

OECD Ministerial Meeting in Paris: Speech by Peter D Sutherland

2nd December 2014

My sincere thanks to Secretary General Gurría for inviting me to join you.

Migration is one of the morally, politically, and economically defining issues of the 21st century. As proof of this I only have to point to the 23,000 souls who have died trying to cross the Mediterranean since 2000, including over 3,200 thus far this year, or to the many thousands of others who have perished in the Gulf of Aden and in the South Pacific. So this is increasingly presenting as one of the great, indelible stains on our generation of leaders.

The OECD, by its very name, is an institution focused on economics. But our societies, as Pope Francis underscored last week, "revolve not around the economy but around the sacredness of the human person." Speaking of migrants specifically, he added: "There needs to be a united response to the question of migration. We cannot allow the Mediterranean to become a vast cemetery. The boats landing daily on the shores of Europe are filled with men and women who need acceptance and assistance." As main actors in development, we must work in earnest to build this united front of acceptance and assistance.

I have two goals today.

- First, I want to persuade you how critical it is for all of us to fully engage our publics on migration and asylum issues—and not, through silence, to abet the rise of those who dream of national purity. If we speak openly and truthfully about migration and asylum, we will help to dispel misconceptions that seriously constrain our ability to make reasonable policy. We also will be able to tap the moral sensibilities of our fellow citizens.
- Second, I'd like to explain why we must make it a priority to include migration in the Post-2015 UN Development Agenda. Migration, in and of itself, cannot be judged as good or bad—it is simply part of human nature. We always have had wanderlust and reasons to seek a better life somewhere other than where we were born. Even in Europe, the most prosperous continent on Earth, we are experiencing significant waves of *emigration*. But the question we face is whether we will run from migration—or embrace the opportunities and challenges it generates. At the moment, we are doing a lot of running from it. As a result, we have relinquished control to bad actors who exploit migrants—smugglers, unscrupulous employers, venal recruiters—and to right-wing populists, who are subverting the European project. We are thus debasing government, destroying public trust in our ability as leaders, and

damaging our policy goals.

Let me be clear: I am not making an argument for more or for less migration—although I do make the case for OECD countries to resettle more refugees. I am arguing for putting in place policies that will allow migration to occur in a safer, more orderly manner, and that also improve development outcomes. If we can achieve this, I am confident that the public will be on our side. In fact in some respects, we are seeing modest signs of progress. President Obama’s speech and executive action last month of course stands out, so too does Germany’s exceptional efforts both to shelter refugees and to integrate migrants in recent years. Morocco, for decades one of the best at engaging and protecting its diaspora, has now set out an immigration framework that is ambitious and in a positive spirit. Turkey, too, has shown great progress in organizing its migration system in a thoughtful way (while also burdening an extraordinary refugee load), and so too has Brazil.

But these are more exceptions than the rule. We cannot win over the public if our politicians fail to speak the truth about migration. Anti-immigrant sentiment stems largely from misinformation, not entrenched animus. The recent Transatlantic Trends survey from the German Marshall Fund found that concern about immigrants falls sharply when people are given even the most basic facts. For example, when asked if there are too many immigrants in their country, 38% of the Americans surveyed agreed. But when respondents were told how many foreigners actually reside in the US before being asked that question, their views changed significantly: just 21% replied that there were too many. The same was true in country after country. In the UK, 54% of respondents said that there were too many immigrants; that number fell to 31% among those who were given the facts about foreigners. In Greece, 58% became 27%; Italy went from 44% to 22%; and so on. The only countries without such a gap were those with either very little immigration, like Poland, or those with a more open, informed, and progressive political debate about immigration, like Germany.

Other surveys have exposed extraordinary inaccuracies in perceptions of migrants. In many developed countries, for example, the public believes that there are three times as many immigrants residing in their country as there really are. The average Briton believes that 34% of UK residents are foreigners; the true number is just 11%. Such distortions mostly disappear in countries where migration challenges are confronted openly, discussed reasonably, and addressed with conviction. As a result, populism in these societies is not on the rise, and mainstream politicians do not vilify minorities and migrants. In Spain and Portugal, for example, where unemployment is very high, populist parties barely have a foothold. In fact, these countries’ citizens generally support legal migration and perceive integration efforts as being successful. In Germany, 62% of those surveyed by the German Marshall Fund view immigration as more of an opportunity than a problem. In Portugal, when asked if first-generation immigrants are well integrated, 79% of respondents said yes, as did 63% of those surveyed in Spain.

This constitutes strong evidence that reality-based debate and policymaking can

fundamentally transform the negative political dynamics generated by migration. It also suggests that, by failing to engage voters on the reality of migration, mainstream politicians in Europe are manufacturing support for extremist parties. This self-inflicted political wound is extremely dangerous. A deliberative approach to engaging the public on other aspects of migration also could help quell anti-migrant sentiment. For example, recent research in several countries shows that immigrants as a whole contribute more economically to their communities than they take from them. In Germany, a study by the Bertelsmann Foundation, released last month, shows that the net fiscal contribution per migrant amounted to €3,300 (\$4,260) in 2012. In the US, it is estimated that immigrants have paid \$100 billion into the social security system over the past decade—monies that they do not intend to claim. Thanks to President Obama's executive action last month, meanwhile, migrants who are given work permits and brought into the system are expected to contribute \$45 billion over five years in payroll taxes alone. Such data upend the conventional wisdom that migrants are a drain on public services.

Of course, migration creates real challenges for communities and can lead to job losses and lower wages for native workers. But I believe it is not so much the presence of migrants in Europe that has made migration such a toxic political issue. It is the absence of policies to manage migration. Implementing vigorous retraining programs, for example, would be a better way to counter these adverse effects than calling for mass deportations. This is one reason why labour unions, which once opposed immigration across the board, are now far more supportive of measures that would legalize undocumented workers and create more pathways for migration. Informed public debate is the sine qua non of a democratic polity. In its absence, bias and populism prevail.

The immigration debate will never be an easy one, but it can become less tendentious and more deliberative if its participants consider the facts. This is equally relevant in the international realm as well, and specifically in the context of the post-2015 UN development agenda. This is, in fact, is a once-in-a-generation moment. What we are endeavoring to achieve by integrating migration into the P2015 agenda is, quite honestly, a very modest step. And it is modest especially in light of the massive changes in how people move that we have seen over the past generation—in where they go, in the number of countries involved in the migration game, and in the scale of the economic contributions that migrants make. Twenty years ago, the membership of the IOM consisted of just a few dozen countries. It now stands at over 150—a sign of how eager, even desperate, states are to understand how they should manage immigration, emigration, and their diasporas. Twenty years ago, the human smuggling industry was a small fraction of the size it is today, charging \$1,000 to navigate the US-Mexico border. Today, a single boat crossing the Mediterranean can gross \$2 million for criminal syndicates, and the smuggling industry is now larger than the illicit trade in drugs and arms. And in the past 20 years, by IOM's very conservative count, at least 40,000 international migrants have died crossing borders—a tally that does not include deaths in detention or at the workplace. The World Bank estimates that if all international migrants were grouped together, they would constitute the world's sixth largest economy, with a GDP of \$2.6 trillion. Yet if this were indeed a country, it would be the Wild West. Regulation, norms, standards are all lacking. Including migration in the P2015 agenda is a modest step towards redressing this gap.

I have spent two years thinking hard about the post-2015 agenda and have led a group of Member States, international organizations, civil society, and experts to develop the evidence and arguments for why migration—when it takes place in a safe, orderly, and responsible way—contributes powerfully to countries of origin and destination, and above all to the families of migrants. I can say, without the slightest shadow of a doubt, that migration deserves to be a prominent part of the post-2015 agenda. We have overwhelming evidence that smart policy interventions can help us protect the rights of migrants—suppress the activities of bad actors like smugglers and rapacious recruiters—and draw out the economic, social, and human benefits of migration. Remittances capture migration’s impact in a compelling way. Migrants sent \$414 billion to developing countries alone in 2013—a number projected to cross the half-trillion mark by 2016, triple the amount of overseas development assistance. Global remittances, including those to high-income countries, are estimated to touch \$550 billion this year, and reach a record \$707 billion by 2016. These flows are far more reliable than other funding sources: When the global financial crisis hit, FDI in developing countries plunged 89%, while remittances dipped just 5%; today, they are growing 9% annually. And remittances go directly to the people who know how to use them best. In Bangladesh, just 13% of households that receive remittances are below the poverty line, compared to 34% of those that do not. A decade ago, migrants paid an average of nearly 15% to intermediaries like Western Union to transfer their money home. Today, that number is about 7%. In some places, it is nearly zero, as a result of a determined effort by policymakers to ensure that more of the hard-earned money of migrants stays with them.

But remittances tell only a small part of the story of how human mobility is shaping our world for the better. Receiving communities, for instance, rely on migrants to help meet critical needs for laborers. They perform the most fundamental tasks, from building roads and homes, to taking care of the very young and the very old. We also know migrants spark innovation: In the US, patent issuance rose by 15% with each 1.3% increase in the share of migrant university graduates. Consider as well the taxes migrants pay, the investments they make, and the trade they stimulate. Migrant savings kept in countries of destination today total nearly €400 billion. We have learned, meanwhile, that migration does not necessarily take jobs from natives (in net terms): According to one recent study, on average, every new migrant creates one new job, thus expanding the overall economy. In origin countries, migration supports the balance of payments, making it easier to pay for critical imports, access capital markets, and reduce interest rates on sovereign debt. All this makes our nations and communities more prosperous and resilient. So the evidence is clear: migration is development.

It is also clear that unleashing the potential of migration is within our reach. With the right incentives, governments and the private sector can be encouraged to pursue policies that protect the rights of migrants, that allow them to work in decent conditions, and that prevent discrimination. This is not rocket science—it is common sense. Let us reduce the cost of remittances from today’s weighted average of almost 7%—let’s take it all the way down to almost zero, so that an extra \$35 billion can reach the hands of the world’s poorest people. Let us put crooked middlemen

out of business, so workers take home what they earn, rather than lining the nests of recruiters. This will direct tens of billions more every year to the poorest families in the world. To achieve this, we need to pursue ethical recruitment and innovations like insurance for migrants. Let us ensure migrant workers have the same rights as others, that they receive decent health care, and that their children enjoy equal opportunities at school. There is no good reason, for instance, why some states can protect the fundamental labor rights of their workers abroad and others cannot. It is not acceptable that only about 20% of international migrants can take their social security benefits with them when they return home—especially when some countries (Turkey and Morocco) are able to ensure, through bilateral agreements, that over 80% of their migrants enjoy these rights. This is not about charity. It is about basic fairness. How we treat migrants says more about us than it does about them. Migration is also a litmus test for the relevance of the post-2015 agenda.

How can it possibly ignore the world's most powerful agents of development, migrants? Last summer, Jeff Sachs and Bjorn Lomborg—two of the loudest voices in this debate—wrote that the post-2015 agenda will direct more than \$700 billion in resources over 15 years to the SDGs that ultimately are chosen. Well, I am not an economist, but by my calculations migrants contribute at least that much every single year to development. How could we not take this into account?

It is true, of course, that migration creates winner and losers. And this is precisely why it is vital we include migration in the post-2015 agenda—to try to redress the balance and to make migration safe, fair, and orderly.

In sum, the post-2015 agenda can help us mobilize the resources and political will to design concrete, practical, measurable ways to reduce the human, social, and economic costs of migration. The P2015 agenda can finally allow us to frame migration properly—not as the scourge that populists make it out to be, but as the original strategy for people seeking to escape poverty, mitigate risk, and build a better life. It also allows us to highlight that, in order to reap the development gains of migration, we need to put in place policies that genuinely protect the rights of migrants. So: it would be inexcusable if we—all of us—failed to ensure that migration is included in that agenda. How hard and how well we work together in the coming weeks and months is, thus, critical. We must not waste the greatest, untapped development asset that the world has—the intrepid, entrepreneurial spirit of migrants.

Thank you.