



**Dialogue on**  
**Globalization**

**CONFERENCE REPORT**  
**FES GENEVA**

**Multi-Stakeholder Dialogue IV**  
**Friedrich-Ebert-Stiftung &**  
**Evian Group at IMD**

**Perspectives on Key 21st Century Challenges:**  
**Demographics, Trade, Employment and**  
**Migration**

**IMD, Lausanne, Switzerland**  
**14 – 16 September 2007**

**Summary Report**  
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**Executive Summary:**

The Evian Group at IMD, in collaboration with the Friedrich-Ebert-Stiftung, organised a three-day Multi-Stakeholder Dialogue\* on the politically sensitive issue of international migration and globalisation. Participants originated from all corners of the globe – with a very strong contingency from Sub-Saharan Africa and Asia. Trade unionists, multinational executives, top-ranking civil servants, entrepreneurs, non-governmental representatives and academics exchanged open and frank assessments of the asymmetries that currently govern the disjointed management of global migration.

As the trend towards greater interdependence through the liberalisation of goods, services and capital proceeds, there is common acceptance that human migratory flows, be they forced or voluntary, are set to become inescapable priorities on the national, regional and international policy agendas. The profound global economic and social restructuring compounded by demographic trends – which is leading to growing supply and demand for workers of all skill levels originating outside national borders – implies a recognition on the part of sending and receiving countries of the interconnection of social outcomes previously considered unconnected.

Greater coherence and cooperation through the development of benchmarks, indicators and new practices are called for in establishing policy norms and trials that are mindful of reciprocal needs and sensitivities. Present inconsistencies that confuse the manifold origins and potential benefits or costs of international migration, combined with the existence of stringent controls and multiple forms of formal and informal abuses, have created governance and legal vacuums in stark disconnect with realities on the ground.

The Multi-Stakeholder Dialogue discussions on these highly charged issues navigated between two lines: mindset versus institutional considerations. International migration has humanitarian, security and economic aspects, but it also clearly involves problems of cultural perceptions from which it is impossible to shy away – particularly when it comes to the movement of the more disadvantaged segments of society. While the economic case for far greater flexibility in migration policies for sending and/or receiving countries may be compelling, the immense challenge is to create publicly acceptable frameworks that address double standards and adequately consider the freedom of personal choice and security of basic rights.

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\*The [agenda](http://www.fes-geneva.org) and [participants](http://www.fes-geneva.org) are available at [www.fes-geneva.org](http://www.fes-geneva.org)

In an attempt to offer a balanced examination of the dynamics of international migration, and the directions the flows are likely to take during the first decades of the new century, it is important to assess that which distinguishes present movements of people across borders from past trends. Ever since the very origins of our species and well into the future, migration will continue to be an intrinsic part of human behaviour, driven by multiple factors that influence our understanding and quest for well-being.

A few coarse statistics are worth bearing in mind. Although the data is far from satisfactory, there seems to be common agreement that we are in a period of relatively high migration.

- Official IOM data puts the number of migrants living on the planet at roughly 200 million people – which represents about 3% of the world population.
- This figure is growing at around 3% per year.
- Movement between countries of the South is at least as large as cross-border flows from poor to rich nations.<sup>1</sup>
- Worldwide trafficked migration – often akin to the modern slavery of the most vulnerable – is conservatively estimated to involve about 27 million human beings.
- Up to a quarter (and over) of the total migrant population in the United States and the European Union is living (and often working) without legal documents.

The financial counterparts of these numbers – without including the sums that surround the lucrative smuggling trade – are remittances that have grown faster than private capital flows over the past decade. They now represent one of the largest sources of finance for developing countries, well above official aid and possibly comparable in scale to foreign direct investment. Official estimates put the total amount in 2006 at about \$200 billion – complemented by a possible unofficial \$400 billion –, with South-South remittance flows making up 30 to 45 percent of total remittances received by developing countries

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<sup>1</sup> A recent World Bank Working Paper, “South-South Migration and Remittances”, offers the following breakdown: 2/5 of migrants on the globe reside in developing countries, 2/5 in OECD countries (10% of their population), and 1/5 in rich non-OECD countries. A sharp rise in South-South migration occurred with the break-up of the Soviet Union and the subsequent (re-) erection of national borders.

### Three distinctive features of contemporary migration

Three aspects of contemporary cross-border migratory flows were pinpointed at the Multi-Stakeholder Dialogue as specific to our current wave of globalisation – each of which should weigh on policy responses in home and destination countries.

- The first distinctive feature underlined at the meeting – possibly that which most clearly differentiates our epoch from the past – is that international migration no longer necessarily represents the type of scission from a migrant’s native society as it did only a few decades ago. Whereas previous generations had little choice but to shed large elements of their cultural background in an effort to adapt and assimilate in receiving countries – while breaking or severely loosening ties and contacts with home communities –, evolutions in transport, communications and media render this less true today. The existence of broadly established immigrant communities in destination countries further facilitates the transient and multiple residence nature of modern migration. While this phenomenon – the growth of transnational communities – raises a host of unknowns regarding social and national integration processes, the proliferation and intensification of diaspora networks between home and destination countries offer new possibilities in terms of exploiting migration as an instrument for development and co-operation.
- The second significant characteristic of our age is that present-day global integration is far less amenable to international migration – in terms of conduits and facilitating policies – compared to that experienced during the late 19th and early 20th century. In a globalising world in which international trade accounts for 25% of the world economy and trillions of dollars move around capital markets each day, international migration flows remain minuscule in comparison. The principles of liberalisation have so far excluded labour mobility – especially that of the lesser skilled while certain regimes have been put in place for skilled transnational professionals – in an apparent convention that can be questioned on grounds of equity. In an increasingly open and integrated world economy, the highly restrictive and severely controlled nature of global labour markets sticks out as idiosyncratic – linked in no small measure to the tremen-

dously contentious politics of migration and employment in rich countries. The existence (and mounting awareness) of inequalities and huge income differentials are extremely potent driving migratory forces that appear unlikely to subside in the near future.<sup>2</sup> Legal channels that harness these flows – while deterring hazardous irregular routes – will have to be explored despite the many practical difficulties their implementation may pose.

- The third specificity emphasised during the dialogue is the well-documented issue of demographic divergences. Population growth between today and 2050 will essentially be confined to developing countries, with a radical recasting of the global demographic map. A large proportion of this growth will be taking place in urban areas, which also represents a distinct feature of our times. Greying societies in the North will be faced with a number of challenges – generational conflict, social security funding, pension arrangements, comparative loss of dynamism – for which inward migration could offer an outlet (although not a solution in itself to the looming pensions crisis in some countries). The huge demand for low-end jobs (dirty, demeaning and dangerous) as a force pulling migrants towards rich countries is not about to abate. Many regions of the South will eventually have to deal with ageing populations without adequate social protection systems in place to counter the erosion of traditional forms of solidarity. By then, wealth disparities, skewed opportunities, competition for resources, conflict, greater exposure to changing weather patterns associated with global warming, and failure to secure a reliable supply of clean water could all considerably augment the propensity to seek a better life abroad.

### **The pattern of international economic migration is increasingly complex**

In addressing the issue of international migration and how this relates to the challenges of globalisation, the Multi-stakeholder Dialogue worked under the strict confines of flows driven by economic needs and their link to human welfare.

<sup>2</sup> The ILO estimates the number of working poor living on less than a dollar a day at 20% of world employment; that is 550 million people. Even if the Millennium Development Goals are reached by 2015 there will still be two billion people living on less than two dollars a day. With such wide income differentials, many people simply have far too much to gain from crossing borders not to try.

Outside of the displacement of refugees through conflict and persecution, more often than not, it is economic necessity that drives individuals to migrate, not a desire to definitively uproot themselves and their families in a foreign land. Most migrants (admittedly not all) aspire to return once a better future has been secured both at home and abroad. It is on the back of this contention that a constructive policy of international engagement and shared responsibilities can be built.

It is important to emphasise that internal migration, as a consequence of development and quite drastic social transformations, supersedes by far international migration. This is particularly true of the two emerging powerhouses that are China and India, but can also be witnessed in many other countries of the world such as the Russian Federation. The statistics presented in introduction to this report also show that an overview of migratory flows cannot be narrowed down to a simple two-way channel between North and South. The Gulf States, China, India, South Africa, Russia and the Asian tigers are important destination countries, while Morocco, Mexico, Libya, Poland or Romania have become stepping stones for intermediary migration. The pattern of international migration is becoming incredibly complicated.

### **A better understanding of labour flows in the global economy**

There is a far better understanding of the role the freer movement of labour plays in the global economy. The fact that remittances outpace development assistance and have become a major source of capital for many countries is generating considerable debate. There are also better calculations of the real gains that liberalising the movement of labour can bring in terms of overall wealth creation effects. Even minor relaxations of immigration controls could yield very large gains.<sup>3</sup>

Fears within the development community of a 'brain drain' have now refocused to a certain extent on emphasising the positive aspects of 'brain circulation', 'brain gain', 'virtual return' or 'reverse technology transfer'. This can be seen in the renewed emphasis on temporary contractual

<sup>3</sup> The World Bank GEP 2006, "Economic Implications of Remittances and Migration", estimates that a 3% increase in rich country workforces (an extra 14 million migrant workers) between 2001 and 2025 could generate an additional \$356 billion a year. A number of commentators believe this sum underestimates the probable economic gains from the added diversity and innovation migrants bring.

arrangements as well as the possibilities of tapping into a diaspora 'brain bank' (although the poaching of certain skills – health care in particular – clearly creates problems). In many sectors there essentially exists an open and extremely competitive global market for skilled labour. One of the newer elements to come to light is the potential economic benefit of the movement of unskilled labour, which remains the most controversial and widely resisted type of international migration.

Discussions at the meeting highlighted that as our understanding of these advantages improves, politics are shifting to a highly reactive, populist and emotional attitude towards migration – with security often used as a trump card. The symbolism of the US wall on the Mexican border, the enclosement of the Spanish enclave of Ceuta behind six-meter-high fences, and the electoral gains of anti-immigration parties throughout Europe clearly illustrate the dilemma we face.

Nevertheless, some attitudes are changing. One of the elements to come out quite strongly from the Multi-stakeholder Dialogue was the real change in pitch that can be heard in parts of the labour union movement for example. They are moving away from protection of existing jobs to pointing to the employment implications of trade liberalisation and the fact that adequately dealing and planning for these implications is part of an agenda that engenders development benefits. This includes guaranteeing and defending the rights of the thousands of undocumented low-skill migrants currently working in rich countries, ensuring labour standards and social justice are adhered to in temporary migration work programmes, and relaying the concerns of low-wage natives who fear for their livelihood.

### **Poor prospects for a multilateral framework and WTO consensus**

Many of the participants at the meeting were from the trade community. There continues to exist within the WTO strong resistance to deal with the movement of labour and the consequences of an expanded trade programme on issues that were once thought to be at the margins. Labour is not a new issue on the trade agenda, as it has been dealt with in various ways and forms. After the establishment of the WTO, the key preoccupation turned around labour rights and standards and the extent to which they could be applied to trade. In the current services negotiations there are GATS mode-4 provisions on the 'temporary movement of natu-

ral persons' that aim to build on the opportunities of multilaterally managed migratory flows. But along with the rest of the Doha Round, negotiations presently appear to be at an impasse. Yet there is little doubt that a comprehensive international discussion about migration at the WTO would be helpful, as even a limited agreement covering certain service sectors could serve as a guide or benchmark for future practices and multilateral cooperation.<sup>4</sup>

However, a very broad consensus did emerge at the meeting that managing international migration on a multilateral basis is probably beyond reach at the moment. Four reasons were identified as frustrating the demands of developing countries in the Doha Round on this issue.

- The first is the bias engrained in GATS towards the movement of skilled labour to the neglect of unskilled labour.
- The second is the very strong reluctance on the part of recipient countries to liberalise migratory flows on an MFN basis.
- The third is the friction between the cyclical nature of labour markets and the permanency of binding trade commitments.
- And to be added to this list is a populist backlash in many domestic constituencies.

Making the movement of the lesser skilled easier through the establishment of temporary work schemes is a central demand of many developing countries in the WTO services negotiations that is not being met. There seems to be growing acceptance that such temporary agreements, which encourage circular migration, could provide many of the benefits of migration coupled with less domestic discord. They could be applied to the advantage of both richer and poorer countries without the political and cultural concerns that permanent settlement or residency entail. But given widespread resistance, and engrained power imbalances in the negotiating process, most participants echoed the point of view that unilateral, bilateral and regional agreements are likely to offer a better way forward in the short to medium term.

### **The renewed emphasis on temporary schemes and bilateral agreements**

With the exception of highly skilled transnational professionals and intra-MNC transferees, most

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<sup>4</sup> Moving forward on issues of concern to many developing countries in the Doha Development Agenda such as agriculture and peak tariffs would also be a step in the right direction in terms of easing push factors.

existing temporary (or “guest”) worker programmes that could best benefit the poor take place outside of trade agreements. It was underlined that when looking at the temporary labour mobility practices that emerge from these agreements, it is essential to consider the institutional environment that ensures that sending and receiving countries – and crucially workers and their families – all benefit from the possibilities of enhanced mobility. Facilitating policies must spread all along the skill ladder, and the right balance must be found between the rights and obligations of sending and receiving countries as well as workers and employers.

An important point that was made at the meeting regarding the beneficial prospects of bilateral migration agreements and their attendant temporary schemes, is that, regardless of their design, they will inherently run into an incentive dilemma, as over-staying will remain an option. This may not be a major stumbling block but it nevertheless needs to be recognised.<sup>5</sup> In order to assist poor nations the most, the return of workers to home countries must be ensured as far as possible. This implies that employers will have to accept greater scrutiny and that appropriate worker incentives – portability of social security and pension contributions, tax breaks in home countries, a percentage of income deposited in escrow accounts, facilitating reduced-cost channels for remittances – are formally structured and understood.<sup>6</sup>

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<sup>5</sup> The history of many guest worker programmes has led many migration specialists to conclude that there is nothing more permanent than a temporary worker, the most notable example being Germany’s experience with Turkish migrants. Policy discussions now focus on the provisions that ensure return.

<sup>6</sup> A number of models of temporary migration programmes already exist, the most celebrated of which is the Canadian Seasonal Agricultural Workers Program (SAWP) with the Caribbean and Mexico, which began over 40 years ago. Canada is also experiencing with a more limited Low Skilled Workers Pilot Program between the Province of Quebec and Guatemala, in which the IOM provides technical assistance. Four other encouraging examples that were cited at the meeting are the bilateral agreements between Spain and Ecuador, Italy and Egypt, Italy and Albania and the EU-facilitated pilot job offer scheme between Spain, France and Mali.

In terms of constructive practices between countries of the South, Argentina’s new immigration law that simplifies legal residence for foreigners in line with Mercosur requirements was referred to – also mentioned was its bilateral agreements with Bolivia and Peru –, as was the visa-free movement of people taking place under the Economic Community of West African States. Several agreements that account for most legal cross-border flows also exist in the Former Soviet Union and Central Asia. On top of these agree-

### **Creating channels for the lesser skilled and promoting circular migration**

A note of caution was introduced during the discussions on the renewed interest in temporary schemes that channel migratory flows in response to labour demand in rich countries. Recommendations and policy suggestions often appear to concentrate on meeting the needs of receiving countries, with insufficient attention given to that of migrants and/or their home countries. While the US Congress was recently embroiled in its failed immigration reform bill, the impact the proposed reforms would have on Mexico, for example, came out as secondary. As the EU Justice Commission launches a debate on the introduction of a “blue card” that aims to double the EU’s foreign-born population by 2030 on a skill-based system, in the policy debate that aims to reverse the trend whereby 85 percent of unskilled workers from developing countries land in the EU as opposed to only 5 percent of skilled workers, moderate concern is shown for the implications this would have on its partners. The key word here is interdependence, with a sense of security and confidence in each other’s regimes and intentions.

With respect to building the capacity of the people and agencies that manage migration in origin countries, it was remarked that Asia is far ahead of most African states. Ministries of labour and civil servants often find it difficult to mainstream the issues at hand, including the ones related to the diaspora and the manner in which policies should be prioritised. For ministries to be able to manage migration and allow a country to reap the maximum benefits from its labour exports and expatriate community, they have to be aware of the skills both within and outside the country, and the pull factors that are drawing in those skills. As migration is increasingly perceived as a tool for sustainable poverty reduction – to the extent that it is now often included in Poverty Reduction Strategies –, developing the capacity to govern these flows beyond exogenous forces was identified by many participants as crucial.

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ments, consultation processes are emerging in many developing regions of the world to appraise regional cooperation on migration issues, although their prime focus is often on security (in contrast to North-South migration, South-South migration is less driven by income differences than proximity and networks, and is overwhelmingly intra-regional).

If labour exports are exclusively determined by foreign labour markets, then the composition of these exports may bear very little relation to the 'surplus labour' at home. The lack of domestic productive capacity to absorb labour, the opportunities for improved standards of living overseas, and the increasingly aggressive courting of highly skilled workers on the part of rich-country governments implies that the emigration of highly educated workers rose by two-thirds between 1990 and 2000. With this in mind, three elements were identified as part of the package that could strengthen the link between temporary worker schemes, circular migration and development.

- Emphasised throughout the meeting was the need to create wider channels for low-skilled workers with flexible and renewable working arrangements.
- The importance of devising development-sensitive approaches to recruitment as well as employment assistance upon return was also highlighted.
- Finally enforcing provisions for return at the end of fixed-term contracts – while guaranteeing equal rights on the job – was put forward.<sup>7</sup>

Under these circumstances, this circular migration could be described as a 'win-win-win' situation in which receiving countries get workers without the "inconvenience" of new settlers, migrants gain economically (while also acquiring skills, contacts and experience), and origin countries benefit through support for development objectives and a better management of domestic skill flows.

### **Challenging the link between international migration and development**

Many of the discussions at the Multi-stakeholder Dialogue persevered on this link between international migration, global labour mobility and development.<sup>8</sup> While it is clear that migration has links to development and vice versa, the intersection between the two is one where there are many opportunities to misinterpret the connection between symptom and cause.

Migration is inevitable, but the direction is not: it is a function of differential opportunities, which in turn are often the result of either failed developmental strategies or differed stages in the process of nation building (with the two intertwining). Migration is both the cause and the result of social change, and to the extent that development and globalisation create more social dislocations, they are a push towards increased migration. Most developing countries – and this was emphasised quite strongly at the meeting – have ambiguous feelings about emigration. It is often perceived as a sign of failure, especially when it comes to the exodus of the brightest and highly skilled workers and students. The many abuses illegal migrants succumb to, are also a considerable dent to national pride.

The new surge of interest in international migration and development (and the economics of labour mobility) is linked to a better understanding of the role labour plays in the global economy, as mentioned in introduction to this report. It is also related to the hope in major destination countries that accelerated development could stem migratory flows. While there remains considerable disagreement among experts on the impact of remittance flows on the long-term development prospects of countries of origin – with home countries often failing to convert this income into sustainable productive capacity –, there is little doubt that remittances (as long as they continue to flow) can greatly improve the lives of those living in poverty. In contrast to official aid programmes, remittances are channelled directly to the poor people they are intended to help. And beyond providing them with a basic minimum, there appears to be mounting evidence that a substantive share of this income is spent on basic health, precautionary savings and education.

When it comes to the net developmental losses related to the flip side of the migration debate, the loss of skills and the 'brain drain', an increasing number of scholars and policy-makers appear to be questioning dire assumptions about the impact of the employment abroad of educated and talented nationals. In certain sectors there are very good reasons to be concerned, particularly when it comes to doctors and health care workers – but also managerial and engineering talent –, and it remains important to ensure that sufficient people with the right skills remain in their native countries. But in an increasingly interdependent and globalised world that can be coined as 'high velocity', the link between migration and development is far more

<sup>7</sup> ILO Guidelines on the rights of migrant workers and UN Conventions exist.

<sup>8</sup> Particular attention was paid to the relation between Europe and Africa and the recent bulge in migratory pressures between the two continents.

complex (and enriching) than the simple trade-offs between remittances and the loss of skills.

### **Tapping into the potential and vibrancy of diaspora networks**

Countries of origin can gain much more from their diaspora networks than remittances. In the long run their experience, skills, know-how, social connections, adaptability and investments can have very important effects. High skilled migrants can develop new entrepreneurial networks and foster innovation by creating social and economic links with home countries. The circulation of brains can bring enormous benefits by stimulating trade and investment while spreading knowledge and technology between distant economies.<sup>9</sup> Neither are these potential gains limited to the highly skilled. The accumulated capital, know-how and contacts of poorer migrants, who are increasingly deepening ties with home communities through cheaper transport and communications, can also generate new dynamism and opportunities in home communities.

As underlined in the context of capacity building in African states, turning the export of skills and manpower into a process of 'brain circulation' while tapping into a global diaspora 'brain bank' requires a number of accommodating conditions, considerable efforts in building links, and some sound public policy. In terms of institutional arrangements, the onus appears to be on flexible migration, as the most successful returns occur in primarily voluntary settings that are not curtailed by definitive visa expiries.

### **Concluding Remarks**

Government attempts to control international migration in the face of the many social transformations induced by globalisation, demographics and technological change appear ineffective and inequitable. The debate needs to be modified to address the management rather than the containment of the movement of people behind borders and walls. Certain double

standards need to be redressed. In particular, a regime for flexible working class and low skilled migration should be established as an endeavour to tackling poverty and countering dangerous irregular channels. Too many individuals are being forced or driven out of desperation into the hands of unscrupulous criminal elements only to find themselves unwelcome, misunderstood and exploited in countries of destination.

Yet the priority remains, as discussed extensively at the meeting on the nature of relations between Africa and Europe, addressing the developmental failures that are pushing many citizens to uproot themselves out of lack of alternative prospects. One should first look at the ways and means to improve the situation of the countries of origin while, at the same time, putting in place institutional arrangements at the international level that can act as a safety valve and ease the internal pressures related to poor governance and economic mismanagement.

There are also clearly concerns over absorption capacity in receiving countries. Youth unemployment remains high in many European countries, for example, and there are prevalent worries on the wage depreciation, public finance weight and job crowding effects associated with migration. There is very little conclusive research on migration's economic impact and the domestic skill groups most affected by these flows. There are nonetheless serious social and economic shortfalls – that feed into perceptions and public policy orientations – in most destination countries that have to be tackled. The opening of borders to migrants must be seen within this context of internal social divisions. The difficult issue of patterns of accommodation between multiculturalism, individual or group rights, and the assimilation into urban ghettos is also an integral part of this debate.

The rich and frank discussions at the meeting confirmed the many disagreements that exist among different stakeholders on the link between employment, migration and development in the context of globalisation. International migration is an extremely sensitive topic that can no longer continue being ducked. There are many policy proposals that are being put forward to better regulate international migration in a fairer and more transparent manner. While tackling the root causes of international economic migration, rather than seeing it as a threat, the opportunities it can bring could be better seized.

<sup>9</sup> China and India were presented as countries that are now tapping into the potential of their émigrés networks of scientists, entrepreneurs and engineers in certain sectors. Examples can also be found in countries as diverse as Bangladesh, South Africa, Taiwan or Russia. In 2005, foreign students earned half or more of all US doctorates in engineering, mathematics, computer sciences, physics and economics, and during the past two decades, the share of science and engineering master's degrees earned by temporary residents rose by 19 to 28 percent.

More information is available on  
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