



Brussels Rural Development Briefings A series of meetings on ACP-EU development issues

Briefing session n° 8: How does international migration affect ACP rural development?

11th December 2008 - 8h30 – 12h30

European Commission, Building A. Borschette

Rue Froissart, 36 - 1040 Brussels – Room OA

<http://brusselsbriefings.net/>

Impacts of Rural Migration

Population pressure, scarce land, decreased agricultural productivity, and lack of economic opportunities influence rural migrants in search for a better life. In terms of agriculture and rural development sustainability, migration might have positive and negative impacts. Remittances that international migrants sent home can increase food security, help diversify livelihoods and incomes, and reduce vulnerability associated with shocks (safety nets). However, migration can also reallocate household labour, reduce labour for food production, increase the work burden of men and women depending on who is left behind, create or deepen gender disparities and have psychological and social impacts on migrants and their families. Migrants can boost economic growth in receiving areas but out-migration can also harm domestic development - by leading to an increased number of female-headed households, dramatic shifts in the age and sex composition ratio and changes in the dynamics of the labour market. Sound agricultural and food security policies can have a significant positive impact on migration outcomes by promoting more and better employment opportunities in rural areas (through enterprise development, employment, more advanced agricultural technologies) and improving opportunities for rural populations to productively use remittances ¹.

The hidden role of remittances in development

Some 1 billion people, almost a sixth of global population, receive benefits from remittances. Remittances sent through formal channels increased from US\$30 billion in early 1990s to US\$232 billion in 2005 of which 70%, US\$167 billion was sent to developing countries².

Remittances sent through informal channels are estimated to add 50% or more to the total amount. This means some US\$250 billion is sent to developing countries, making remittances larger than Foreign Direct Investment flows and more than twice as large as Overseas Development Assistance. The remittance market moves such important amounts of money that banks are attempting to tap into it by forming partnerships or launching money transfer services, traditionally dominated by some companies.

The money sent by migrants to their former country of residence, usually referred to as workers' remittances, from the EU27 Member States amounted to €26 billion in 2006, compared with €23 billion in 2005. These figures include both intra-EU27 and extra-EU27 flows. Flows to other Member States accounted for a much lower share than flows to countries outside the EU27. In 2006, intra-EU27 flows accounted for €7 billion or one quarter of the total, and extra-EU27 flows for €19 billion or three quarters, the same proportions as in 2005. Spain, UK, Italy, Germany and France are the main remitting Member States. These five Member States account for more than 85% of total EU27 remittances. The data show that, in 2006, the EU27 as a whole remitted more than double the amount it received from third countries (€19 billion sent compared to €9 billion received)³. In response to an increasing demand for data on workers' remittances, Eurostat launched an ad hoc survey

¹ Source ILO & FAO, Food, agriculture and decent work, http://www.fao-ilo.org/and_more/migration/en/

² Federal Reserve Bank of Boston, Leveraging Immigrant Remittances for Development, New England Community Developments n.3, 2006, <http://www.bos.frb.org/commdev/necd/2006/q3/inter.pdf>

³ These are the main results of a recent survey of Member States' statistics carried out by Eurostat, the Statistical Office of the EC. Eurostat - Workers' remittances in the EU27 n. 152/2007 - 13 November 2007, http://www.antigone.gr/listpage/community_documents/statistics/071127.pdf

asking Member States to provide statistics on remittances⁴. This data are complemented by a new study financed by the European Commission⁵.

Sub-Saharan Africa received officially almost \$12 billion in remittances in 2007. With "informal" flows, the total amount can double. Nigeria, Kenya, Sudan, Senegal, Uganda and South Africa received the highest volume of remittances, and in small countries such as Lesotho remittances reach a quarter of GDP⁶.

Remittance costs are significantly higher for Africa compared to other regions; costs can go up to almost 25% of the amount remitted. Remittances between African countries (from South Africa, for example) are especially expensive. Reducing these costs will mean substantial extra transfers. The immediate concern is, however, stability of flows: the recent international credit crisis will lead to a slowdown in remittances. Remittances have generally been counter-cyclical in the past, as they tend to increase when the receiving country experiences adverse events.

Diaspora as a driver for development?

The diaspora is regarded by the African Union as the "sixth region" of Africa. Migration can contribute to rural development but little data exists that could help policymakers design policies to boost the contribution of migration to national development.

Brain Drain, or the migration of skilled and educated individuals has adversely affected many countries in ACP regions. However, some countries have made efforts to manage the diaspora in dealing or retaining brain drain. In return, diaspora groups and networks strengthen themselves with a more economic approach in support of their countries of origin⁷. How much of these efforts benefit rural development and rural communities? How diasporas contribute to development policies for their countries?

Objectives of the Briefing

In order to improve information sharing and promote networking, several partners - CTA, the EC-DG Development and EuropeAid, the EU Presidency, the ACP Secretariat, Euforic, Concord and IPS - organise bimonthly briefings on key issues and challenges for rural development in the context of EU/ACP cooperation.

The briefing on 11th December will discuss "*Does international migration affect ACP rural development?*" by (i) raising awareness on existing and emerging key challenges; (ii) promoting exchange of information and expertise sharing among the development groups based in Brussels; (iii) feeding in the debate on migration and development by bringing various perspectives around the table.

Target group

More than 130 ACP-EU policy makers, representatives of EU Member States, civil society groups, European research networks, researchers and development practitioners, international organisations based in Brussels.

Outputs

Input and comments before, during and after the meetings will be included in the Briefings blog: <http://brusselsbriefings.net/>. Short reports (briefings) in printed and electronic format will be available shortly after the meeting. Articles by IPS Europe, partner in this event, will be widely disseminated.

⁴ It should be noted that the data provided by the Member States take account of flows officially recorded within the framework of balance of payments statistics. Money sent through informal or illegal channels are not usually recorded and therefore not part of the statistics resulting from this survey.

⁵ The volume and geography of remittances from the EU, September 2007. http://ec.europa.eu/economy_finance/publications/publication10089_en.pdf. Notably, the study provide an overview of the geographical breakdown of remittances which complements the Eurostat survey

⁶ World Bank Blog 'Africa can help poverty', <http://africacan.worldbank.org/how-will-the-financial-crisis-affect-remittances-to-africa>

⁷ OECD, International Migration Outlook, Part III - International Migrant Remittances and their Role in Development, 2006 <http://www.oecd.org/dataoecd/61/46/38840502.pdf>



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Programme

8h00-8h30 Registration

8h30-8h45 Welcome remarks: Dr Hansjörg Neun, Director of CTA, Klaus Rudischhauser, Director DG Development C, EC, Cecile Riallant, Deputy Programme Manager of the EC-UN Joint Migration and Development Initiative

8h45-10h45 **Panel 1 - Exploring the links between migration and rural development**

Does migration promote development in ACP countries and what are the costs and benefits of migration? How cash remittances sent by Diaspora benefit home countries and what is their impact on rural development? Can migration be considered as a tool for development (notably for the achievement of the MDGs)? How can we ensure that migration of highly skilled workers (brain drain) benefits both destination and origin countries? How can skills and resources of returning or circulating immigrants be enhanced and used to support development efforts of their countries of origin?

Panellists:

- Overview of the key challenges and trends in Migration and Development
Tamara Keating, Head of Unit, Implementation and Management Services, International Organization for Migration
- The impact of the financial crisis on remittance flows
Robert W. Meins, Remittances Specialist, Inter-American Development Bank
- Migrant transfers as a development tool, examples from Africa
Peter Hansen, Researcher, Migration Unit, Danish Institute for International Studies

Discussant: H.E. M. Girma Asmerom Tesfay, Ambassador of Eritrea in Brussels

10h45-11h00 Coffee break

11h00-12h30 **Panel 2 – Diasporas as agents of change and development partners?**

Engaging diasporas in the development process can limit the costs of emigration and mitigate brain drain. Do the diaspora networks play a role in development policies? In which ways can they be strengthened to benefit development? What are possible multi-stakeholder partnerships and what role is there for public-private partnerships?

Panellists:

- Working with Migrant Diasporas: including diaspora organizations in development strategies and development cooperation
Leila Rispens-Noel, Programme Officer, Oxfam Novib
- What is the diaspora contribution to rural development and business development?
Ms Alache Ode, Chair Board African Foundation for Development (AFFORD), Manager Diaspora Volunteering Initiative, Voluntary Service Overseas (VSO)
- What role for the diasporas, how are they organised? What are the benefits for the country of origin?
Ken Ndiaye, socioanthropologist, Migrant and entrepreneur, Senegal/Belgium

Discussant: H.E. Marcia Gilbert-Roberts, Ambassador of Jamaica in Brussels

Conclusions

12h30-14h00 Networking Buffet Lunch