Staying the course on global governance of migration through the COVID-19 and economic crises

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COVID-19 CRISIS THROUGH A MIGRATION LENS: #InThisTogether

What are the impacts of the current economic and health crisis on migration and remittance flows worldwide?

The sudden lockdowns, travel bans and social distancing requirements due to COVID-19 had disproportionate effects on migrants. In the immediate aftermath, in the second quarter of 2020, employment levels for migrant workers fell precipitously (in the United States, e.g., it dropped 21 per cent for foreign-born workers, compared with 15 per cent for native-born workers). Judging from past experiences (e.g. during the global recession of 2009), it can take years before foreign-born employment levels recover. New migration flows have come to a halt, while return migration has increased sharply, with the result that the stock of international migrants will register a decline for the first time in the past seven decades.

The crisis has severely affected remittance flows to low- and middle-income countries. In 2019, remittances reached a record $548 billion, a level that surpasses foreign direct investment and is three times the amount of official development assistance. Due to the crisis, remittances are expected to decline by 7.2 per cent in 2020 and again by 7.5 per cent in 2021 (World Bank, 2020a, 2020b). This is unprecedented—during the global recession in 2009, remittances declined by only 5 per cent. The sharp decline in remittances is expected to throw millions of people back into poverty and food insecurity.

A unique effect of the COVID-19 pandemic on remittances has occurred through the closures of money transfer operators. Gradually, more operators have been allowed to open. There has been some shift from cash-based flows to mobile or Internet-based remittances, although cash-based remittances still account for over 80 per cent of all transactions. However, the majority of lower-skilled migrants, particularly those employed in informal sectors or in irregular status, and their families back home, do not have bank accounts. Also, money transfer operators have faced difficulties in opening accounts with correspondent banks.
The crisis has exposed significant data gaps that have prevented real-time monitoring of remittance flows and migratory movements including stranded migrants and returning migrants. There is a pressing need to improve relevant data collection systems. Safeguarding the flows of remittances requires inclusive approaches to migrants. Governments of both host and origin countries must support the remittance infrastructure. These include recognizing remittance services as essential so that they may continue to operate, reducing the burden of remittance fees on migrants, incentivizing digital money transfers, and mitigating factors that prevent customers or remittance service providers from accessing banking services. The World Bank through the Global Knowledge Program on Migration and Development (KNOMAD) is launching an International Working Group on Improving Data on Remittances in collaboration with National Statistical Offices, central banks and selected international organizations to improve data on remittances and international cooperation in the collection and dissemination of data. Plus, the Governments of Switzerland and the United Kingdom jointly launched a Call to Action “Remittances in Crisis: How to Keep Them Flowing”, in partnership with institutional partners, including the World Bank (KNOMAD) and the UNCDF. The coalition now includes thirty member states, UNDP, IOM, the International Association of Money Transfer Networks and the International Chamber of Commerce and several other organizations from the civil society and the private sector. Also, in response to the UN Secretary General’s call for global solidarity in addressing the COVID pandemic, IFAD launched the Remittance Community Taskforce to come up with immediate measures to really address the impact of COVID on remittances.

CONCESSIONAL FINANCING FACILITY FOR MIGRATION

Amid the crisis and decline in remittances, what has been the progress so far on global governance of migration? Will COVID-19 halt the recent progress?

Formalization of global governance requires (i) a set of globally agreed guidelines, (ii) a lead agency in charge of implementation and (iii) funding. Since the refugee and migrant crisis in 2014/15, tangible progress has been made in the global governance of cross-border movements of refugees and migrants. In 2018, a Global Compact on Refugees (GCR) and a separate Global Compact for Safe, Orderly and Regular Migration (GCM) were adopted by the global community, following the 2016 New York Declaration for Refugees and Migrants.

Progress on the GCR has been smoother although thorny issues remain. For much of history since the Second World War, there has been agreement about the definition of refugees and a set of legal guidelines established through the 1951 Refugee Convention and its 1967 Protocol, centred on the core principle of non-refoulement, which asserts that a refugee should not be returned to a country where they face serious threats to their life or freedom. The UNHCR was entrusted with the implementation of guidelines as the lead agency. Burdensharing—which nation(s) should host the refugees other than the country of first arrival—continues to nag the global governance of international protection. An associated problem is financial burden: host countries may have neither the political will nor the financial ability to support a large number of people from other countries.

More recently, the creation of refugee windows under IDA18 and IDA19 (totalling over $5 billion) has been successful in scaling up activities addressing refugees and forced displacement. Also, the Global Concessional Financing Facility was created to combine grants from donor countries with loans from multilateral development banks to provide concessional financing to middle-income countries (such as Colombia, Ecuador, Jordan and Lebanon) hosting a large number of refugees and displaced persons from other countries.

Unlike the GCR, progress on the GCM has been slower. Tangible progress has been made in identifying the International Organization of Migration (IOM) as a “UN-related agency” well positioned to play the role of the lead agency on migration. Also, in trying to present a cooperative framework addressing migration in “all its dimensions”, the GCM document lists 23 objectives covering almost all the important issues surrounding migration. However, from the start, the GCM faced opposition and non-participation from many nations. Perhaps the biggest stumbling block to the implementation of the GCM is the scale of migration—at over 240 million, the
number of (economic or voluntary) migrants is more than nine times the number of refugees. In the coming decades, migration pressures are expected to increase significantly due to income gaps, demographic divergence among countries (especially between the countries in Europe and those in Africa and South Asia), and climate change. Daunted by the prospect of hosting so many migrants or by the perceived scale of resource requirements, it has been difficult to reach an international agreement on guidelines for the governance of migration. While nations agreed with the GCM statement that "refugees and migrants are entitled to the same universal human rights and fundamental freedoms", they also agreed that "only refugees are entitled to the specific international protection as defined by international refugee law". Implicit in these statements is a threat to national identity in the face of large immigration flows and a loss of national sovereignty by ceding governance to a multilateral treaty perceived by host countries.

Sovereignty, citizenship and citizens' rights depend on a clear definition of national boundaries, some argue. However, these very concepts require strict enforcement of national borders, which, in turn, invariably, creates developmental gaps between peoples and places and, thereby, increases migration. In other words, the denial of a global governance architecture can lead to disorderly migration pressures.

A second stumbling block is the perceived impact of (im)migration on citizens, especially as it affects jobs and earnings. The good news is that there is a significant body of literature now pointing out that large benefits accrue from immigration to citizens. More recently, the benefits of migration are visible in the fight against COVID-19. During the pandemic, local and migrant workers alike are serving side by side on the front lines of grocery stores and health services. In the OECD countries, a quarter of medical doctors in the OECD and one-sixth of nurses are migrants. In many OECD countries, more than a third of the workforce in other key sectors, such as transport, cleaning, food manufacturing and IT services, are migrant workers (OECD, 2020). Supporting all workers’ ability to live and work safely is essential to the well-being of the whole community.

A third stumbling block to global governance of migration is a lack of concessional financing. Faced with financial and political constraints, most host countries need concessional financing from external sources for public spending associated with migrant populations. Origin countries also need financing to address developmental gaps. And in both cases, migration programmes need to be aligned with respective national development strategies, and with global goals such as the SDGs.

A proposal for a Concessional Financing Facility for Migration has been presented in a background paper for the upcoming summit of the Global Forum on Migration and Development (GFMD, 2020). Presently, there are no such large-scale financing facilities dedicated to addressing migration. To be more effective, migration governance must embrace the power of partnerships and leverage available financial resources. Funds are not necessarily scarce but are presently spent in a piecemeal and uncoordinated manner. For example, the EU Multiannual Financial Facility’s Neighborhood, Development, and International Cooperation Instrument would have a funding of over €96 billion during 2021-2027. The annual budget for immigration enforcement in the United States reached approximately $25 billion. On the one hand, there is a need to channel resources in a more efficient and coherent manner. On the other hand, making partnerships between host and origin countries effective, innovative and adaptable to changing circumstances requires adequate funding. In other words, effective partnerships need to be supported by a Concessional Financing Facility for Migration with a carefully designed governance structure to ensure equal and voluntary participation.

In the unprecedented environment brought on by the COVID-19 pandemic, international cooperation may be more important than ever as countries seek to meet their human rights obligations towards migrants and, simultaneously, recover from the economic damage caused by the pandemic, potentially looking to migration as one way in which to do so. Certainly, a community's safety during the pandemic depends on the safety of migrants in the community as well. Indeed, supporting host countries in providing vaccines to migrants could be among the first activities of a concessional financing facility.
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1. See World Bank 2016 for a short history of governance arrangements on refugees and migration.
2. IDA18 and IDA19 refer to the 18th and 19th replenishments of the International Development Association (IDA). A part of the World Bank, IDA provides zero to low-interest loans (called "credits", with 30- to 40-year repayment terms) and grants to the world’s 74 poorest countries for programmes that boost economic growth, reduce inequalities, and improve people's living conditions.
3. See Mohieldin and Ratha (2018).
4. Ratha (2020).
5. There are more than 10 migration-related SDG indicators including reducing worker-paid recruitment costs (indicator 10.7.1), reducing the cost of remittances (indicator 10.c.1) and increasing the volume of remittances (indicator 17.3.2). See World Bank (2019).

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