

Chapter 12

Coherence of Policies for More Effective Management

Summary

Greater coherence – between ministries within a country and between countries – among migration policies, development co-operation policies, as well as employment, trade and security policies is required for all parties to gain more from migration. Existing institutional set-ups must be overhauled to increase policy coherence; countries must seek mechanisms to promote communication, negotiation and consensus building among policy communities and their constituencies. As argued in previous chapters, OECD countries must interlink migration and development policies; developing countries, for their part, must mainstream migration and remittances in their national development strategies. Enhanced partnerships between sending and receiving countries may be an effective mechanism for assuring that interlinked and coherent policies are put in place and properly implemented. In addition, migration, employment, trade, investment and development assistance considerations must also be jointly addressed at the national and global levels.

Coherence is needed not only among policy domains, but among the various players in the migration system.

Of course, some of the key factors shaping employment creation, economic development and even security at home lie beyond the control of the migrants' home countries. OECD-country policies (e.g. in agriculture, trade, environment or security) have profound effects on developing countries. External factors, such as changing world terms of trade, climate swings, or even violence instigated by neighbouring states, impinge upon living conditions that alter pressures to migrate internationally. Nevertheless, the development strategies chosen by the home country can play a major role in mitigating risks and seizing opportunities for development. This can be facilitated if migration, trade, investment and development assistance considerations are jointly addressed at the national and global levels.

The Role of Development Assistance

In the context of second-generation Poverty Reduction Strategy Papers (PRSPs)¹, official development assistance (ODA) can be used as a catalyst to diffuse better the benefits of migration and facilitate adjustment. This is particularly needed in the framework of the OECD's dialogue and partnership with high-emigration, low-income countries. For these countries policy coherence between migration and development co-operation is crucial.

Development assistance has often been suggested as a policy device to be used by OECD countries to stop or control immigration. This is misplaced for a number of reasons. First, the links from aid to growth are weak and, even if aid spurs growth, there is no guarantee that migration will diminish as a result. Second, using development assistance as a bargaining device to extract co-operation in controlling irregular migration, as is sometimes suggested, would be fraught with difficulties. If immigration border controls are extremely difficult to enforce, emigration border controls pose particular difficulties in low-income countries with limited resources. Finally, the principal objective of development assistance should remain poverty eradication. ODA cannot easily serve the double goal of poverty reduction and migration control. Given that very little of low-skill migration to many OECD countries, notably in Europe, originates from the least developed countries, redirecting development assistance toward the high-migration, middle-income countries in order to influence migration patterns runs counter to the objective of eradicating the most severe poverty.

Aid can help, of course. Enhancing the sending countries' capacity to adjust to emigration successfully through support to infrastructure development, improvements of education and health systems, co-development projects or support for appropriately designed fellowships and training schemes can help diffuse gains from migration, turning the brain drain into a brain gain. For example, investments in infrastructure tend to facilitate domestic labour market adjustment across segmented markets, spreading the benefits from migration and remittances to a wider region. Similarly, appropriate capacity building in health and education sectors can enhance the capacity of low-income countries to retain skilled personnel, permit skill circularity and facilitate skill creation and replenishment.

ODA channelled to the key sectors of education and health can offset the negative impact of the brain drain, provide incentives for return migration and promote human development. Further options include assistance toward redesigning service delivery systems, such as additional use of paramedics, or schemes to reintegrate returning professional emigrants. The UNDP Transfer of Knowledge Through Expatriate Nationals (TOKTEN) Programme², which seeks to bring the expertise, knowledge and experience of qualified expatriates back to their home country through short-term consultancy missions, is a good example of how well designed programmes may reverse the negative effects of the brain drain.

Being able to export products that make intensive use of low-skilled labour is a critical strategy for accelerated growth and the principal rationale for opening to trade. Expansion of such export industries will in some cases affect migration flows. However, such a growth strategy is complicated by the trade policies of OECD countries. The use of agricultural subsidies by many of the industrialised countries, for example, depresses world prices for agricultural products. Whether this hurts or harms living conditions in the home country of migrants depends upon whether the country is a net importer of food and whether it exports cash crops prices of which are depressed. Moreover, the impacts of such policies on potential migrants vary within and across developing countries. This example illustrates that the impacts of OECD country trade, migration and development policies on specific low- and middle-income developing countries need to be considered alongside migration policy making.

Strategies for risk prevention, risk mitigation and risk coping should be incorporated ex ante into the design of sending-countries' policies, and here, too, development assistance can help. Improving access to land and water assets, supporting agricultural extension programmes and irrigation infrastructure, promoting institutional capacity building as well as appropriate land titling and regulatory modernisation are only a few examples of policy priorities that could significantly enhance security in the countries of origin and stem the desire for relocation.

The Role of Trade Policies

Developing countries that can specialise in the production and export of products that make intensive use of low-skilled labour benefit from trade liberalisation. The trade policies of the EU and of other OECD countries, however, often stand as obstacles to such specialisation. Moreover, the impacts of such policies on potential migrants vary within and across developing countries. The impacts of OECD trade, migration and development policies on specific low- and middle-income developing countries need to be incorporated into migration policy making. For example, the United States has played an important role in the development of trade and migration issues in Mexico and Central America during the last 30 years (see Box 12.1).

Liberalisation of trade in services would create the possibility for greater and more organised mobility of people. This might take the form of intra-corporate transferees as has been the case in East Asia or of supply through the movement of natural persons

(i.e. individuals, as opposed to “moral persons”, meaning legally-constituted businesses). Given that demand for low-skilled and semi-skilled migration will continue to increase in the decades ahead, the EU may want to engage in an informal but inclusive policy dialogue with all relevant stakeholders on the GATS Mode 4 provision. This provision would allow countries to manage better temporary migration flows and would enable sending countries to profit from circularity. The proposal for a “GATS visa” merits serious consideration in this context. Prior to consideration, the optimal length of time that countries are willing to consider for contracts under Mode 4 provisions, the terms and conditions for such contracts, the structure of incentives that would ensure that workers and employers respect such contracts and the role and status of foreign employers must be carefully considered. Whether or not the labour laws of the worker’s home country should govern contracts must also be re-evaluated. Without extension to permit trade in services provided by low-skilled workers, Mode 4 will continue to do little to serve the interests of developing countries. Including provisions for the movement of unskilled workers in the Doha Round under Mode 4 might in fact provide powerful incentives for progress in other areas of negotiation.

Box 12.1. **Trade and Migration in Central America**

The interrelations among domestic politics and international policies are illustrated by the experience of US trade and migration policies towards Central America and the Caribbean. Analysts claim that the evolution of trade and migration issues in the United States depends upon the political party in the White House, given that the US Congress, as representative of its constituents, is usually divided by conflicting interest groups, even within parties, a context in which presidential leadership can exert a powerful influence. The free trade agenda, initiated by the first President Bush and continued under the Clinton administration, has been sustained by the signing of the Central America–Dominican Republic Free Trade Agreement (CAFTA-DR) in August 2005, despite concerns of many legislators, largely to do with security issues.

The US Congress approved the CAFTA-DR in July 2005 and the President signed it into law on 2 August 2005. The CAFTA-DR has been approved by the legislatures in the Dominican Republic, El Salvador, Guatemala, Honduras and Nicaragua while approval is pending in Costa Rica. The agreement will enter into force on a date to be agreed upon among the parties.

Source: <http://www.ustr.gov>

The Role of Security Policies

The terrorist attacks of 2001 in the United States tinged the migration debate with security concerns; today migration issues in the United States are at the top of the policy agenda. A new EU agenda on security and development, meanwhile, could provide an opportunity to explore the many inter-linkages between development, migration and security (Katseli, 2006). EU policies and programmes could explicitly aim to address the various sources of insecurity in developing countries² which often cause people to emigrate and which hamper development.

Strategies for risk prevention, risk mitigation and risk coping should be incorporated *ex ante* into the design of OECD migration policies. Improving access to land and water assets, supporting agricultural extension programmes and irrigation infrastructure, promoting institutional capacity building as well as appropriate land titling and regulatory modernisation are only a few examples of policy priorities that could significantly enhance security in the countries of origin and stem the desire for relocation.

The Institutional Challenge

Policy reforms, including the reform of institutions, must be addressed at different levels. Internationally, there are significant institutional incoherencies among organisations such as the World Trade Organization (WTO), the International Monetary Fund (IMF), the World Bank and various agencies of the UN system. There is also room for closer co-operation between these multilaterals and bilateral donors (as represented by the OECD/DAC). Reforms must also be initiated at the regional level. Seeking greater policy coherence for migration and development is becoming increasingly important for the European Union. Article 130v of Title XVII of the Maastricht Treaty³ is often referred to as the “coherence article for development co-operation” (Hoebink, 1999). In December 2004 the European Council called for the further strengthening of policy coherence for development, “making wider and more systematic use of existing mechanisms for consultation and impact assessment and procedures to screen all relevant policies for their impact on developing countries” (European Commission, 2005). Particularly noteworthy is the EU’s “European Consensus on Development” of December 2005, which explicitly calls upon the Commission and member states to observe coherence among their policies that affect development.

A key priority for the European Commission is stronger systematic consultations across all relevant directorates of the EC, most notably those related to law enforcement and security, labour markets and social protection, and development co-operation, to strengthen the development input into the relevant structures responsible for migration policy. The present configuration of working parties engaged in the formulation of migration policies needs to be revisited if these are to encompass considerations of economic growth in Europe and economic development overseas. How might this come about? A Working Party on Migration, Trade and

Finally, reforms must occur at the national level. Among OECD countries, Sweden's 2003 Government Bill 2002/03:122 is perhaps the most institutionally ambitious. The policy commits the various ministries to greater coherence in measures that affect development. Responsibility for annual reporting to Parliament is vested in a special unit that includes, but is not limited to, the aid agency. Other countries have tried less formalised approaches that have similar effects, given that they also encourage greater communication among ministries. In 2002 the Netherlands created a Policy Coherence for Development Unit (PCD) at the Ministry of Foreign Affairs, bringing together development and non-development related officials; members meet routinely to discuss the development impacts of various measures (e.g. changes in phyto-sanitary standards imposed on agricultural imports)⁴.

In all cases, a key element of reform is finding ways to increase the flow of effective and relevant information and communication among various actors: multilateral institutions, aid agencies and foreign and economic ministries. This can be more or less formalised, depending upon the political circumstances at the country level, but this is only one part of the process. The next step is that of negotiation and consensus building among various social groups whose incentives are not perfectly aligned. Some constituencies (e.g. producers, consumers, migrants, employers, intergovernmental organisations) will gain and others will lose from changes in current incoherent policy combinations. Pro-development lobbies in OECD countries must mobilise themselves and compensation (political or economic) must be generated for those who stand to lose from changes. If, as we argue, the benefits outweigh the costs, then such reforms are possible; the challenge is to discover which reforms are practically and politically feasible.

Summary of Policy Recommendations

How to make migration and development policies more coherent? This chapter has made several recommendations:

1. At the national level, **inter-ministerial and interdepartmental initiatives** must be established to promote co-ordination of development and migration policies.
2. OECD countries and migrants' countries of origin alike must incorporate **migrant organisations** into the policy making process.
3. At the level of the supranational entities such as the European Commission or the African Union, stronger **systematic consultations** must be put in place across all relevant decision making bodies.
4. **Development assistance** can bring developing countries to the bargaining table, and can help build capacity in migrant-sending countries so that they can better adapt to emigration.
5. OECD countries' **trade policy** should be crafted with attention to its impact upon labour mobility.
6. OECD countries' security policies must **recognise the broad nature of "insecurity"** and the relationship between human insecurity and labour mobility

Development could be instituted to provide inputs to the Committee of Permanent Representatives of the Member States (Coreper II). Support by a permanent inter-directorate liaison network might provide a necessary forum for information exchange, policy consultation and stronger development inputs on migration policy making.

Regional reforms are increasingly promoted in developing countries, as is the case of several policy processes being prepared by NEPAD. A few pioneering African initiatives on migration and development, though mostly incipient at this stage, were introduced in Box 11.1.

Concluding Remarks

Migration is an important and necessary feature of globalisation. But its potential must be harnessed more effectively by the policies and actions of both developed and developing countries so as to contribute to development. OECD countries must look at migration policies through a “development lens”, interlinking migration and development policies. Developing countries, for their part, must mainstream migration and remittances in their national development strategies. Attainment of such ambitious goals can only be initiated by looking more closely at national, regional and global policies that can possibly affect and be affected by migration. Partnerships between sending and receiving countries provide a mechanism that raises the benefits to all parties of undertaking the difficult policy reforms that lie ahead (while increasing the costs of failing to comply). Perhaps then all parties can gain more from international migration.

Notes

1. A Poverty Reduction Strategy Paper (PRSP), according to the World Bank website, is “a country-led, country-written document that provides the basis for assistance from the World Bank and the International Monetary Fund, as well as debt relief under the Heavily Indebted Poor Country (HIPC) Initiative. A Poverty Reduction Strategy Paper describes a country’s macroeconomic, structural and social policies and programmes to promote growth. It summarises the country’s objectives, policies and measures for poverty reduction. A Poverty Reduction Strategy Paper should be country-driven, comprehensive in scope, partnership-oriented and participatory.”
2. The TOKTEN programme has been implemented in China, India, Nepal, Pakistan, Palestine Programme, Philippines, Turkey, and Viet Nam.
3. Four proximate sources of insecurity include inability to access strategic assets, access to food or other inputs, large market volatility or failed institutional setups.
4. Article 178 of the Amsterdam Treaty as from 1 May 1999.
5. This information is based on a presentation made by Jan Klugkist of the Netherlands Ministry of Foreign Affairs at a seminar of the European Association of Development Institutes in Vienna, March 2006. Also see Netherlands (2006).

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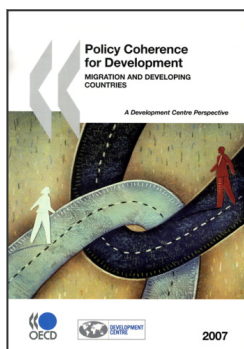
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From:
Policy Coherence for Development 2007
Migration and Developing Countries

Access the complete publication at:
<https://doi.org/10.1787/9789264026100-en>

Please cite this chapter as:

OECD (2008), "Coherence of Policies for More Effective Management", in *Policy Coherence for Development 2007: Migration and Developing Countries*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/9789264026100-13-en>

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