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The 2018 Global Migration Compact

A Major Breakthrough or an Opportunity Lost or Both?

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A Global Migration Agreement: Why So Important, Yet Why So Elusive

"Migration is closely interwoven with human history"—the saying sounds like a cliché but it surely remains valid. Time was when cross-border migration was relatively free and unfettered. Military conquests, armed conflicts, famine, pestilence, natural disasters and the like shaped the course of human mobility. Things changed in 1648 when the Westphalia agreement was signed and the concept of sovereignty of nation state was embodied in international law and started gaining ground in state practices. Cross border human mobility became a subject of inter-state negotiation and agreement. And, with the rising trend in economic globalisation, including expansion of trade in goods, services and capital, nation states felt compelled to cooperate in managing cross-border migration to enhance their respective interests, and contribute to global wealth. But not infrequently, the process also entails difficulties.

Experience shows that when cross-border movements are well managed, harmonising the needs and interests of the countries concerned, and ensuring the rights and welfare of the migrants themselves, be it on a bilateral, plurilateral or international basis, this could yield enormous benefits, creating a win-win situation for all parties concerned. It can then be a great opportunity—it can promote growth and increase income,

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contribute to innovativeness and entrepreneurial initiative and enrich cultural diversity.

If, however migration is badly managed, it could become detrimental to national growth and international development, detrimental to human rights and dignity of migrants, increase social and inter-state tension and can even threaten global peace.

The question then arises: What is specifically meant by "well managed migration"? How does it differ from *badly managed migration*?

Migration can be, and often is, badly managed either in origin or destination (including transit) countries or both. This happens when, for example, migration in origin countries takes place under economic or political *compulsion*, or by a mixture of them and not as a matter of free and rational choice and thus becomes disorderly and disruptive and largely unwanted abroad.

When this happens and receiving countries feel swamped by gathering waves of disruptive and unpredictable inflows and fears grow that immigration is getting out of control, many governments become even more restrictive, creating a vicious circle.

This also happens when, xenophobic prejudice, prevalence of faulty notion, re-enforced by populist propaganda, about the negative consequences of immigration or pressure of vested interest groups, destination countries impose undue restrictions on entry, despite a real demand for migrant workers to meet labour and demographic needs or when migrants are subjected to discrimination and their potential remains un- or under-utilized.

The concurrence of these two happenings makes the situations worse. On the one hand, the origin countries are faced with a rising pressure of disorderly and mostly unwanted emigration, and on the other, the opportunities for legal entry in destination countries keep dwindling.

The challenge for a global migration agreement is to ensure that action is taken at both ends of the flow so that migration becomes regular and that the two conflicting forces—rising emigration pressure in origin countries and dwindling opportunities for legal entry in destination countries—are brought into a dynamic harmony.

The EU, which had earlier followed a "fortress" approach to deal with the pressure of immigration at its external borders, has come to realise the importance of taking action at the end of the origin countries as well, which it has been doing under the labels of "global approach" (see Chap. 3) and more recently, "partnership agreements". The destination countries openness should not be unfettered, but regulated in keeping with an agreed set of norms and principles reflecting the needs and conditions of both groups of countries.[1]

As for the origin countries, it is useful to make a distinction between survival migration and opportunity-seeking migration Briefly speaking, survival migrants move under the compulsion of poverty, hunger, despair or political persecution. They move not out of their own volition, but because they are forced to do so. They are apt to feel they have little to lose by taking the risk of seeking to move through any available irregular channel. By contrast, for opportunity-seeking migrants the movement is a matter of choice, based on a rational assessment of the costs and benefits involved. They are also more likely to have an adequate knowledge of the basic conditions in the destination countries. Also, unlike irregular migrants they prepare themselves well in advance, and would normally avoid the costs and risks of irregular entry (Ghosh 1998a, b).

Under a well-managed migration system, origin countries would be open to opportunity-seeking migration, and try to avoid or at least minimise survival migration by attacking the root causes.

1.1 Global Migration: Gains from Well-Managed Migration

Countries differ in the supply of labour relative to the availability of capital and other resources or endowments. So, labour mobility from a labour-surplus country, suffering from high unemployment to a labour-short and capital-rich country yields all-round benefits. It leads to a more efficient use of labour and narrows inter-country wage differences. The origin countries benefit from less unemployment and a boost for

[1] For a discussion on the superiority of regulated openness over unfettered open borders see Bimal Ghosh, "Managing Migration: Towards the Missing Regime" *in Migration without Borders,* UNESCO, Paris 2008.

economic growth through remittances and access to strategic inputs and improved skills in case of return. The receiving country gains as immigration removes labour scarcity, facilitates occupational mobility and often leads to a country's human capital stock. By doing so, it reduces wage-push inflationary pressure, helps fuller utilisation of productive capital, and thus boosts economic growth. The migrants themselves gain from higher wages and improved productivity in the destination country.

But labour is not a unitary commodity; its efficacy often varies between countries, depending on the levels of workers' education, their sector/industry-specific skills and aptitude, technology used and other factors. In estimating the real benefits, account must also be taken of the aggregate labour efficacy of the migrant.

The availability and levels of specific skills also matter. Even a country with a low general level of labour efficiency may be rich in certain specific skills. An exchange of such skills through migration also yields reciprocal benefits for them. (further discussed in Chap. 2).

Already in 1984, an estimate made Hamilton and Whaley showed that the efficiency from removal of barriers to labour mobility across countries could double the global income. Another estimate made in 2004, shows that even a 10% increase in international labour mobility would generate an annual economic gain, adjusted for inter-country differences in labour efficiency, of about $774 billion income gain in 1998 dollar (Moses et al. 2004) Similarly, a recent analysis by Dan Rodrik at Kennedy School of Government showed that since wages for similarly qualified workers in developed and developing countries differ sharply—by a factor of 10 or more as against a difference for commodities and financial assets that rarely exceed a ratio of 1:2, the gains from labour mobility could be enormous—roughly 25 times larger than the gains from liberalisation of movement of capital and goods (Rodrik 2002). He also estimated that even a modest increase in temporary admission of poor country workers of no more than 3 percent of rich countries' labour force could yield a benefit of $200 billion for the developing world.

To illustrate further, a recent IMF study shows that a 1 (one) per cent increase in share of adult population of a receiving country increases GDP per person by 2% in the long term (Jaumotte et al. 2016). Likewise, in 2005 the World Bank estimated that a rise in emigration from