and Wales? And perhaps most importantly, how significant a loophole is the fact that the Code does not apply to the private sector; specifically, how many health–workers from developing countries are employed in the private and public sectors, and how many of those employed in the public sector were initially recruited for the private sector? (Paragraph 44)

9. We were pleased to read about the Government’s plans to tighten up the Code of Practice, and look forward to seeing the detail of these proposals. They must be effective, and their effectiveness must be proven. James Buchan reported to us that the NHS cannot say how many nurses from developing countries it employs. He described this as “unfortunate”. We need not be so restrained. Data should be collected on the number of doctors and nurses born and trained in developing countries who are employed by the NHS. This is a gaping hole in the evidence–base for policies relating to migration and development. We also recommend that UK–based employers be required to use only recruitment agencies which are registered in the countries from which they are recruiting. In this way developing country governments might have some leverage over recruitment agencies, or at the very least have some opportunity to plan for the impacts of recruitment. (Paragraph 45)

10. The UK Government is a member of the Working Group which has developed the Commonwealth’s Draft Protocol on the Recruitment of Teachers; we trust that this is a sign of its commitment. The UK is not a signatory to Commonwealth’s Code of
Practice for the International Recruitment of Health Workers. By its support the UK could play an important role in improving the multilateral regulation of recruitment. We invite the Government to explain its position. (Paragraph 46)

11. If the NHS is to depend on overseas workers, then we recommend that the Government considers designing schemes to train nurses in developing countries for temporary employment for a specified number of years in the NHS, on the understanding that they would then return to their home country. Such schemes should be designed with the input of developing countries, migrants’ organisations and employers. The nurses would have an opportunity to earn more and to acquire skills. The UK would receive a temporary influx of staff for its health service. The developing country would see an increase in its skills base. Such a scheme would need careful design, not least to ensure that migrants did return to their home countries. But the potential development benefits, and the fact that this would be a more cost–effective way of training nurses, no matter where they ended up working, make it worthy of serious consideration. The costs of training nurses should not be borne by countries which do not benefit from their training. (Paragraph 48)

12. We acknowledge that “just training yet more nurses” as Hilary Benn put it, will not in itself reduce the brain-drain, although it may help to address what appears to be a global shortage of nurses. However, in combination with efforts to address the push factors, such an approach has considerable potential to make migration work better – more fairly, and more cost–effectively – for development and poverty reduction. (Paragraph 49)

Travelling, arriving and living

13. One way of reducing illegal migration might be to open up more transparent and efficient channels for legal migration. Indeed, this is what the UK has been doing in recent years, through measures such as reform of the seasonal agricultural workers scheme and the introduction of sector–based short–term work schemes for hospitality and food manufacturing workers. Migration, especially legal migration, can be of benefit to the UK, migrants, and their home countries. But whilst opening up channels for legal migration may undercut traffickers and smugglers, it will not satisfy the latent demand for migration. Migration still needs to be managed, and illegal migration tackled. (Paragraph 52)

14. The UK Government, and governments of other developed countries, need to address the issue of sex tourism which fuels the exploitation of women and children in south–east Asia particularly, and ensure that existing legislation protecting the rights of migrant workers is vigorously enforced. (Paragraph 53)

15. Governments, including the UK Government, need to ensure that they do not, in their enthusiasm to control migration – prevent refugees from gaining asylum. And if public confidence in a government’s ability to control migration is to be maintained, asylum claims need to be processed fairly and quickly. If this is not achieved, public support for economic migration will disappear, and with it the potential development gains. (Paragraph 56)
16. A reader of the British press might assume that the UK is in the front-line of dealing with refugees. Such a view is incorrect and should not be allowed to mis-inform debates about migration. (Paragraph 59)

17. It is essential that the UK contributes its fair share to international humanitarian assistance. There is also a need for both donors and developing countries – including government at national and local levels – to take into account the needs of refugees, and the implications for policy, in Poverty Reduction Strategy Papers. (Paragraph 60)

18. Host countries need to ensure that migrants living within their borders are able to live productive lives, enjoy adequate access to services, welfare services, and have their rights protected. We were pleased to hear that DFID is funding innovative rural livelihoods programmes in India which, by including support to migrants, are making a big difference to migrants’ lives. […] We applaud such creative efforts to improve the lives of migrants, which will in turn help to make migration work better for development and poverty reduction. We trust that mechanisms will be put in place to ensure that policy-makers elsewhere can learn from these projects. (Paragraph 62)

19. We invite the Government to outline what it does to help migrants’ integration in the UK, and to consider Oxfam’s recommendation of a comprehensive support and education system. Similarly, where appropriate, the Government should encourage and help its developing country partners to establish similar schemes. (Paragraph 64)

20. Oxfam have told us that Home Office research disproves the idea that giving asylum seekers the right to work would increase the attractiveness of the UK to potential refugees and asylum seekers. We would welcome clarification of the Government’s views. (Paragraph 65)

21. Governments should do their utmost to protect migrants’ rights – through legislation and its enforcement, and through the provision of information – to ensure that they are not subject to exploitation by employers, gangmasters and employment agencies. We welcome the swift progress of the Gangmasters (Licensing) Bill through Parliament; once this Bill becomes law it will be an important step in preventing the exploitation of workers, including migrant workers, by gangmasters. (Paragraph 65)

22. We invite the Government to explain why it has not ratified on the UN Convention and to provide us with the evidence to support the assumption that there is a trade-off between migrants’ rights and immigration control. We would also like to know how the Government came to the conclusion that it had struck the right balance; that is, how was the value of migrants’ rights and the value of immigration control assessed? (Paragraph 68)

23. If there were a multilateral commitment on the part of all migrant-receiving countries to ratify the Convention, and to protect migrants’ rights accordingly, then no one country would risk being seen as a soft-touch as a result of its ratification. (Paragraph 69)
Returning, reintegrating and circulating

24. There are temporary migration schemes that work, and schemes that do not work. What is not in doubt is that there is a demand for workers in developed countries such as the UK, and demand for employment from people in developing countries. There is a need to examine the evidence to learn the lessons and to understand what can be done to make temporary migration and assisted voluntary return schemes work and deliver development benefits. The UK Government, working with the IOM and other international organisations, should ensure that this challenge is taken up. (Paragraph 74)

25. DFID, and through DFID, other development stakeholders – including migrants’ organisations and labour ministries in key migrant–sending countries – should be consulted when the UK Government is designing and revising temporary migration schemes. If countries with a Department or Ministry concerned with the welfare of their overseas workers were given priority in such consultations, developing country governments might be encouraged to do more to protect their overseas workers. The input of development stakeholders would make the schemes work better for the UK and deliver more benefits to developing countries. On 27 April 2004 the Prime Minister announced a wholesale review of the UK’s immigration schemes; DFID must be fully involved in this review so that development objectives are fully considered. (Paragraph 76)

26. Well–regulated recruitment agencies – offering transparent fee structures, involving migrant workers’ associations, and rigorously enforcing minimum wage and other health and safety conditions in the workplace – could be given preferential access to legal immigration routes into the UK, providing an incentive for, and a model of, good practice. (Paragraph 77)

27. Temporary migration can enable migrants to learn new skills, and in many cases it can play a useful role in exposing migrants – as well as host societies – to new ideas and ways of doing things, some of which may be usefully continued or adopted after the migrant’s return. The experience of VSO volunteers and their “volunteer journeys” may hold important lessons for efforts to improve the skills acquisition element of temporary migration. (Paragraph 79)

28. Migrants could be encouraged to return home by reimbursing them with a portion of their unused National Insurance contributions once they had left the UK. Given that migrants who leave will not be making a claim on their contributions, we consider that there is some sense of fairness in this suggestion. (Paragraph 80)

29. The Government should consider seriously the idea of involving employment agencies in making temporary migration schemes work, as well as the proposal to reimburse National Insurance contributions. It should also ensure that lessons are learnt and disseminated from the experience of other countries such as Canada and the USA with making their temporary migration schemes truly temporary. (Paragraph 81)

30. To ensure that returning migrants have something to go back to, governments, with the support of donors, need to:
• be serious about welcoming migrants back

• make progress with improving governance and tackling corruption;

• ensure that pay structures and progression within the civil service do not unfairly penalise migrants who have worked elsewhere and may have acquired useful skills; and,

• help returning migrants to find suitable jobs, or to set up their own businesses. (Paragraph 84.)

31. We were pleased to hear that DFID and the EU are supporting programmes including the IOM’s Migration for Development in Africa and pilot schemes in Ghana and Sierra Leone. It is only through learning from experience that the best ways of facilitating sustainable return can be discovered. (Paragraph 86)

32. If developing countries are to benefit from the sustainable return of their migrants, they need to pursue policies – better governance, less bureaucracy, and economic growth – which will make migrants want to return, and which will ensure that those migrants who have returned have a sense that they, and their country, are moving towards a brighter future. (Paragraph 87)

33. The UK Government should explore the potential development benefits which might be gained from more circular migration, and – alongside its developing country partners – should examine the different ways in which such circular migration might be encouraged. The Government should also consider whether there is scope – in sectors such as health where developing countries would benefit a great deal – to help migrants to return home temporarily by offering leave of absence from employment and other forms of assistance. (Paragraph 89)

34. DFID reported that the UK’s position on GATS Mode 4 is widely viewed as being among the most progressive. The Government should make the UK’s policy stance on GATS Mode 4 clearer and explain what the UK is doing to promote an agenda which will be to the mutual benefit of the UK and developing countries. The Government should also clarify its position on a simplified GATS visa. (Paragraph 93)

35. As is the case with trade liberalisation more widely, developing countries could secure benefits from liberalising south–south migration, perhaps through the establishment of regional passports, and by making it easier for skilled people from the north to offer their services in developing countries. There is a pool of people in countries such as the UK who are keen to employ their skills in developing countries; developing countries should take advantage of this. As regards south–south migration, we were interested to hear that the European Commission is working with the African Union on migration management in Africa. We would welcome further information about this. (Paragraph 94)

36. We seek assurances that the Government is pursuing a joined-up approach to its policy on Somaliland. The Foreign and Commonwealth Office should clarify its position on the issue of recognition, particularly if Somaliland continues to govern
itself in a responsible and democratic way, while the other parts of Somalia continue as a failed state. We would welcome a response from the Government on the measures it has taken to assist the successful resettlement of those who have been repatriated. (Paragraph 98)

Resource flows: Remittances and the role of the diaspora

Remittances for poverty reduction?

37. We recognise the difficulty of gathering reliable data on unofficial remittances, and applaud the Government for its efforts to gather information about remittance outflows from the UK. The Government should encourage other European governments to do the same. In the absence of such information, evidence-based policy on remittances and on migration will remain an aspiration. (Paragraph 103)

38. Migrants and their families have long been aware of the value of remittances. Greater awareness on the part of governments and development agencies is welcome. But if the potential of remittances is to be maximised, then more needs to be done to understand remittances and their use, to increase the flow of remittances and to make them work better for poverty reduction. (Paragraph 106)

39. The UK could encourage remittances through the provision of guarantees to back the issue of bonds by developing country governments, by the use of tax incentives such as treating person–to–person remittances as charitable and therefore tax–deductible donations. For their part, migrants’ associations might wish to investigate acquiring charitable status, or, a charitable arm. As a charity, donations channelled through them would be tax–deductible. (Paragraph 107)

40. As with temporary migration, so with remittances; there will be schemes which work for poverty reduction and schemes which do not. Along with other development agencies such as the World Bank, DFID needs to ensure that lessons are learnt and best practice is disseminated widely. DFID should also help its partner governments in developing countries to assess whether and how they might encourage their migrant workers to remit. The DFID–World Bank International Conference on Migrant Remittances provided an excellent start, bringing together as it did a wide range of stakeholders. Such activity needs to be taken forward. (Paragraph 108)

41. If transactions costs are to be reduced, then the market for remittance services needs to work better so that service providers compete harder, to offer better and cheaper services, to more informed customers. (Paragraph 109)

42. The UK Government, NGOs and the private sector can all play their part in driving down the costs of remittances. Competition will help, but the Government needs to encourage this process by raising awareness about remittances, disseminating good practice and ensuring that the market is transparent and well–regulated. Banks should not be allowed to crowd out their competitors by excluding them from access to banking services. In order to prevent the voice and interests of powerful players dominating, we recommend that the Government support the establishment of an Association of Independent Money Transfer Companies. We also recommend that
the Government consider the merits of a code of practice to regulate banks’ relationships with independent transfer companies. Further, the Government might encourage an NGO or consumers’ organisation to compile a price–comparison table – “Which remitter?” – showing the costs of transferring remittances to a range of developing countries through different firms. (Paragraph 112)

43. Hawala and other informal funds transfer systems play a key role in facilitating remittances. Governments need to ensure that such systems are not abused by criminals, but should also ensure that regulatory solutions are proportionate to the risks and sensitive to the possible impacts on those who rely on remittances. We are pleased that the UK Government – informed by DFID’s analysis – appreciates the need to strike a balance between tackling the financing of terrorism, and ensuring the free–flow of remittances. The UK Government was praised by our witnesses for its light–touch approach to regulating the UK remittance sector. It should persuade its EU partners to follow suit. (Paragraph 113)

44. As part of its continuing dialogue with diaspora organisations, DFID should learn from the diaspora’s existing practices, and explore: what enthusiasm there is for Government–involvement in establishing voluntary schemes to channel remittances towards poverty reduction; what ideas migrants have for the design of such schemes; and, how best DFID might help. In addition, the UK Government, along with the IOM or the World Bank, should ensure that lessons are learnt from existing voluntary schemes and that best practice is widely shared. (Paragraph 119)

45. The Government should encourage innovative public–private–NGO partnerships which aim to make remittances work better for poverty reduction, and do what it can to make them a success. (Paragraph 120)

46. We were pleased to hear that there is a team within DFID’s policy division looking at financial sector reform and banking systems, particularly in rural areas, and the linkages with remittance issues, and look forward to seeing the fruits of this team’s work. (Paragraph 121)

47. The best way of making remittances work for poverty reduction is to ensure that there is an investment climate and an infrastructure which enables their productive use. Key factors include: stable exchange rates, low inflation, the absence of excessive bureaucracy and corruption, reliable power supplies, decent roads and other communications. (Paragraph 122)

48. Donors and the international community have a role to play in helping to remove international and structural obstacles to poor countries’ development, and in supporting developing countries to improve their infrastructures and to create good business environments. The primary responsibility however lies with developing countries themselves, or if the government itself is an obstacle, with the political process. (Paragraph 123)

**Diaspora communities and development**

49. In calculating the costs and benefits of migration, and designing policies to make migration work better for poverty reduction, governments should not focus solely on
factors which can be valued in monetary terms. Migration can lead to political, social and cultural change in the countries of origin – and indeed in host societies – as people become aware that other ways of life, and other ways of organising society and politics, are possible. (Paragraph 127)

50. Diasporas’ views are valuable and may help to deliver peace in their home countries, but it would be a mistake to assume that communities in exile are better able than people back home to represent their nations’ interests. (Paragraph 128)

51. We welcome the Government’s recognition of the importance of working with Black and Minority Ethnic organisations, and look forward to seeing more rapid progress in this area. The Africa Foundation for Development called for DFID to report regularly on its engagement with diaspora communities and particularly on what DFID is learning from the dialogue; we support this suggestion. (Paragraph 132)

52. There are a range of ways in which the Government and DFID might work more with the diaspora:

- DFID might usefully include diaspora organisations more systematically in consultations on draft Country Assistance Plans, and in consultations on policy areas in relation to which migrants’ organisations may have valuable insights;

- DFID and other Departments including the Treasury should explore with diaspora organisations the possibility of developing schemes to enable migrants, if they so wish, to channel remittances so that they have maximum impact on poverty;

- DFID and relevant Departments should examine, alongside diaspora organisations, whether there are initiatives they could take to encourage the temporary return of migrants to their home countries;

- and, most simply, the Government should encourage initiatives to create migrant associations, promote and publicise their activities, and help them to work effectively. (Paragraph 133)

53. Diaspora organisations must not be seen as marginal players in international development; rather, the Government, DFID and mainstream NGOs should work harder to involve them more fully. (Paragraph 134)

Managing migration for poverty reduction

Migration partnerships for poverty reduction

54. DFID should ensure that its partner governments take account of migration as a development issue and are aware of its potential to deliver development benefits. Beyond this the UK should help partner governments to consider their various options for managing migration, helping them to design effective strategies, and providing support so that they can implement these strategies. This should include, but not be limited to, support for refugee–hosting countries. (Paragraph 141)
55. PRSPs and Country Assistance Strategies should not mention every single development issue, but for countries where migration is important, DFID’s Country Assistance Strategies should outline what DFID will do to help developing countries: to improve their data-gathering and information management capacities; to identify specific ways in which the costs and risks of migration might be minimised and the benefits maximised; and, to provide a policy and governance environment conducive to making migration development-friendly. (Paragraph 143)

56. We applaud DFID for the leading role it is playing in moving migration up the international development agenda. The Government should consider further what might be done at a multilateral level to manage migration better, and particularly to make it work better for poverty reduction. In addition we would like to be kept informed as to the involvement of the UK Government in the Global Commission on International Migration. This Commission provides an excellent opportunity to promote a more positive and development-friendly agenda on migration; the UK Government should be an active participant. (Paragraph 150)

Towards policy coherence for development

57. The Government needs to make clear how the High Level Working Group on Asylum and Migration imagines that aid and development strategies might be employed in the battle to limit economic migration, and what its assessments concluded. (Paragraph 160)

58. It is sensible to support governments which are moving in the right direction, improving governance and fighting poverty, but it would be a mistake to make aid conditional on measures which aim to limit out-migration. Withdrawing aid to countries which fail to limit out-migration would simply plunge them further into poverty; threatening such a withdrawal would force developing countries to spend scarce resources on border controls rather than poverty reduction, would undermine any notion of partnership, and would simply succeed in pushing more migrants into the arms of smugglers and traffickers. Development assistance or the threat of its withdrawal must never be used as a tool for migration management. We trust that this remains the Government’s position. (Paragraph 162)

59. The Presidency of the European Union in 2005 will provide the UK with an opportunity to promote a positive agenda on migration which takes full account of its development potential. We trust that the Government is preparing now to take this opportunity. (Paragraph 163)

60. DFID has an important role to play in the domestic context, helping the Government to examine the development implications of its migration policies, and working hard to ensure that development objectives are not marginalised. Immigration from developing countries has been increasing, in absolute terms and in terms of its share of the whole. On this basis alone, DFID must be fully involved in the formulation of policies on migration. A clear statement of the objectives of UK development policy in relation to migration will also be valuable; this is something we expect to see from DFID by the end of 2004. (Paragraph 166)
61. We invite the Government to outline, in relation to migration initially: the issue areas where Departments’ objectives and policies overlap; the nature of each of these overlaps; what scope there is for increasing policy coherence in these areas; and finally, what mechanisms are in place, and how they are being used, to achieve greater policy coherence for development. (Paragraph 167)
## Annex: Migration between developing countries and the UK

Estimates of migration between the UK and developing* countries by country of last or next residence (thousand)

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Figures should be considered to be a rough guide only

Background notes on International Migration Statistics

1. A migrant is defined as someone who changes his or her country of usual residence for a period of at least a year, so that the country of destination effectively becomes the country of usual residence.

2. The international migration estimates are compiled from three main sources of migration data:
   - the International Passenger Survey (IPS);
   - Home Office data on asylum seekers and their dependants; and
   - estimates of migration between the UK and the Irish Republic.

3. The International Passenger Survey (IPS) is a continuous voluntary sample survey conducted by the Office for National Statistics. It covers the principal air, sea and Channel Tunnel routes between the UK and countries outside the British Isles. Routes between Channel Islands/Isle of Man and the rest of the world are excluded, as is all movement of diplomats and armed forces personnel.

4. The estimates of total international migration for 1991 to 2001 were revised in the light of the 2001 Census results which showed that the net inflow of international migrants to the UK had been overestimated over the previous decade. Details of the revised methodology can be found at Appendix B of the most recent edition of the annual reference volume for international migration. The 2001 annual reference volume can be found on the National Statistics website at the following address:

5. A National Statistics Quality Review of international migration statistics was initiated in March 2002. This was aimed at identifying the means of making the required improvements to the reliability and comprehensiveness of international migration statistics. The Review was published on 2 September 2003. An implementation plan detailing how the recommendations will be taken forward is also available. Both the report and the plan can be found at the link shown below.

The Office for National Statistics (ONS) note that “these estimates should be considered as a rough guide only and should be interpreted with caution, as some of the components of international migration are not calculated using ONS’ published methodology. Apportionment of published figures by geographic areas has been used where necessary.”
## List of acronyms

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACP</td>
<td>African-Caribbean-Pacific</td>
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<tr>
<td>AFFORD</td>
<td>African Foundation for Development</td>
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<tr>
<td>ASI</td>
<td>Anti-Slavery International</td>
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<tr>
<td>BBIDG</td>
<td>British Bangladeshi International Development Group</td>
</tr>
<tr>
<td>BME</td>
<td>Black and Minority Ethnic</td>
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<tr>
<td>CASAS</td>
<td>Centre for Applied South Asian Studies</td>
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<tr>
<td>CBC</td>
<td>Commonwealth Business Council</td>
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<tr>
<td>DFID</td>
<td>Department for International Development</td>
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<tr>
<td>DG</td>
<td>Directorate-General</td>
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<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
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<tr>
<td>GATS</td>
<td>General Agreement on Trade in Services</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<tr>
<td>HLWG</td>
<td>High Level Working Group on Asylum and Migration (European Council)</td>
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<tr>
<td>IDC</td>
<td>International Development Committee</td>
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<tr>
<td>IIED</td>
<td>International Institute for Environment and Development</td>
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<tr>
<td>ILO</td>
<td>International Labour Organisation</td>
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<tr>
<td>IOM</td>
<td>International Organization for Migration</td>
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<tr>
<td>JCWI</td>
<td>Joint Council for the Welfare of Immigrants</td>
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<tr>
<td>MDG</td>
<td>Millennium Development Goal</td>
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<td>MIDA</td>
<td>Migration for Development in Africa</td>
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<tr>
<td>NEF</td>
<td>New Economics Foundation</td>
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<tr>
<td>NGO</td>
<td>Non Governmental Organisation</td>
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<tr>
<td>NHS</td>
<td>National Health Service</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Co-operation and Development</td>
</tr>
<tr>
<td>PRSP</td>
<td>Poverty Reduction Strategy Paper</td>
</tr>
<tr>
<td>TRIPS</td>
<td>Trade Related Aspects of Intellectual Property</td>
</tr>
<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
</tr>
<tr>
<td>UNHCR</td>
<td>United Nations High Commissioner for Refugees</td>
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<tr>
<td>WTO</td>
<td>World Trade Organisation</td>
</tr>
</tbody>
</table>
Formal minutes

Tuesday 29 June 2004

Members present:

Tony Baldry, in the Chair

John Barrett
Mr John Battle
Ann Clwyd
Mr Tony Colman

Mr Quentin Davies
Mr Piara S Khabra
Tony Worthington

The Committee deliberated.

Draft Report, (Migration and Development: How to make migration work for poverty reduction), proposed by the Chairman, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs entitled ‘Background and acknowledgements’ read and agreed to.

Paragraphs entitled ‘Summary’ read and postponed.

Paragraphs 1 to 166 read and agreed to.

Postponed paragraphs entitled ‘Summary’ read again and agreed to.

Annex agreed to.

Resolved, That the Report be the Sixth Report of the Committee to the House.

Ordered, That the Chairman do make the Report to the House.

Ordered, That the provisions of Standing Order 134 (Select committees (reports)) be applied to the Report.

Several papers were ordered to be appended to the Minutes of Evidence.

Several papers were ordered to be reported to the House.

[Adjourned till Monday 5 July at 2.15pm]
List of witnesses (page numbers refer to Volume II)

Tuesday 2 December 2003

Mr Masood Ahmed, Director General for Policy and International, and Ms Sharon White, Director, Policy Division, Department for International Development

Tuesday 6 January 2004

Professor Richard Black, Director, Professor Ronald Skeldon and Dr Ben Rogaly, Members, University of Sussex Development Research Centre on Migration, Globalisation and Poverty, and Dr Priya Deshingkar, Research Fellow on the DFID-funded Livelihoods Options Project, India, Overseas Development Institute

Tuesday 13 January 2004

Dr Nicholas Van Hear, Senior Researcher, Centre on Migration, Policy and Society (COMPAS), University of Oxford, Dr Cecilia Tacoli, Senior Research Associate, International Institute for Environment and Development, Ms Catherine Barber, Economic Policy Adviser, Oxfam and Mr Ram Chandra Panda, Deputy Speaker, Orissa Legislative Assembly

Tuesday 10 February 2004

Mr Chukwu–Emeka Chikezie, Executive Director, African Foundation for Development, Councillor Murad Qureshi, British Bangladeshi International Development Group, and Dr Lola Banjoko, Chairman, Commonwealth Business Council, AfricaRecruit

Monday 1 March 2004

Dr Joseph Chamie, Director, United Nations Population Division, and Mr Jan de Wilde, Chief of Mission (London), and Mr Frank Laczko, Chief of Research and Publications (Geneva), International Organization for Migration

Tuesday 9 March 2004

Professor James Buchan, Queen Margaret University College, Edinburgh, Mr Winston Cox, Deputy Secretary–General, Commonwealth Secretariat, and Mr Duncan Hindle, Deputy Director General, Department of Education, South Africa

Mr Abdirashid Duale, Chief Executive Officer, and Dr Saad Shire, Managing Director, Dahabshiil Transfer Services, and Dr Roger Ballard, Director, Centre for Applied South Asian Studies, University of Manchester
Monday 15 March 2004

Professor L Alan Winters, University of Sussex, and Dr Christian Dustmann, University College London

Tuesday 23 March 2004

Mr Peter Bosch, Directorate General for Justice and Home Affairs, European Commission, and Head of the Commission’s Delegation to the High Level Working Group on Asylum and Migration, Mrs Anita Bundegaard, Co-ordinator for Durable Solutions, United Nations High Commissioner for Refugees (UNHCR), and Dr Heaven Crawley, Director, AMRE Consulting and formerly Associate Director, IPPR

Tuesday 20 April 2004

Rt Hon Hilary Benn MP, Secretary of State for International Development, and Ms Sharon White, Director, Policy Division, Department for International Development

Monday 26 April 2004

Rt Hon Harriet Harman MP, Councillor Columba Blango, The Worshipful Mayor of Southwark, and Ms Cecilia N Taylor-Camara, Mr Tamba John Sylvernus Lamina, Mrs Agnes Kumba Dugba Macauley, Dr Mohamed Koker, and Mr Stephen Swaray, members of the Sierra Leonean diaspora
# List of written evidence (page numbers refer to Volume II)

<table>
<thead>
<tr>
<th>#</th>
<th>Organisation</th>
<th>Volume II Page Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Department for International Development (DFID)</td>
<td>Ev 124; Ev 132; Ev 134</td>
</tr>
<tr>
<td>2</td>
<td>African Foundation for Development (AFFORD)</td>
<td>Ev 135</td>
</tr>
<tr>
<td>3</td>
<td>Anti-Slavery International (ASI)</td>
<td>Ev 139</td>
</tr>
<tr>
<td>4</td>
<td>Professor Richard Black, University of Sussex</td>
<td>Ev 144</td>
</tr>
<tr>
<td>5</td>
<td>British Bangladeshi International Development Group (BBIDG)</td>
<td>Ev 149</td>
</tr>
<tr>
<td>6</td>
<td>Campaign Against Arms Trade (CAAT)</td>
<td>Ev 152</td>
</tr>
<tr>
<td>7</td>
<td>The Catholic Institute for International Relations (CIIR)</td>
<td>Ev 154</td>
</tr>
<tr>
<td>8</td>
<td>Dr Roger Ballard, University of Manchester</td>
<td>Ev 157</td>
</tr>
<tr>
<td>9</td>
<td>Dr Roger Ballard and Dr Saad Shire, Dahabshiil Transfer Services</td>
<td>Ev 168</td>
</tr>
<tr>
<td>10</td>
<td>Centre on Migration, Policy and Society (COMPAS)</td>
<td>Ev 169</td>
</tr>
<tr>
<td>11</td>
<td>Chequepoint Money Transfer</td>
<td>Ev 174</td>
</tr>
<tr>
<td>12</td>
<td>Childhood Poverty Research and Policy Centre</td>
<td>Ev 185</td>
</tr>
<tr>
<td>13</td>
<td>Commonwealth Business Council AfricaRecruit</td>
<td>Ev 188</td>
</tr>
<tr>
<td>14</td>
<td>Commonwealth Secretariat</td>
<td>Ev 190</td>
</tr>
<tr>
<td>15</td>
<td>The Corner House</td>
<td>Ev 191</td>
</tr>
<tr>
<td>16</td>
<td>Friends of the Earth</td>
<td>Ev 194</td>
</tr>
<tr>
<td>17</td>
<td>Professor Nigel Harris, University College London</td>
<td>Ev 197</td>
</tr>
<tr>
<td>18</td>
<td>The Home Office</td>
<td>Ev 201</td>
</tr>
<tr>
<td>19</td>
<td>International Institute for Environment and Development (IIED)</td>
<td>Ev 205</td>
</tr>
<tr>
<td>20</td>
<td>International Organization for Migration (IOM)</td>
<td>Ev 211</td>
</tr>
<tr>
<td>21</td>
<td>The Joint Council for the Welfare of Immigrants (JCWI)</td>
<td>Ev 219</td>
</tr>
<tr>
<td>22</td>
<td>The New Economics Foundation (NEF)</td>
<td>Ev 227</td>
</tr>
<tr>
<td>23</td>
<td>Overseas Development Institute (ODI)</td>
<td>Ev 232</td>
</tr>
<tr>
<td>24</td>
<td>Oxfam GB</td>
<td>Ev 247</td>
</tr>
<tr>
<td>25</td>
<td>The Panos Institute, Paris</td>
<td>Ev 258</td>
</tr>
<tr>
<td>26</td>
<td>Refugee Studies Centre (RSC)</td>
<td>Ev 260; Ev 261; Ev 264</td>
</tr>
<tr>
<td>27</td>
<td>Statwatch</td>
<td>Ev 265; Ev 269</td>
</tr>
<tr>
<td>28</td>
<td>United Nations High Commissioner for Refugees (UNHCR)</td>
<td>Ev 271</td>
</tr>
<tr>
<td>29</td>
<td>Unlad-Kabayan</td>
<td>Ev 275</td>
</tr>
<tr>
<td>30</td>
<td>VSO</td>
<td>Ev 281</td>
</tr>
</tbody>
</table>
Reports from the International Development Committee since 2001

The Government Responses to International Development Committee reports are listed here in brackets by the HC (or Cm) No. after the report they relate to.

Session 2003-04

First Report  
Trade and Development at the WTO: Learning the lessons of Cancún to revive a genuine development round  
HC 92–I and II  
(HC 452)

Second Report  
Development Assistance and the Occupied Palestinian Territories  
HC 230-I and II  
(HC 487)

Third Report  
International Development Committee: Annual Report 2003  
HC 312

Fourth Report  
Kenya: DFID's Country Assistance Plan 2004-07 and Progress Towards the Millennium Development Goals  
HC 494

Fifth Report (First Joint Report)  
Strategic Export Controls Annual Report for 2002, Licensing Policy and Parliamentary Scrutiny  
HC 390

Session 2002-03

First Report  
Afghanistan: the transition from humanitarian relief to reconstruction and development assistance  
HC 84  
(HC 621)

Second Report  
International Development Committee: Annual Report 2002  
HC 331

Third Report  
The humanitarian crisis in southern Africa  
HC 116-I and –II  
(HC 690)

Fourth Report  
Preparing for the humanitarian consequences of possible military action against Iraq  
HC 444-I and –II  
(HC 561)

Fifth Report (First Joint Report)  
The Government's proposals for secondary legislation under the Export Control Act  
HC 620  
(Cm 5988)

Sixth Report (Second Joint Report)  
Strategic Export Controls Annual Report for 2001, Licensing Policy and Parliamentary Scrutiny  
HC 474  
(Cm 5943)

Seventh Report  
Trade and Development at the WTO: Issues for Cancún  
HC 400-I and II  
(HC 1093)

Eighth Report  
DFID Departmental Report 2003  
HC 825 (HC 231, Session 2003-04)

Session 2001-02

First Report  
The humanitarian crisis in Afghanistan and the Surrounding Region  
HC 300-I and –II  
(HC 633)

Second Report  
The Effectiveness of the Reforms of European Development Assistance  
HC 417-I and –II  
(HC 1027)

Third Report  
Global Climate Change and Sustainable Development  
HC 519-I and -II  
(HC 1270)

Fourth Report (First Joint Report)  
Strategic Export Controls: Annual Report for 2000, Licensing Policy and Prior Parliamentary Scrutiny  
HC 718  
(CM 5629)
<table>
<thead>
<tr>
<th>Report</th>
<th>Title</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sixth Report</td>
<td>DFID: Departmental Report 2002</td>
<td>HC 964 (HC 357, Session 2002-03)</td>
</tr>
</tbody>
</table>