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# Managing Labor Mobility: A Missing Pillar of Global Governance<sup>1</sup>

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## 1. Introduction

One of the most visible facets of the process of globalization is the relevance acquired by migratory flows across the international landscape. In an increasingly integrated world, alongside goods and services, ideas and capital crossing national borders, people too are seeking in foreign venues what they have been denied in their own countries. However, this movement of people is taking place in a limited and fragmented international regulatory context, leaving ample room for recipient countries to impose their particular national choices and policies. In most cases, those policies are clearly restrictive when it comes to labor immigration, especially as regards unskilled workers. Control efforts by states, however, have not been totally effective, as the massive quantities of undocumented migration attests. Paradoxically, the ability to control migration has been reduced even as the desire to exert control has increased (Bhagwati, 2003).

In this context, the migratory phenomenon is frequently associated with dramatic experiences that shock public opinion: people risking their lives in sea crossings in flimsy boats, trespassing borders strapped to the chassis of cars, stacked up between lorry loads of goods, or hidden in the fuselage of planes. The emotional (and sometimes tragic) nature of this type of news often leads us to forget the basic fact that most humans never move from where they are born (Straubhaar, 2000). Only a minority of people migrate. Therefore, the notion that if we fail to fiercely block borders, a massive wave of migration will take place—a kind of upward “avalanche” of the world’s southern population—is

both false and prejudiced. Not even the European Union, which has substantially dismantled migratory restrictions between members, has experienced such a wave of uncontrolled migration.

In fact, according to the United Nations, there were about 232 million international migrants in 2013. In relative terms, this corresponds to over 3.2 percent of the world population. The percentage does not seem exceptionally high, especially when compared to the proportions of other cross-border economic transactions. However, the social and political relevance of migration goes beyond numbers: migration involves people, and not merely production factors—social agents with a will of their own and with individual rights. As a consequence, international migration has become a powerful force of social change and cultural interaction throughout the contemporary world.

The fact that people can more freely choose their own place of residence and work is, in principle, desirable, because this widens the range of human freedoms (Nussbaum, 2000). Moreover, when suitably regulated, migration can potentially improve the efficiency and well-being of the overall international economic system, as both theoretical and empirical studies have confirmed. History shows, moreover, that migration can be a force in correcting international inequalities, actually reducing wage differences between host and home countries, as transatlantic migration did in the second half of the nineteenth century (O'Rourke and Williamson, 1999; Hatton and Williamson, 1999 and 2005). Aside from this global effect, migration is also an effective (although notably selective) means of increasing the possibilities for individuals to better themselves, improving individual income, health, education, and living conditions. It is therefore an important development factor, especially if we believe that people (and not just countries) matter (Clemens, 2010; Pritchett, 2006).

Migration can also entail costs, both for the countries of origin (due to the breaking of family structures or the loss of human capital, for example), and for the recipient countries (increasing the cost of social policy or reducing social cohesion, for example). Furthermore, in certain conditions, when emigration becomes a widespread and intensive phenomenon, it can feed a vicious circle that promotes a regressive dynamic of depopulation and the abandonment of productive activities in migrants' communities of origin; or it can shrink social capital, harm mutual regard, and even feed some aggressive reactions in host countries. All these costs reveal that a policy of "open borders" is not a reasonable option.

However, the restrictive tone adopted toward immigration contrasts with the increasing liberalization of other economic flows. Such an asymmetry

illustrates the unbalanced nature of the globalization process currently under way, serving as obstacle to a more complete exploitation of the benefits of migration. Additionally, since globalization benefits mainly those factors that are more internationally mobile (capital over labor, skilled over unskilled workers), restrictive policies on migration tend to accentuate social inequalities (Rodrik, 1997). As a selective opportunity, human mobility has become an important stratifying factor in our globalized world: poorest people in poorest countries do not even have the opportunity to migrate (Bauman, 1998).

Furthermore, the restrictive attitude with which immigration is regulated runs contrary to the need for migrant labor in developed countries, given those countries' stagnant demographics and aging populations; and it conflicts with the pressure placed on young persons from developing countries to search for employment and personal progress in a world where global media disseminate idealized images of the rich lifestyles available elsewhere. In face of these tendencies, the imposition of tighter restrictions to migration has proved itself less than effective, as the presence of undocumented migrants has bloomed into a universal phenomenon (Castels, 2007).

In any case, common remarks on "alien avalanche" in some sectors of opinion neglect the fact that migrants come not only because they want to but because they are wanted. In host countries, there are also employers in some sectors that are interested in sustaining the presence of undocumented migrants, as a means to fill menial jobs and reduce labor costs. In fact, immigration, particularly unauthorized immigration, plays a role in maintaining labor-market flexibility in host countries because it reduces the political and economic repercussion of the labor adjustments. However, this has severe costs not only for the immigrants and their families, that are not protected, but also for the social cohesion and the democratic climate of the society in which they now live (Hollifield, 2004).

The great recession has only worsened the vulnerable situation of many groups of migrants. The economic downturn has led to increased unemployment among migrants, above and beyond that of the native population; also stricter conditions for new residents in countries hit by the crisis; and containment (albeit limited) of the remittances that migrants send to their families. In addition—and this is the most worrying effect—the crisis has stirred unease about immigration in general, prompting discriminatory and xenophobic reactions even in countries with well-established democracies.

The importance of migration and the aggravation of the conditions from which it is produced suggest the need for nations to manage migratory flows in an orderly and realistic way. However, national responses, mainly based on

control efforts, are not enough: coherently regulation of the phenomenon is also needed at the international level. Failures of national policies are exacerbated by the absence of appropriate global rules and governance on migration.

International initiatives undertaken to date in this field have seen very limited success. The reasons for this failure stem from conflicting interests toward migration, not only between social groups within countries, but also between home and host countries. In any case, ample consensus exists that more adequate international governance of migratory processes could increase the positive effects (and reduce the negative ones) of migration, sharing its benefits more fairly and guaranteeing the rights of those involved more effectively.

In the pages that follow, the current regulatory framework will be analyzed in order to promote changes in global rules and governance of migration.<sup>2</sup> The chapter is divided into seven sections in addition to this introduction. Section 2 will present some essential data on migration; Section 3 will discuss the impact of migration in terms of the overall well-being of the international system; Section 4 will explore the conflicting interests affected by migration that condition any response in this field; Section 5 will look at the current regulatory and institutional framework governing international migration; and Section 6 presents some proposals for establishing a new global framework to maximize the benefits (and reduce the negative effects) of migration. Finally, Section 7 will present some concluding comments.

## 2. Empirical evidence: A global phenomenon

Information on the number of current migrants in the world is never totally reliable. Factors contributing to the poor quality of data include the fact that no single concept exists of what should be understood as a migrant<sup>3</sup>; also, the irregular conditions in which many migrants live; as well as the shortcomings of demographic statistics from low-income countries. Nevertheless, in the last few years, the availability of proper empirical information has significantly improved with the creation of new datasets on migration stocks and flows (Özden et al., 2011, Parsons et al., 2005).

UN data over the last five decades confirms that the trend in international migration has been slightly upward, in keeping with the process of globalization. This trend shows a (somewhat artificial) jump around the 1980s, as a result of the sudden migrant status acquired by former USSR citizens, as a consequence of their living in regions different from their birthplaces (later converted into

independent countries).<sup>4</sup> Apart from that phenomenon, excluding the USSR and Czechoslovakia, the upward tendency has been maintained.

In dynamic terms, in the thirty years from 1980 to 2010, the total number of migrants increased by an average annual rate of 2.8 percent. That rate is not especially high, particularly if we consider that international trade doubled and foreign direct investment tripled that rate during the same period. After the crisis, between 2010 and 2013, the annual rate of increase in the number of migrants has decreased to 1.6 percent. As a consequence, in 2013 there were about 232 million migrants in the world (Table 6.1). This figure is most likely an underestimate of the true magnitude of the phenomenon, because undocumented immigrants are not adequately included in the data (Massey and Capoferro, 2007, Heckmann, 2007); and the number also excludes those who move abroad to study, or to perform temporary work, as well as second-generation migrants born abroad.

Since the mid-1980s, developed countries have become the major destination of migrants. In fact, while the growth rate of the stock of migrants in developed countries was 3.3 percent for the period that rate in developing countries reached only 1.7 percent. In 2013, developed countries concentrated 59 percent of migrants. Europe and North America have the highest number of migrants, followed by Asia, with a relatively similar number.

If the relative percentage of immigrants over host populations is considered, Oceania shows the highest ratio (20.7%), followed by North America (14.9%),

**Table 6.1** Destination countries: Stock of migrants (millions of people)

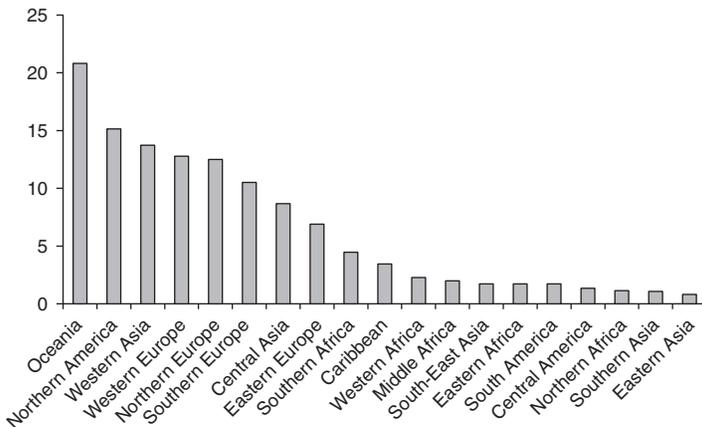
	1960	1970	1980	1990	2000	2010	2013
<b>By region</b>							
Africa	9.1	9.9	14.0	15.6	15.6	17.1	18.6
Asia	28.5	27.8	32.1	49.9	50.4	67.7	70.8
Europe	14.2	18.8	21.9	49	56.2	69.1	72.4
Latin America	6.0	5.6	6.0	7.1	6.5	8	8.5
North America	12.5	12.9	18.1	27.7	40.4	51.2	53.1
Oceania	2.1	3.0	3.7	4.6	5.4	7.3	7.9
World	75.4	81.3	99.2	154.1	174.5	220.7	231.5
<b>By income level</b>							
More developed	14.0	38.3	47.4	82.3	103.3	129.7	135.5
Less developed	32.1	42.9	51.8	71.8	71.1	90.9	95.9
Least developed	21.9	7.2	9.1	10.9	10.2	10.1	10.9

Source: United Nations (UNDESA). International Migrant Stock. The 2013 Revision (<http://esa.un.org/migration>).

Western Asia, where countries of the Persian Gulf are located (13.5%), and most of Europe (between 10 and 12%) (Figure 6.1). In most developing regions, immigrants represent less than 2 percent of the host population, with the exception of Central Asia, Southern Africa, and the Caribbean (8.5, 4.3, and 3.3 %, respectively).

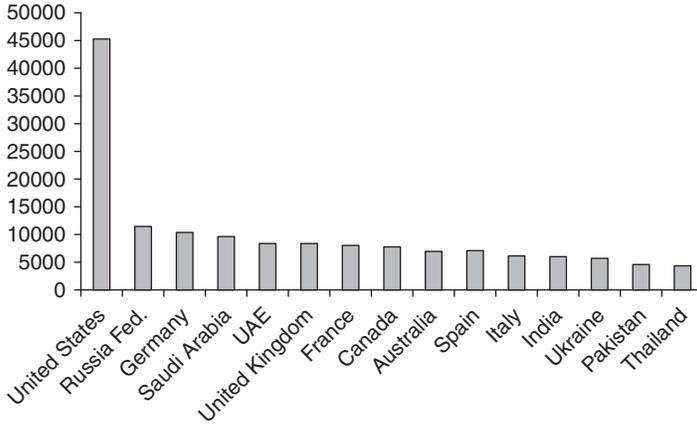
The above data could suggest that managing the influx of international migrants is a problem exclusive to developed countries. However, the phenomenon is more complex, as becomes clear when those countries with the largest amount of immigrants are identified (Figure 6.2). Some developed countries stand out here, including the United States, Germany, Canada, France, the United Kingdom, and Spain; nevertheless, developing countries like India, Pakistan, and the Ivory Coast also occupy leading positions. This suggests that: (i) having a large immigrant population is not a characteristic exclusive to developed countries; and (ii) the distinction between host, origin, and transit countries in terms of migration is increasingly blurred. A good number of countries (such as Mexico, India, and Morocco) fall into all three categories.

The study of bilateral flows confirms the global nature of the migratory phenomenon (Figure 6.3). According to the United Nations, in 2013, 71 percent of migratory flows came from developing countries; of this 36 percent went to developing countries, and 35 percent were bound for developed countries. In turn, 23 percent of the total emigration from developed countries went to other developed countries, while 6 percent went to developing countries. Therefore, migration from the South is distributed between North and South in similar



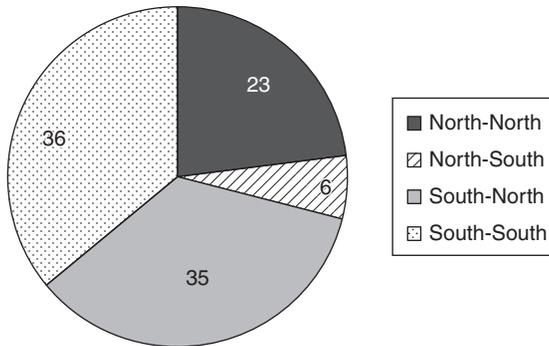
**Figure 6.1** Percentage of migrants over population (2013)

Source: United Nations (UNDESA): International Migrant Stock. The 2013 Revision (<http://esa.un.org/migration>).



**Figure 6.2** Main host countries of migrants (thousands of people), 2013

Source: United Nations (UNDESA): International Migrant Stock. The 2013 Revision (<http://esa.un.org/migration>).

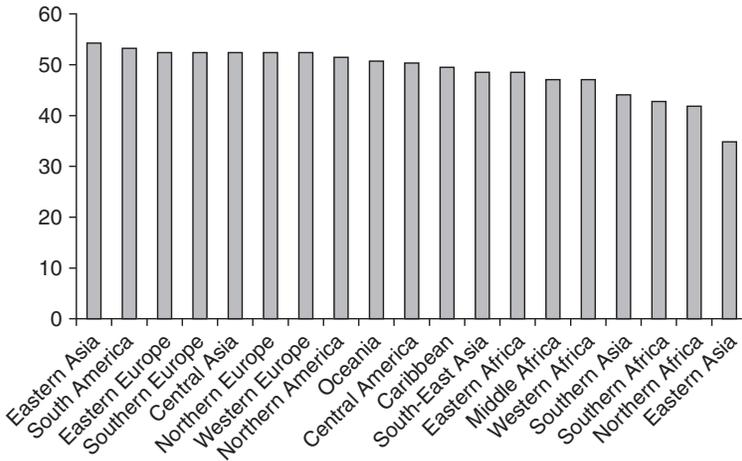


**Figure 6.3** Composition of migration flows by origin and destination, 2013 (in percentage shares)

Source: United Nations (UNDESA): International Migrant Stock. The 2013 Revision (<http://esa.un.org/migration>).

proportions; while 80 percent of those coming from developed countries go to the North, and the other 20 percent to the South.

Finally, almost half of the migrants—48 percent—are women (Figure 6.4). This is a new feature of the current migration flows in relation to the first wave of mass migration, in the nineteenth century (Hatton and Williamson, 2005). In any case, the percentage of female migrants change in accordance with the regions considered, with higher ratios in Eastern Asia, Europe, and North and South America. On the other hand, Western Asia shows the lowest ratio, with women representing only 34 percent of immigrants.



**Figure 6.4** Percentage of female migrants (2013)

Source: United Nations (UNDESA): International Migrant Stock. The 2013 Revision (<http://esa.un.org/migration>).

### 3. Effects on global welfare

Economic theory predicts that international migration will be associated with an improvement in global efficiency, as migration allows people to move from where they are least rewarded and less productive (labor-abundant economies) to where they earn more and be more productive (labor-scarce economies). As a result, this is not a zero-sum game: obviously, not all sectors of society benefit from the change, but the overall result is undeniably positive in terms of potential welfare.

It is interesting to consider how large the benefits might be in the hypothetical case of free movement of people. The earliest works on this subject (such as Hamilton and Whalley, 1984, or Moses and Lettnes, 2004) applied a general equilibrium model (AGE), supposing full labor mobility. The estimated benefits were striking: in the first study, the world GDP could double as a consequence of completely free migration, and in the second the increase on global efficiency could reach, in the most conservative scenario, a range of between 6 and 47 percent of the world's GDP. Even though the assumption made by these studies (full labor mobility) is unrealistic, a large part of the benefits would be obtained in the first phases of liberalization—a powerful argument in favor of more flexible regulation of migration.

Other, subsequent studies confirmed the tone of these results. For example, Iregui (2005) used a fully developed AGE model with trade and found that migration barriers reduce world GDP by between 13 and 67 percent, depending

on the scenario considered. Klein and Ventura (2007) used a growth model that included dynamic effects and arrived at the conclusion that complete free migration would increase world GDP by 20 to 120 percent, in accordance with the assumptions. Finally, Bradford (2012) applied an AGE of one sector model with a continuum of skills and confirmed the effect of free migration on the increase of world GDP (by 75%) and on the reduction of poverty (between 66.9 and 43.3%, depending on the assumptions). Quantitative estimates go through a wide range, but the sign of the effects of free migration is very clear.

The World Bank (2006) carried out a similar exercise, but with a more realistic assumption: an annual growth rate of 3 percent of the working population in developed countries between 2001 and 2025, and allowing for labor needs to be covered, as required, by immigration. Taking as a baseline the assumption of the same proportion of immigrants as in 2001, the net gains to welfare from the above expansion scenario would be close to \$674 million, or 1.19 percent of world GDP (Table 6.2). If this is adjusted in function with the different costs of living

**Table 6.2** Changes in real income due to more free migration in 2025 relative to baseline

	Real income			Real income adjusted for cost of living		
	Private	Public	Total	Private	Public	Total
<b>Billion dollars</b>						
Natives in high income countries	139	-1	139	139	-1	139
Old migrants in high income countries	-88	0	-88	-88	0	-88
Natives in developing countries	131	12	143	131	12	143
New migrants	372	109	481	126	36	162
WORLD TOTAL	554	120	674	308	48	356
<b>% of change</b>						
Natives in high income countries	0.44	-0.01	0.36	0.44	-0.01	0.36
Old migrants in high income countries	-9.41	-0.02	-6.02	-9.41	-0.02	-6.02
Natives in developed countries	0.94	0.44	0.86	0.94	0.44	0.86
New migrants	584	607	589	198	203	199
WORLD TOTAL	1.20	1.15	1.19	0.67	0.45	0.63

Source: World Bank (2006): Global Economic Prospects: Economic Implications of Remittances and Migration, Washington.

from country to country (translated into Purchasing Power Parity), the benefits would be 0.63 percent of world GDP. The distribution of these benefits would be favorable to developing countries, since these populations would experience an increase in income of about 1.8 percent, while developed countries would obtain an increase of 0.4 percent. The results that the World Bank (2006) obtained are very close to those reached by Walmsley and Winters (2005) and, more recently, by van der Mensbrugghe and Roland-Host (2009).

The fact that migration has a positive effect on aggregate efficiency does not mean that everyone affected ends up winning. Current immigrant and native workers who are substituted by new immigrants may be negatively affected by such an increase in migratory flows. Empirical studies confirm this effect but find the salary decline to be small. For example, Borjas (2003) finds that immigration to the United States between 1980 and 2000 caused a cumulative deterioration in average US salaries of 3.2 percent (in other words, an annual reduction of barely 0.15%). An even lower rate is estimated by Ottaviano and Peri (2008), who put the accumulated effect of immigration between 1990 and 2006 at 0.4 percent (or a 0.025% fall in the average rate).<sup>5</sup> In any case, that effect can vary in relation to the skill level of workers. As Dustmann et al. (2013) demonstrate, immigration depresses wages below the twentieth percentile of the wage distribution but leads to slight wage increases in the upper part of the wage scale.

Furthermore, countries of origin can be negatively affected by migration of high-skilled workers, particularly when the positive externalities attributed to human capital are considered. The aforementioned models do not take these externalities into account in their estimates, which is a severe limitation given the increasing presence of this kind labor mobility. In fact, the outflow of high-skilled workers is an important issue for developing countries and its effects are subject to active debate (see later).

To sum up, estimates confirm that, with current migration barriers, labor is highly misallocated and, as a consequence, the potential welfare gains of a less restrictive policy on migration are huge. Moreover, those benefits, even in their most modest versions, are comparable (or superior) to those that would result from trade liberalization. For example, the increase in world GDP estimated by Anderson and Martin (2005) as a consequence of potential full trade liberalization is 0.7 percent; meanwhile, in the case of a partial removal of migration barriers, that increase could reach between 0.6 and 1.2 percent in the Walmsley and Winter (2005) estimation, or between 0.9 and 2.3 percent in van der Mensbrugghe and Roland-Host (2009). These

results are sufficient proof that international migration should be part of any development agenda (Clemens, 2011).

## 4. Political economy of migration

Given the size of its positive impact, it would be natural to expect countries to favor the international movement of labor. However, the opposite phenomenon can be observed: regulatory restrictions to migration, particularly in the case of unskilled labor, and a resistance from countries to give up authority in this area. That contrast challenges the most canonical theoretical justification of migration and obliges us to build an explanation with assumptions based more closely on reality.

### 4.1. The difficult aligning of competing interests

A large number of the studies on the impact on well-being of migratory freedom turn to an analytical framework that is very similar to the one used to justify the advantages of free movement of trade and capital (Mundell, 1968). However, international migration presents particular characteristics suggesting that those reference points are not totally adequate (Greenaway and Nelson, 2006). There are three elements here that are particularly relevant.

#### 4.1.1. *A dominant one-direction flow*

First, trade theory is dominantly based on comparative advantages that, by definition, are distributed (not necessarily in an equal way) between the countries that take place in the exchange. As a consequence, what is expected in this field of trade is a two-directional flow (exports and imports) between countries. Any imbalance is corrected in the medium term by movements in the exchange rate and by differences in countries' income growth, which operate as mechanisms of adjustment. As a result, both countries will be benefited as a consequence of this international exchange.

In the case of international migration, however, the flow is mainly in a single direction: from countries with lower levels of productivity (and salaries) to countries in which labor productivity and salaries are higher. Migration could produce a movement of salaries with opposite signs in home countries (increasing) and host countries (decreasing), but as we saw both movements

tend to be rather modest. The possibility that these changes can operate as an adjustment mechanism is, thus, remote, except in the case of massive movement of people between both countries. As a consequence, the unidirectional sense of the migration flow can be sustained over time.

This feature of migration flows can be reinforced by the potential complementariness between physical and human capital, something that lies at the base of the new theory of growth (Lucas, 1988). In this case, all factors—skilled labor, unskilled labor, and physical capital—could flow simultaneously and cumulatively toward the more relatively developed economy. In one case (that of unskilled labor), this would be due to the relative shortage of the factor in more developed countries; in other cases (physical and human capital) it is due to the greater productivity that both factors enjoy in industrialized countries, resulting from their complementarity. In this way, all factors could move in the same direction (Lucas, 2005), making an agreement based on reciprocity among host and home countries more difficult.

#### ***4.1.2. The heterogeneousness of the labor factor***

A second singular element is the notably heterogeneous nature of the labor factor, particularly due to dissimilarity of skills. Significant externalities are attributed to skilled labor, as long as this factor improves productivity and promotes innovative capacity, institutional quality, and tax resources in the involved economy. This is why the emigration of high-skilled labor may generate negative, uncompensated effects for the home country (and additional benefits to the host one). That is the argument on which the “brain drain” literature is based.

The costs of skilled labor migration are all the greater if we take into account: (i) the increasing tendency that skilled workers have to emigrate from developing countries (Docquier and Marfouk, 2006); (ii) the public origin of the resources with which, to a large extent, that human capital is developed; and (iii) the social usefulness of some activities more affected by this phenomenon (health specialists, for example). In these cases, migration of skilled workers would present a problem related to the contradiction between the private interests of emigrants and the collective interests of the country from which they come (Schiff, 2006).

In contrast to this perspective are those who find positive aspects in the emigration of skilled workers and professionals. If returns from the educational effort are higher abroad than in the country of origin, the possibility of emigration will increase the return on investment in human capital and will

lead to more people becoming educated. This, then, represents a “brain-drain-induced-brain-gain” (Stark et al., 1997, 1998; Vidal, 1998; and Mountford, 1997). Other potentially positive contributions from the emigration of high-skilled workers are the following three: (i) that the assets of experience and qualification gained through migration can be represented in the country of origin, as long as the emigrant returns (Stark et al., 1997; Domingues Dos Santos and Postel-Vinay, 2003); (ii) the possibility of creating networks for international business (Mesnard and Ravallion, 2001); and (iii) the higher level of remittances from this type of emigration (Cinar and Docquier, 2004).

Literature on the effects of skilled migration has increased in recent years, mainly as a consequence of the availability of better data. In spite of this, empirical evidence has been far from conclusive (Gibson and McKenzie, 2011 and Docquier and Rapoport, 2012). In any case, empirical results seem to support a position somewhere between the two extremes, suggesting that: (i) the optimum does not coincide with a probability equal to zero of skilled labor emigrating, because sending countries could take advantage of some of the benefits that this process generates; but (ii) an excessive drain of high-skilled workers (such as suffered by some small and very poor states) could make the costs of the process unambiguous for sending countries.

#### ***4.1.3. Who captures the benefits?***

Lastly, a third factor of difference between international migration and trade has to do with the way in which both flows affect social agents. A trade-induced shift in prices and production benefits consumers in both the importing and exporting countries, as long as in both countries the variety of available goods will be widened, and their prices reduced. Meanwhile, migration-induced shifts principally benefit the migrants and their families (directly in the host country or through remittances in the home country). Of course, migration can produce other benefits in host countries in terms of contributing human capital, filling jobs that citizens are no longer willing to take, providing workers for encouraging economic growth, helping to smooth out the effects of population aging, or making social security and tax contributions. Most of these benefits, however, are dispersed and not always recognized as having been produced by migration.

The benefits that consumers in the host country gain from international migration may, additionally, be counteracted by the negative externalities that the process generates, in terms of sustainability, capacity of access, and the quality of the public services that the recipient country provides (Facchini and Mayda, 2009). This

is one of the factors that most explains the reluctance toward immigration by wide sectors of the population in recipient countries. That is the result that Hainmueller and Hiscox (2010) obtained using survey data from United States; and in the same vein, Hanson et al. (2007), again employing opinion surveys, found evidence that in the United States, native-born residents of states that provide generous social benefits to migrants also prefer to reduce the number of migrants.

That said, migrants do not only use social services; they also contribute to financing them. However, the empirical studies reveal that the net effect is highly dependent on the characteristics of migration (like the skill level and age of migrants). In general terms, a skilled and young migrant may help the finances of the welfare state, whereas an unskilled and older migrant may probably inflict a net burden on the social expenses (Razin et al., 2012). As expected, the worst situation is a combination of the higher dependency ratios and the lower skill level of migrants (Andersen, 2012).

Lastly, there are other types of negative externalities associated with the (non-economic) effects that immigration has on social cohesion, and on levels of trust, in the host country. There are people who feel that their way of life, culture, language, and religion is threatened by the presence of people coming from other social communities. For them, immigration is felt as a challenge to their “social model,” particularly when migration is an intense phenomenon and involves people from very different cultures (Collier, 2013). As mutual regard is crucial for social cooperation and the functioning of the overall society, immigration—when not adequately managed—can be transformed into a factor of social disruption and upset.<sup>6</sup>

To sum up, the consideration of these specificities would suggest that the most canonical doctrinal framework, based on trade theory, is inadequate in understanding the effects of migration. In fact, it seems that although labor mobility may be a source of improvement in levels of overall well-being: (i) it may be that full liberalization of labor movement is not a desirable optimum for assigning labor internationally; and (ii) due to the asymmetrical power and incentives accompanying the migratory process, it is reasonable to suppose that there is no coincidence between the positions of the involved countries regarding their role in the migratory processes.

#### **4.2. The difficulties of cooperative action**

In these conditions, establishing an international framework of agreement will not be easy. The difficulties seem even greater considering that this is a field

where what we call “the paradox of the adverse interest” is produced: the fewer the potential gains associated with migratory liberalization, the simpler it is for nations to come to agreement; on the other hand, the greater the potential gains, the more remote the possibility for agreement.

The explanation for this paradox rests on two main asymmetries that affect the governance of the migratory process. The first is the asymmetry of power between sending and recipient countries, the latter being in a much better position for regulating migration. The second is the asymmetric way in which the benefits and costs of the migratory process are distributed in host countries. While the benefits are mainly private (mainly, although not only, captured by the migrants), the costs are social (as long as they harm social cohesion and access to public services). Moreover, while beneficiaries in host countries are mainly foreigners (and not voters), it is the citizenry (at least a part of them<sup>7</sup>), with the power to remove governments, that feels threatened with potential losses. A combination of these two asymmetries (among countries and among affected people) explains why host countries are not interested in backing an international agreement and prefer to preserve their autonomy in this field. On the other hand, home countries tend to have limited capacity and low interest in repressing unskilled emigration.<sup>8</sup> As a consequence, the international community has been unable to offer a fair and effective response to the need of more orderly human mobility.

In order to appreciate the effect of the paradox, we will consider two extreme hypothetical cases (more explanations are offered in the Annex).

Let us suppose, first, a world made up of two countries with relatively similar factor endowments. In this ideal case, the differentials of retribution that drive labor migration would be reduced, as would the gains in well-being associated with migratory liberalization. The international mobility of labor would operate on the margins, filling small shortfalls in each labor market. In this case, a liberalizing action would only meet with (weak) opposition from the labor factor which is serving as substitute to migration. The abundant factors, skilled labor and capital, would favor liberalization; and consumers would be neutral (or weakly favorable) toward the process. If, additionally, liberalization is reciprocated (both countries agreeing to it simultaneously), the possibilities for agreement are greater and the process could, therefore, result in a cross-flow of migrants.

One example of this type of migration is that taking place between countries in the former EU-15: relatively similar countries with crossed flows of migrants. In these cases, international accords are more easily reached since there is

reciprocity in the benefits. In fact, the strategic action underlying the agreement is that of a “cooperative game”: both countries find strategic equilibrium in mutual liberalization (particularly if both can coordinate their strategies).

Although possible, the above model is not the most representative of current world migration. In most cases, migration takes place between countries with substantially different factor endowments, including high differentials in levels of productivity, which pushes migratory flow in a single direction. Here the gains derived from the opening up of the migratory process may also be high, feeding an intense and cumulative movement of people from the less-developed country toward the more developed one. Because of this intensity, the costs of migration in terms of loss of social capital and congestion of public services in the host country can be high, thus complicating the reaching of agreements.

In such a case, the shortage factor (unskilled labor) in the host country would actively be against liberalization; if there is freedom of movement of capital, this factor might be neutral, as capital loses interest in immigration if it may enter countries with lower labor costs (through offshoring); finally, if negative externalities (loss in social capital and access to public services) are considered, consumers turn actively against liberalization (see Annex). Reciprocity does not facilitate agreement in this case since it is not probable that the human capital (an abundant factor in the developed country) would consider migration in the inverse sense, toward the developing country, as a viable alternative. Thus the action strategy adopts the form of a “bully game,” in which it is difficult to find a cooperative equilibrium without changing the incentives under which the players are operating.

In sum, the difficulties in reaching agreement can be the result of the limited space of reciprocity of interest between the two group of countries (sending and receiving migrants), the asymmetries in their bargaining strengths, and the absence of a hegemonic and committed power to promote and safeguard such an agreement (Ghosh, 2013).

## 5. A fragmented international order

There is no coherent global framework for governing migration. Rather, what now exists internationally is a fragmented set of rules, poorly supported, and a group of international institutions with partial jurisdictions which overlap one another, with informal mechanisms for dialogue and multiple and varied agreements at the bilateral and regional levels. Let us take a brief look at this panorama.

### 5.1. International regulatory framework

Apart from the odd attempt in the period between the First and Second World Wars,<sup>9</sup> it was not until the 1940s that serious efforts were undertaken to introduce a shared international regulatory framework for labor mobility. Since that time, diverse regulatory initiatives have been proposed, all of which have gained only very limited international support (Table 6.3).

The International Labour Organization (ILO) has played a leading role in these efforts and endorsed some of the proposals most often linked to labor migration. The first initiative was the *ILO Convention 97* (of 1949), ratified by forty-nine countries, most of which were emigrant countries. The central proposal of the Convention was to tackle labor discrimination against migrants, stating that countries should ensure that immigrants receive “treatment no less favourable than that which it applies to its own nationals.” This equal treatment should be applied to: (i) labor conditions (remuneration; membership with trade unions and thus the benefits of collective bargaining; and accommodation); (ii) social security (with all its provisions); (iii) employment taxes; and, (iv) other legal proceedings related to the Convention. The *ILO Convention 97* also encouraged countries to establish bilateral agreements for the adequate management of migration.

A quarter of a century later, the ILO approved a second proposal on migration: the *ILO Convention 143*, of 1975, ratified by twenty-three countries. The goal in this case was to tackle irregular migration and the clandestine movement of people. The Convention also suggested measures aimed at promoting the integration of properly settled migrants, as a means of addressing the expiration of temporary migration programs, and measures to counter effects of the economic crisis of the 1970s, in order to prevent legally migrating workers from ending up in irregular situations. It also reiterated rules that immigrants should receive the same opportunities and treatment as native workers.

It was another fifteen years before the General Assembly of the United Nations, in 1990, approved the International Convention on the Protection of the Rights of all Migrant Workers and Members of their Families. The Convention was designed to “contribute to the harmonization of the attitudes of states through the acceptance of basic principles concerning the treatment of migrant workers and members of their families.” The approach of the Convention is rather wider than what had been promoted by the ILO, insisting first and foremost on full recognition of the human rights of migrants, including undocumented immigrants. This Convention (in part III) restates the need to guarantee the

**Table 6.3** Legal instruments affecting international migrants

	Entry into force	State parties (2014)
<b>Main General Instruments</b>		
1948 Universal Declaration of Human Rights	1948	
1965 International Convention on the Elimination of all forms of Racial Discrimination	1969	177
1966 International Covenant on Civil and Political Rights	1976	168
1966 International Covenant on Economic, Social and Cultural Rights	1976	162
1979 Convention on the Elimination of all forms of Discrimination Against Women	1981	188
1984 Convention Against Torture and other Cruel, Inhuman and Degrading Treatment or Punishment	1987	155
1989 Convention on the Rights of the Children	1990	194
<b>Main Specific Instruments on Labour Migration</b>		
ILO Convention 97 on Migration for Employment	1952	49
ILO Convention 143 on Migrant Workers	1978	23
1990 International Convention on the Protection of the Rights of all Migrant Workers and Member of their Families	2003	47
<b>Other Instruments Related to Migration</b>		
1950 Convention for the suppression of the traffic in persons and of the exploitation of the prostitution of others	1951	82
1951 Convention relating to the Status of Refugees	1954	145
1967 Protocol related to the Status of Refugees	1967	146
2000 UN Convention against Transnational Organized Crime	2003	179
2000 Protocol to prevent, suppress and punish trafficking in persons, especially Women and Children	2003	159
2000 Protocol against the smuggling of migrants by land, sea and air	2004	112
2011 C189 Convention concerning Decent Work for Domestic Workers	2013	14

same pay and work conditions to migrants (whether authorized to work or not) as natives doing similar jobs; it also recognizes migrants' rights to join a trade union and establishes that they receive the benefits of social protection systems. Additionally, in the case of authorized migrants, it recognizes their right to relocate within the host country, to participate in political life, and to have

access to employment services, public residences, and educational institutions in conditions similar to those of the native population. The Convention came into effect in July 2003, but with the support of just forty-seven countries to date, most of these being countries of net emigration.<sup>10</sup>

Alongside these conventions, three others should be mentioned, even if they are not strictly (or not only) related to labor migration, since they focus on other important aspects of the international movement of people. First, there was the Convention Relating to the Status of Refugees (1954) and the Protocol Relating to the Status of Refugees (1967), which aim at regulating the forced movement of people as well as the conditions for granting asylum. Second, there was the Convention against Transnational Organized Crime (2003), including the Protocol to Prevent, Suppress and Punish Trafficking in Persons (2003), and the Protocol against Smuggling of Migrants (2004). Finally, the C189 ILO Convention Concerning Decent Work for Domestic Workers (2013) that particularly affects social and labor conditions for women and girls, many of whom are migrants.

Notably, even countries that are not signatories of the above Conventions may still be subject to other universal legal instruments. The most general of all these are doubtlessly the UN Charter, of 1945, and the Universal Declaration of Human Rights, of 1948. But there are also at least six other regulatory frameworks relevant to migration: the International Convention on the Elimination of All Forms of Racial Discrimination; the International Covenant on Civil and Political Rights; the International Covenant on Economic, Social and Cultural Rights; the Convention on the Elimination of All Forms of Discrimination against Women; the Convention against Torture and Other Cruel, Inhuman and Degrading Treatment or Punishment; and the Convention on the Rights of the Child. It is clear that all these conventions make up a regulatory fabric governing the rights of people, including migrants, regardless of their administrative status, that all countries should respect.

## **5.2. Non-binding mechanisms**

Alongside the binding regulations named above, the status of migrants was addressed by various World Summits promoted by the United Nations during the 1990s. All of these resulted in programs of action that were backed by the international community—although none were binding in nature. Among them, the one that most comprehensively analyzed migratory movements was the Cairo Programme of Action of the International Conference on Population

and Development (1994), which dedicated a large section (chapter X) to tackling various aspects related to migration. The Conference produced a balanced and far-reaching declaration in which there was a call for “orderly international migration that can have positive impacts on both communities of origin and the communities of destination.”

Other agreements that affect international migration include the Vienna Declaration and Programme of Action on Human Rights (1993); the Beijing Platform of Action of the Fourth World Conference on Women (1995), in the case of women migrants; and, more recently, the Durban Declaration and Programme of Action, approved by the World Conference on Racism, Racial Discrimination, Xenophobia and Related Intolerance (2001).

In a more specialized way, the purpose of better governance of migration has inspired two rather far-reaching initiatives: the NIROMP (New International Regime for Orderly Movement of People), which was backed by the United Nations and various European governments, at the end of the 1990s; and the Berne Initiative, promoted by Switzerland, which gathered government officials, NGOs, and academia to analyze migration and its effects. One of the main results of this last initiative was the drawing up of an *International Agenda for Migration Management*, which establishes a system of nonbinding agreements to facilitate cooperation between states in the planning and managing of human mobility.

In a similarly nonbinding way, the ILO has tried to enshrine certain principles, strategic guidelines, and good practice into a general framework in order to extend labor standards. That proposal (the ILO Multilateral Framework on Labour Migration) was part of the broad effort made by the organization in the mid-2000s to reflect on the social effects of globalization. In fact, ILO made migration the theme of the 2004 International Labour Conference. At its 2006 Conference, the ILO circulated the Multilateral Framework which, while recognizing the sovereignty of states, aimed at widening the space of international cooperation by adopting an approach based on a recognition of the rights of migrant workers that is also sensitive to market needs.

Given the immensity of the theme and the limited international response, the Secretary-General of the United Nations decided to create the Global Commission on International Migration in 2003, “to provide the framework for the formulation of a coherent, comprehensive and global response to the issue of international migration.”<sup>11</sup> The Commission started out by recognizing that “the international community has failed to capitalize on the opportunities and to meet the challenges associated with international migration.” Additionally, while this Commission assumes that individual countries must define migration

rules and policy, it stresses that “migration is an inherently transnational issue, requiring cooperation between states at the sub-regional, regional and global levels.” The main messages of the Commission are summed up in the six action principles contained in its report (Table 6.4).

One year after the approval of the Commission report, and in response to the request made by the General Assembly in resolution 59/241 (and reiterated in resolution 60/227), the Secretary-General prepared a report on “International Migration and development.”<sup>12</sup> Along with a broad diagnosis of the situation with regards to international migration, this report proposes a program of policy for migration aiming at: (i) improvement in international cooperation based on a clearer shared vision of development goals; (ii) respect for human rights and tolerance; (iii) more realism in development migration policy; (iv) promotion of the entrepreneurial capacity of migrants; (v) the encouragement of contributions to provide development opportunities for migrants and transnational communities; (vi) the need to evaluate more carefully the international impact of the mobility of professionals; (vii) the transferability of pensions; and (viii) improvement in information and statistics on migration.

In 2006, under the impetus of the Secretary-General, the first High-Level Dialogue on Migration and Development was put in place, with the aim of discussing the problems of international migration and its regulation among governments, international organizations, civil society, and the private sector. In 2013, a second High-Level Dialogue took place, which resulted in the declaration “Making migration work: an eight-point agenda for action,” summing up the dialogue’s main messages (Table 6.5).

In a bid to overcome the resistance and inertia of the UN framework, the Global Forum on Migration and Development was promoted as a forum for informal and nonbinding dialogue, aimed at exchanging experiences, discussing

**Table 6.4** Principles of action of the Commission on International Migration

Principles	Purpose
1	Migrant out of choice: Migration and the global economy
2	Reinforcing economic and development impacts
3	Addressing irregular migration
4	Strengthening social cohesion through integration
5	Protecting the rights of migrants
6	Enhancing governance: Coherence, capacity and cooperation

**Table 6.5** High-dialogue on international migration and development: An eight-point agenda for action

<b>Points for action</b>	<b>Purpose</b>
1	Protect the human right of all migrants
2	Reduce the costs of labor migration
3	Eliminate migrant exploitation, including human trafficking
4	Address the plight of stranded migrants
5	Improving public perceptions of migrants
6	Integrate migration into the development agenda
7	Strengthen the migration evidence
8	Enhance migration partnerships and cooperation

relevant policies and practical challenges, and analyzing institutional gaps toward a more coherent national and international policy on migration and its impact on development.<sup>13</sup> Between 2007 and 2013, as many as six meetings were organized around other themes related to migration.

Beyond these global initiatives, there have been other regulatory responses at regional level. The most comprehensive approach on this ground was promoted by the European Union (EU), with the 1985 Schengen Agreement (extended in 1990 with the Schengen Convention, implemented in 1995) for unification of the European borders, and the EU decision on common migration and asylum policies, through the 1997 Amsterdam Treaty.<sup>14</sup> In the same line, although with a more limited scope, there have also been agreements on human mobility in other regional integration processes, such as MERCOSUR or CARICOM.

In other cases, regional initiatives have been oriented to promote regional dialogue on migration. These include the Latin American High Dialogue on Migration, the Regional Conference on Migration (the Puebla Process, in Central America), the Migration Dialogue for West Africa, the Migration Dialogue for Southern Africa, the Ministerial Consultation on Overseas Employment and Contractual Labour for Countries of Origin and Destination in Asia (the Colombo Process), and the Bali Process on People Smuggling, Trafficking in Persons and Related Transnational Crime (the Bali Process) among others. Rather than orienting themselves to “norm-dissemination” in the way some formal agreements or institutions do, these have primarily engaged in “practice dissemination,” attempting to define common standards of good practices relating regional migration (Betts, 2010).

### **5.3. Institutions**

The international management of migration is no more orderly or less fragmented in terms of institutional solutions. There are many institutions with overlapping mandates covering partial aspects of migratory flows. For example, the ILO is specialized in the rights of migrant workers, ACNUR focuses on the conditions of the refugee and the asylum-seeking population, the Office of the United Nations High Commissioner for Human Rights is tasked, among other things, with defending the rights of migrants who have been the victims of traffickers, and UNESCO, the UNFPA, and the Office of the United Nations Against Drugs and Crime all have remits involving areas specifically related to migration. Although without regulatory powers, there are other organizations involved in these areas such as DESA, the UNDP, and the World Bank. Lastly, there is the International Organisation for Migration (IOM), which, although it has no regulatory mandate and does not even belong to the UN system, has a mandate to promote technical assistance to governments in order to improve the drawing up of migration policy. All of these agencies are part of the Global Migration Group (formerly the Geneva Migration Group), created in 2005 with the purpose of encouraging the “adoption of more coherent, comprehensive and better coordinated approaches to the issue of international migration” among certain multilateral institutions.

## **6. The foundation for a more adequate international governance of migration**

Despite the difficulties highlighted, there remains a need to provide an international framework to help take better advantage of the benefits associated with human mobility, and to distribute those benefits more justly. This demand has been made, although with limited results, by many of the commissions on global governance. The Willy Brandt Commission, for example, in the early 1980s, underlined the need for a “framework that would be more just and equitable” for migration; the Commission on Global Governance, in the 1990s, discussed the need for a new approach to managing migration; and, finally the Commission on Migration and Development devoted a large part of its reflections to this theme, stating that “in the longer term a more fundamental overhaul of the current institutional architecture relating to international migration will be required.” However, it also recognized that “there is currently no consensus concerning the

introduction of a formal global governance system for international migration, involving the establishment of new international legal instruments or agencies.”

The limited results of these attempts suggest that establishing a framework for a more coherent governance of migration is no simple task. The goal is to define an international framework based on the recognition of human rights and aimed at establishing a balance between the basic allocation benefits of free international migration and the controversial distribution and external effects of cross-border movements.

### **6.1. General framework**

Previously, we have referred to the disorderly and fragmented nature of the governance of migration processes, but this does not mean to say that there are no governance mechanisms at all (Betts, 2011). While there is no single institution or regulatory mandate, there do exist partial governance solutions at very diverse levels, with varying degrees of support and formality. In any case, the overall framework that has resulted from all of that is currently characterized as being limited in scope and having low levels of overall coherence.

Such a result has a doubly perverse consequence. First, it has costs in terms of efficiency, since it is more difficult to contemplate the externalities that national policies generate on foreign countries. Without a comprehensive approach to labor mobility schemes, severe coordination failures may arise. Second, failure to cohere also damages fairness, since it gives more weight to expressions of power. In this context, recipient countries, being those with a greater ability to impose conditions, retain a high degree of autonomy in establishing migration rules and policy.

Overcoming this situation in order to design a more coherent framework involves: first, a decision as to whether we want a system to govern overall migration, with all its modalities, or whether we want to regulate only labor migration; and, secondly, whether we are aiming at creating a governance system through a centralized, top-down process, or through a decentralized and diffuse, bottom-up process.

In terms of the first question, there is no shortage of voices arguing for the need to adopt an integrated and comprehensive vision, incorporating all aspects of human mobility (including those referred to as the refugee population) (Ghosh, 2000, 2013). The arguments to support this position are: (i) that the factors driving the different types of migration all combine with one another, and interact in reality; (ii) that different types of flows cannot easily be disentangled;

and (iii) that there are gray areas in human mobility that would not fall into any of the standardized modalities, but that should nevertheless be regulated.

Despite the strength of these arguments, there are equally powerful reasons to differentiate labor mobility (voluntary migration, motivated by substantially economic reasons) from forced migration (due to political persecution, risk to migrants' lives, or violations of human rights).<sup>15</sup> It is clear that there are connections between the two types of migration and that some modalities (like family reunification) are not easily included in either, but the separation makes sense to the extent that the motivations for each type of migration (and the solutions that countries should adopt for each) are very different.

Support for the refugee population requires a multilateral solution, since it is based on collectively recognized rights deriving from shared responsibility. The universality of the criteria should be the basis for any regulatory solution in this field, which is tantamount to a global public good, and that is currently the case. In fact, refugee management is the only field related to migration in which there exists a regulatory framework that is widely supported (the 1950 Convention) and under the authority of a multilateral institution (UNHCR) with a precise mandate.

In stark contrast, the case of labor mobility has the fewest formal governance structures. It is the field in which the greatest amount of room is required for adapting governance solutions to the specific conditions of particular countries. Formulas must, therefore, be flexible, limiting global action to the mere positing of minimum shared standards and leaving countries to define their own commitments later.

As mentioned, another important decision to be made is whether the global governance framework should be conceived as a centralized solution, working through a single regulatory framework and institution (a top-down dynamic), or whether it is better to move forward from more limited commitments (regional and bilateral) in the search for a more complete framework (a bottom-up dynamic). The advantages of the first option lie in the likelihood of a more coherent solution, ensuring more efficient and fair treatment of the international externalities associated with migratory phenomena. However, disadvantages stem from the considerable difficulties involved in creating a single regulatory and institutional framework that can garner sufficient international support. The low level of support expressed for previous regulatory proposals in this field speaks volumes.

Thus it may well be more feasible to adopt a mixed process, combining the definition of a framework of minimum standards with the establishment of a

platform for negotiation and global dialogue. A dynamic of more committed bilateral and regional agreements, based on more intensive interactions and platforms of dialogue among government officials, would also be required. Among the disadvantages of this option is the possibility that the international system of regulation might fragment into numerous regional approaches. However, that risk would be reduced if agreement were reached on minimum standards globally. On the positive side, this approach would allow partial agreements of greater magnitude, which could mean that regional commitments serve as building blocks (rather than stumbling blocks) for international governance.

This would also mean that “policy networks” could play an important role in promoting global governance, less by creating regulations than by addressing the issues and resolving problems related to migration (Slaugther, 2004). Coordinated solutions to detected problems are the result of the exchange of information, the dissemination of good practices, and the formulation of nonbinding codes. These frameworks, along with platforms for dialogue, can facilitate the definition of more committed agreements at the bilateral or regional levels. The fact that there is greater similarity among economies within regional frameworks means that deals around migration might be more easily negotiated through a cooperation game (as opposed to a bully game), thereby making them more feasible. And we should not forget that nearly half of all international migrants move only within their region of origin. The bottom-up approach could thus facilitate the path to global governance, even if this is achieved through denser and more diffuse structures, and via regional agreements that would not necessarily be uniform.

## **6.2. The basis for agreement**

The suggested dynamic should be compatible with a framework of agreement that is more general on principles and minimum standards. Here, significant inspiration can be found in treaties agreed upon in the United Nations. The approach should be based on a number of shared principles and should include:

- Acceptance that international migration is a consequence of differences that exist globally in levels of well-being, freedom, security, and the potential for individual progress. If we want to decrease migratory pressures, we need to actively reduce the inequalities that drive migration.
- Recognition that the ability of people to choose the place where they live is an element of human freedom. That freedom cannot be exercised when

countries erect obstacles to emigration, artificially restrict the entry of foreigners, or limit the rights of those who emigrate.

- Nevertheless, freedom is fuller when it is less conditioned upon necessity. Therefore, all persons have the right to stay in their home countries, and governments remain responsible for the consequences of “bad” governance that may provoke mass emigration of their citizens.
- All countries have the right to define the rules around entry into their territories, access to residency and citizenship, and integration by foreigners into labor markets. However, such regulation should be drawn up bearing in mind: (i) that migratory regulation must be sensitive to the conditions of the poorest peoples and societies, while identifying the potential developmental effects of migration; and (ii) the nature of today’s world, where markets and countries are increasingly integrated beyond national borders. It would seem incoherent to seek freedoms governing trade and capital while excluding the movement of people.
- While states have the right to regulate the conditions of access by nonnationals to their territory, they also have the obligation to protect and respect the basic rights of everyone therein, regardless of his or her administrative status. Migrants constitute a particularly vulnerable sector of society, which obliges states to redouble their efforts in fighting xenophobia and the abuse and exploitation, exclusion and marginalization of the emigrant, as well as the illegal trafficking of humans.
- In the case of migrants who legally live in a host country, the host government should be obliged to guarantee as a minimum: (i) equal pay for similar jobs, respectable labor conditions, and social and health protection; (ii) collective organization and negotiation; (iii) that they are not subject to arbitrary detention or deportation without judicial process; (iv) that migrants do not suffer cruel, inhuman, or degrading treatment; and (v) the possibility of free return to their country of origin. All these rights should be safeguarded along with those associated with personal freedom and security.

In accordance with these principles, the final goal is to achieve a situation where “there would be few barriers to migration and little unwanted migration” (Martin et al., 2006, pp. 150). That is surely a difficult task in a world that is both interconnected and notably unequal. A more viable goal for migration management would be to define a balanced framework that: (i) preserves the greatest possible freedom for people to choose where they want to live; (ii) guarantees the rights of persons who emigrate, allowing them to achieve

a dignified life in the host country; (iii) maximizes the benefits resulting from emigration, both for the emigrants themselves and for the countries involved; and (iv) establishes mechanisms to compensate those damaged by the migratory process.

These objectives are clearly not compatible with free migration, understood as the dismantling of any type of control on migration. In fact, free migration could result in unsustainable losses to states that invest in human capital, or those that provide high levels of social welfare transfer. Rather, the purpose should be to promote a managed liberalization of current restrictions on human mobility, defining a framework for more orderly migration.

To achieve that objective, it is essential to remember that countries coexist in very different states of potential. This is why the process should be carried out gradually and flexibly, moving toward a progressive liberalization of migratory policies while allowing regulation to be adapted to the circumstances of individual countries. One possible way to achieve this is, as Trachtman (2009) suggests, by using a system based on request/offer-type negotiation. This is a similar process to that used to liberalize services through GATS, with countries negotiating on the basis of positive lists of liberalized services, adapted to the conditions in each country.

Even through the use of such a gradual process, it may be the case that countries do not find sufficient incentives to sign an international agreement on migration. It may, therefore, be a good idea to establish side payments linked to negotiations on migration. Two options seem particularly relevant. The first has to do with the possibility of including deals on migration into wider negotiations in which concessions are made around areas other than migration. This may prove a worthwhile way to involve net emigration countries in cooperative actions to regulate migratory flows in an orderly way.

The second option has to do with the goal of promoting better distribution of the benefits of migration. As we know, migration is highly selective, and it is migrants themselves who receive a large part of the benefits of labor mobility (and such benefits lie not in the assets that migrants carry with them, but rather in the complementary inputs that a migrant finds in the host country). It would seem reasonable for some of those benefits to be distributed to the emigrant's country of origin. This is particularly important in the case of skilled labor, which has after all been trained in the country of origin. One way to share those benefits could be through a tax, perhaps agreed to between the countries of origin and host countries (along the lines initially proposed by Bhagwati and Dellalfer, 1973, or Bhagwati, 2003), but

not necessarily. Alternatively, other *ex-ante* agreements (such as the “global skill partnership”<sup>16</sup> suggested by Clemens, 2014) could be put in practice.

If it is necessary to define minimum standards to guide the global regime, it also needed the search for operational mechanisms that allow to move forward in a more orderly migration. Bilateral and regional dialogues can play an important role in this field. There are several aspects subject to possible agreements, such as defining standards for portability of health care and pensions, recognition of academic qualifications, controlling irregular movements, fighting trafficking, facilitating circular migration or reducing cost of labor migration, among others. Probably, bilateral and regional dialogues might not immediately harvest concrete policy results, but they are critical in developing the cooperative spirit that is required for better governance (Newland, 2005). More practical, gradualist, and organic steps can be needed for an effective and multilayered cooperation in this field (Papademetriou, 2011).

### **6.3. Institutions**

In order to create a framework for international governance, it would be a good idea to clarify the institutional panorama that currently exists. The Commission on Migration and Development suggests two possible alternatives in this respect. First, it suggests assigning an explicit leadership role in managing voluntary migration to one of the institutions that already exists within the United Nations (the ILO, for example), or else to the IOM. Secondly, it suggests merging two institutions that now exist, the UNHCR and the IOM, in order to attempt to integrate the mandate on migration, both forced and voluntary. Others have proposed creating a new organization (the World Migration Organization) under the umbrella of the United Nations, with a mandate to manage all migratory flows (Baghwati, 2003).

This last option seems less than feasible; nor would it be easy to merge two organizations such as the IOM and UNHCR with such different organizational cultures and mandates. The simplest option, therefore, would be to start with the IOM and to modify its mandate and legal status, transforming it into a multilateral institution within the UN system. With such a new status, the IOM would add to its current operational mission two new mandates of standard-setting and monitoring. In the last few years, the IOM has been increasingly active in the work processes of the United Nations, so much of the work here has already been started. The organization’s mandate should be limited to voluntary migration, leaving the management of the refugee population (present in the IOM’s original mandate) to the UNHCR.

Meanwhile, it is also necessary to maintain coordination between multilateral agencies with partial responsibility over migratory themes, as the Global Migration Group has proposed. Finally, it is equally essential to support the international instances of dialogue and cooperation currently in effect (such as the Global Migration Forum and the Regional Consultative Processes on Migration), supporting their secretariats in the preparation and monitoring of their agenda, promoting more active participation by civil society and the private sector, and encouraging, when appropriate, a tighter link with the process of regional integration.

## 7. Final considerations

Regulation of migration has remained largely the domain of sovereign states, without a formal multilateral institutional framework. However, in a world so interconnected, it is difficult for migratory flows to be managed exclusively through autonomous nations. Migration is a global phenomenon requiring cooperative solutions at a global level. If such solutions are not found, we will continue to fail to take advantage of the full potential for development offered by migration. We will also ensure that many migrants end up living without legal protection, the victims of abuse or social exclusion.

In spite of the relevance of this phenomenon, there has been limited debate about the regulatory, institutional, and operative bases for migration governance. But such debate is absolutely necessary for the development of a coherent and fair vision for the future of migration. That debate should lead to a progressive, pragmatic, and gradual liberalization of regulation on migration, in order to achieve an orderly and realistic management of migratory flows.

The best way to achieve this objective would be to combine the establishment of universal minimum standards, shared by all countries, with the implementation of a dynamic of bilateral and regional interaction among government officials driven by problem-solving goals that could lead to greater commitments.

At the global level, a framework of dialogue and negotiation should be started in which countries can offer to take positive steps on liberalization in a way similar to the approach adopted in the GATS. In order to encourage those processes, progress should be made in setting up a multilateral institutional framework with competences over the regulation of labor migration. The most viable alternative is to start with the IOM, altering its mandate and statute to transform it into a multilateral body, integrated within the UN system and specialized in managing voluntary migration.

Mechanisms of dialogue, both globally and especially regionally, should continue to be promoted. And well-functioning government networks may create a dynamic of coordinated solutions, based on constant exchange of information, addressing issues and formulation of non-binding codes of conduct. These networks could facilitate the environment for more formal supranational agreements.

## Notes

- 1 I am grateful for debates on this topic at the CDP and particularly for comments by José Antonio Ocampo, Pilar Romaguera, and Nouria Benghabrit-Remaoun.
- 2 In a complementary work (Alonso, 2013), we analyzed the developmental effects of international migration.
- 3 A migrant can be considered a person born in a country different from that in which she lives or, alternatively, a person of a different nationality from the country in which she lives. Both concepts are used in specialist literature. Data offered here adopt the first criterion.
- 4 A similar, though smaller, phenomenon was produced as a result of the breakups of Czechoslovakia and Yugoslavia.
- 5 In the opposite sense, wages in net emigration countries will tend to increase, as Mishra (2005) and Aydemir and Borjas (2007) show in the case of Mexico. As a consequence of both changes, migration tends to reduce wage differentials between net emigration and host countries, which turns migration into a potential factor for reducing international inequalities.
- 6 This interpretation is in accordance with the idea that noneconomic forces have a more important role than economic ones in determining social preferences in relation to migration (Greenaway and Nelson, 2006).
- 7 While the native population of receiving countries tends to reject large-scale immigration, this sentiment is far from universal and is highly conditioned by the way in which States manage the process of migration.
- 8 Home countries have come to understand the advantages of emigration, both as a safety valve to alleviate the social pressure on domestic markets and institutions and as a source of external financial resources. Therefore, they have few incentives to repress nonskilled emigration (Portes and De Wind, 2007).
- 9 There was one attempt adopted by the League of Nations in the 1920s to explore the possibility of a Convention dedicated to “facilitate and regulate international exchange of labour”. However, the initiative failed to prosper.
- 10 An analysis of the causes for the limited international support to the Convention can be found in Pecoud and Guchteneire (2004).

- 11 In 1999, nations were consulted as to whether they would support a global conference to discuss the elements of a global migration regime. Only forty-seven governments expressed support for such a conference, while twenty-six expressed reservation. Given those results, instead of a conference, the UN Secretary General decided to launch a Global Commission on International Migration.
- 12 Previously, UN-DESA focused its 2004 World Economic and Social Survey on the subject of International Migration.
- 13 It deserves mentioning that the Global Forum on Migration and Development was created after the 2006 General Assembly as a consequence of the countries' reluctance to support the Secretary-General's suggestion of creating a formal intergovernmental committee on this topic.
- 14 The European migratory policy is, however, far from effective and integrated, as disputes around the distribution of responsibilities of the control on southern frontiers show.
- 15 To these two modalities, Koslowski (2009) adds a third, related to the rules of displacement and mobility of people, including those who move outside any legal frameworks.
- 16 As Clemens suggests in such partnership countries of migrant origin and destination agree ex ante who will bear the costs of training skilled migrants and allow a small portion of the economic gains from skilled mobility to foster skill creation in origin countries.

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## ANNEX

In the case of migratory liberalization between symmetric countries, the agents' positions are shown in Table 6A1. Only the scarce factor which competes with migrants is clearly opposed to the liberalization. The gains of the process are small, but there is limited resistance to the liberalization, particularly where the agreement is reciprocal.

**Table 6.A1** Position in relation to migratory liberalization in symmetric countries

	Scarce labor	Abundant labor	Capital	Consumers
No reciprocity	Opposed	Weakly in favor	In favor	Neutral
Reciprocity	Opposed	Weakly in favor	In favor	Neutral or weakly in favor

Strategic equilibrium adopts the structure of a “cooperation game,” which is represented in Table 6.A2 (Trachman, 2009).

**Table 6.A2** Cooperative game

		State B	
		Liberalize	Defect
State A	Liberalize	5, 5	1, 3
	Defect	3, 1	3, 3

In the case of migratory liberalization between asymmetric countries, the agents’ positions in the host country are shown in Table 6.A3. Only the abundant factor is (weakly) favorable to liberalization. The remainder of agents are neutral or opposed to the process, particularly if the intensity of immigration amplifies its negative externalities (on social capital and access to service in host countries). Nothing changes if the agreement is reciprocal.

**Table 6.A3** Positions in the host country in relation to migratory liberalization in asymmetric countries (with externalities and free capital movements)

	Scarce labor	Abundant labor	Capital	Consumers
No reciprocity	Opposed	Weakly in favor	Neutral	Neutral or opposed
Reciprocity	Opposed	Weakly in favor	Neutral	Neutral or opposed

Strategic equilibrium adopts the structure of a “bully game,” which is represented in Table 6.A4 (Trachtman, 2009).

**Table 6.A4** Bully game

		State B (developing country)	
		Liberalize	Defect
State A (developed country)	Liberalize	1, 3	0, 2
	Defect	2, 1	2, 2

