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Fourth Informal Thematic Session on “Contributions of migrants and diasporas to all dimensions of sustainable development, including remittances and portability of earned benefits”

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Dear Co-Facilitators,

Excellencies, esteemed colleagues and friends,

I am pleased to present the issue brief for this session, which provides facts and trends as well as suggestions for ways forward for member states to consider. It was prepared with the support of the International Organization for Migration (IOM), and reflects inputs from the Global Migration Group (GMG).

In my remarks, I would like to highlight the key contributions of migrants to their countries of origin and destination, and conclude with some thoughts on overcoming key obstacles and barriers towards the maximization of the positive impact of migration.

Let me start with the **countries of origin of migrants**.

The \$429 billion in remittances to developing countries in 2016 are one of the most tangible contributions of migrants to achieving the sustainable development goals in their country of origin.

More than three times larger than official development assistance, and more stable than other forms of private capital flows, remittances to developing countries have lifted millions of families out of poverty. However, remittances on their own will not result in development if the conditions for those sending and those receiving remittances are not conducive to development.

And the high transaction costs associated with remittances and low levels of financial inclusion hinder leveraging remittances for development. In the first quarter of 2017, the global average cost of sending remittances remained above 7 per cent, significantly higher than the Sustainable Development Goals target of 3 percent.

In addition, about one third of all working-age people on this planet have no access to financial services delivered by regulated financial institutions. Boosting the financial inclusion for remittance receivers is “low hanging fruit”.

Nevertheless, the contribution of migrants to development of their countries of origin goes far beyond financial remittances, including transfers and circulation of ideas, skills and knowledge, entrepreneurship, investments network building, and breaking down gender stereotypes.

When discussing the impact of migration in origin areas, we must also recognize the perceived negative effects of emigration of the highly skilled, or so called “brain drain”. While small developing countries with relatively few professionals have experienced weakened service delivery as a result of high-skilled emigration, these negative effects are generally quite small. In addition, there is a cost to not moving as some highly skilled migrants would have faced unemployment had they stayed in their country of origin.

I will now turn to **the contributions of migrants to development in their countries of destination.**

Overall, migration provides substantial development benefits to countries of destination, particularly through the contribution of labour migrants of all skills levels. This is true of both developed and developing countries.

While countries regularly vie for the most highly skilled migrants, economic research indicates that low- and medium- skilled workers contribute comparably to highly skilled workers. Migrants tend to fill in labour market gaps unfilled by the local labour force, allowing the economy to grow more rapidly.

Again, however, while the economic and social contributions of migrants to their countries of destination amount to a net benefit overall, there can be upfront adjustment costs in the short term – for example, in the case of large movements of migrants, or when migrants settle in small, deprived communities experiencing an economic downturn. These need to be addressed.

Nevertheless, while migrant workers typically send home about 15% of their earnings as remittances, the remaining 85% remains in countries of destination thus promoting sustainable development there. Migrants also bring high rates of innovation to their new countries.

These positive impacts of migrants to development in areas of destination are maximized when women’s labour and human rights are respected, and when restrictive and

discriminatory social norms or laws that hinder the contribution of migrant women to the economies and societies they live in are removed.

I would like to conclude by highlighting **three key barriers towards the maximization of the positive impact of migration.**

First, inadequate policies can prevent positive development outcomes.

I am not only referring to migration or entry policies: the development impact of migration is influenced by public policy across many different sectors. In particular, the inclusion of migrants in their new societies over the longer term is an often overlooked yet critical complement to entry policies.

Second, migrant workers, and in particular undocumented workers, are often excluded from basic coverage by social protection instruments and schemes.

Even those who do enjoy social protection risk losing their entitlements upon return or further onward mobility, as schemes often have long residency requirements, making it difficult for temporary migrants to claim their benefits. Agreements that ensure portability of earned benefits have a direct impact on the lives of millions of men and women on the move.

Third, while the net benefits of migration outweigh its costs – by a large margin - the public perception is often the opposite. Such public perceptions and attitudes negatively influence sound migration policy choices. This must be reversed so that policy is evidence-based and not perception-driven. Policies responding to false perceptions reinforce the apparent validity of these erroneous stereotypes and make recourse to proper policies that much harder.

The global compact for safe, orderly and regular migration is a key opportunity to address these issues hindering the development contribution of migrants. I look forward to your discussion of these issues in the next two days and beyond.

Thank you.