

Recommendations on the Conceptualization of Migration and its Contribution to Sustainable Development



Problems

- Origin countries, from which a large number of people living in vulnerable situations migrate, contribute to host countries in different ways, mainly by transferring their most valuable resource, their people, considered to be a primary source of wealth but also key players in the creation of social and cultural ties and political participation. These contributions are often rendered invisible by the imaginary negative ideas that the host societies form regarding them.
- The more developed countries demand a workforce to reduce the price of their productive processes; while much needed migrants contribute to this dynamic due to the fact that they are employed in productive sectors which demand labor-intensive work, the majority of migrants, on account of their irregular status, are subjected to conditions of excessive labor exploitation in those sectors (Marquez, 2010). This gives way to job insecurity, social exclusion, and discrimination, as well as other risks and dangers to which migrants are exposed to. Low wage compensation also doesn't allow them to move up the recipient country's social ladder.

In other words, it contributes to the international division of labor, the globalization of employment, and the general decrease in labor costs by providing workforce to sectors in need of it, which thus helps to tackle the industrial growth of developed countries, especially in the services sector. The contribution of migrants, therefore, "not only configures a static comparative advantage derived from lowering production costs, but it also contributes to the establishment of dynamic comparative advantages derived from their collaboration in accelerating innovation processes" (Delgado & Marquez, 2007).

- Migrants are a vulnerable group due to the stigmatization and exclusion they face, attributable to their irregular status, which include aggression, as a result of rising racism, and other forms that undermine human rights, access to work, and the right to freely exercise cultural rights, which characterize migrant communities, like language and religion, making it difficult for them to fully exercise their rights and to have a dignified life.
- Foreign exchange remittances sent by migrants benefit the economies of origin countries, generating an important contribution to their balance of payments and traditionally playing an important role in the survival of families around the world (Robles, 2001). Therefore, the social and economic impacts of this phenomenon are not limited to the family, but transcend to other areas, attracting the attention of governments and financial institutions.

Nonetheless, these same remittances can be seen as a new form of dependency since they are a commitment that migrants make to their families, to whom they send a fraction of their income to their origin country. This limits the consumer power of migrants as well as their potential for social development.

Previous studies have shown that the transfer of accrued profits are one of the primary sources of economic growth in home countries. For example, Colombia registered US\$ 4,858.7 million in remittances in 2016, and in Mexico, transfers from the United States increased by 15.1%.

- Although remittances are one of the highest sources of income for origin countries, different questions arise with regard to this phenomenon. The first issue arises from the economic benefit that is generated for the families of migrant workers; another questions whether this income succeeds in reducing poverty rates in society; and third, if the monetary investment actually contributes to widespread sustainable growth.

On that subject, Laura Tedesco, from FRIDE (Tedesco) lays out interesting answers to these questions. We actually would not be able to speak of sustained and generalized economic growth, and much less of a way to solve poverty, even though they help improve the quality of life of recipients, especially in the areas of education, health, food, public services and housing rental. This applies to Latin America and the Caribbean.

For Algeria or Morocco, the outlook changes. The remittances received in these countries manage to supply basic needs; sometimes, it's possible to pay for children's education but it doesn't result in sustainable economic growth or development.

- In its latest reports, the World Bank says that remittances help to decrease the level of poverty and increase the level of education. According to the same report, *"Diasporas can be an important source of trade, capital, technology, and knowledge for countries of origin and destination."* A question thus arises: Do those who send remittances belong to a low socioeconomic strata and do they help promote the eradication of poverty within these? That's not the case, most migrants don't belong to these strata, and therefore, the economic benefits don't achieve the eradication the poverty.
- With updated figures for 2014, the World Bank reports, *"The top recipients of officially recorded remittances in 2014 were India (\$70 billion), China (\$62 billion), the Philippines (\$28 billion), and Mexico (\$25 billion). Other large recipients included Nigeria, Egypt, Pakistan, Bangladesh, Vietnam and Indonesia. However, as a share of GDP, remittances were larger in smaller and lower income countries; top recipients relative to GDP in 2014 were Tajikistan (42%), Kyrgyz Republic (30%), Nepal (30%), and Moldova, Tonga, and Liberia (all 26%). Remittances sent home by migrants to developing countries are equivalent to more than three times the size of official development assistance."*

Considering this, it is concluded that remittances received by the migrants' beneficiaries only help their immediate environment, contributing to specific

growth, from a microeconomic point of view, but not from that of generalized growth.

- A matter worth mentioning is the high cost of sending remittances which in some way negatively impact migrants' finances and that of their families. The last World Bank quarterly report for June 2015 showed the high costs of sending and receiving remittances. According to some figures collected in that report: the average global cost of sending remittances dropped from 7.72% in the first quarter of the year to 7.68% in June 2015. In about 75% of countries is possible to send money with a 10% cost or less, but at the end of 2009, only half of the countries had a cost of 10% or less.
- Brain drain or highly skilled migration, is currently one of the main disadvantages and sacrifices for origin countries, as a consequence of the mass outflow of young, educated people and of skilled workers such as professionals, technicians and qualified personnel. This represents a loss on social investments in education made by the governments of origin countries, as well as socioeconomic obstacles and obstacles to contributions in scientific expertise for impoverished and developing countries (Altamirano, 2014).

On the other hand, however, it's a huge benefit for recipient countries as it means that they receive a qualified workforce without having to invest in their education or training since these expenses were already incurred by the migrants' countries of origin (Delgado, Marquez, & Rodriguez, 2009).

This is a significant savings for recipient countries which ultimately receive qualified and cheap labor in new professionals whose education they have not had to invest in. In this way, their economies are benefitted and the human capital concentration can widen the knowledge gap in science, technology and other disciplines that exist between countries.

- As with migrations of a different kind, the migration of foreign capital is also evident in migratory flows through monetary transfers, which are important for the development of countries. Beyond migrants' remittances to countries of origin, there are other types of transactions, mostly carried out by entrepreneurs, especially when their countries face instabilities caused by economic, political or social crises, and for whom there is a need to transfer their capital to financial institutions abroad or to invest in capital or consumption goods abroad (Altamirano, 2014). As a result, these recipient countries benefit from capital that has not been generated in their territory.
- Migrants contribute to recipient countries and encourage their economic growth through increased demand that, as a result, raises production demand which, in turn, is reflected in employment rates and the payment of taxes. Despite this, they often don't receive compensation for the contributions they make in regard to public services, optimal benefits and entitlements, affecting the exercise of their human rights and a dignified life. This can lead to a vicious cycle of poverty, where migrants make their contributions to the labor market of their host country but the

country instead allows the migrant's overexploitation in the absence of migration policies that eliminate social exclusion.

- On the other hand, the magnitude of the demographic transfer that is captured by developed countries such as the United States or Europe, compensates for the age imbalances generated by the process of aging of the native population (Canales, 2011). The cost - benefit relationship around demography is positive for countries that are experiencing a gradual process of population aging and therefore demand abundant skilled and unskilled labor, which is satisfied by the supply of migrants achieving, in this way, to maintain their levels of competitiveness.

Recommendations

- Migrants play an important role in the recipient country's wealth accumulation. As previously noted, migrants satisfy the requirements of certain segments of the workforce financially benefitting the host country, typically well developed countries in Europe and the United States, by strengthening economic and political growth in a new global framework of which migration is a part of. However, these people work in adverse conditions that benefit the markets because of excessive low wages. It is necessary to guarantee the right to obtain employment, equal pay, health benefits and a lifestyle with dignity in which migrants can more broadly contribute to the economy of the host countries, acknowledging the contributions made by migrants communities.
- To stimulate cooperation, develop concrete political policies regarding immigration and co-development to grow an appreciation of and integrate the fundamentals for which immigration can lead to a source of development, economic and social progress in the host country and country of origin with the greater focus on the latter: the contribution of migrants in both countries.
- To promote decisions and public policies to protect human rights and aimed at eliminating social exclusion and the misconception that migrants are a burden to the state and society. Allowing migrants the opportunity to achieve inclusion and citizenship. This along with the help of others such as the private sector, social development societies and the media can help promote a more objective, open and inclusive vision that embraces the advantages introduced by migrants because of the proximity to the citizenship as these directly influence the propagation of misconceptions, both negative and positive. Through an avenue open to cultural exchange there can be a fostering of mutual respect and understanding to bridge the gap between the two.
- A notable aspect of regulated migration is the tax contribution of migrants to the host country. In countries where most migrants are part of the labor market, with the age between 20 and 40 being the most productive, there is a greater tax contribution from the latter, which ends, as well as social contributions of the natives, in social investments and infrastructure (OECD).

- The study “*Global migration in figures, a joint contribution of the DESA and the OECD to the United Nations High Level Dialogue on Migration and Development*” revealed that total taxes contribution of migrants is greater than the benefits that they will ever receive in terms of social security, health and pensions. That is, the fiscal contribution of the migrant population increases the money collected by public institutions and, consequently, increases or improves social benefits (OECD).
- Migration is considered as a positive factor for the economic growth of both the country of origin and destination. In countries like the United States or the European Union, some migrants, motivated by their desire to succeed, create businesses, which in turn generate new jobs and vacancies that not only benefit other migrants but also native citizens. This has been evidenced in the last decade and more strongly from 2012 in countries such as the United States, where the performance of migrants in the management or production of development teams of leading private technology companies and their participation began to be more notable in almost half of the most recent and successful "startups" which were created or co-created by immigrants, generating around 760 jobs to date, vacancies that are also targeted at native Americans (Immigrants and Billion Dollar Startups, National Foundation for American Policy).
- Another type of local small and medium-sized enterprises are migrant products and services. Its contribution to the economic system lies in the transnational commercialization; the advantages of this system are undoubtedly the tax collection for the country of destination. Similarly, young migrants who arrive at the new destination for educational reasons and the children of migrants who have obtained their academic qualification, contribute significantly to research (R & D) and technological innovation, which translates in progress for the host country in terms of development.
- It is necessary to drive alternative development models, which lead to structural and political changes to improve living and working conditions of the population in home countries that make migrant partakers through projects of social transformation.
- To develop programs aimed to migrants, mainly those qualified and with some training by means of invite to re-connect this workforce to the home country and through this return they will be the ones leading this national development initiative.
- To disseminate “win to win” positive relationships based on the workforce provided by migrants, creating an extraordinary growth in competitiveness and workforce, and in turn, the satisfaction of demand. A clear example is New Zealand (Foreign Affairs), where faced with unsatisfied demand by the national fruit growers, the country was forced to open a labor offer for the harvest by going to migrant workforce of a nearby island called Tonga. The result was positive for both nations; on one side in New Zealand, the demand for agricultural labor was met; on the other side, in Tonga, the improvement in the quality of life for the families of those who migrated obtaining a source of income in the host country. Thus, the theory is reaffirmed that the phenomenon of migration, on many occasions, is not driven because of the decision of

an individual but because of the need to import workforce to the most industrialized countries.

- To create international alliances to strengthen the TOGETHER Campaign from the private and public sector, especially in countries where hate speech and the stigmatization of migrants is greater.

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