



House of Commons
International Development
Committee

**Migration and
Development: How to
make migration work
for poverty reduction:
Government Response
to the Committee's
Sixth Report of Session
2003–04**

First Special Report of Session 2004–05

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First Special Report

On 8 July 2004 the International Development Committee published its Sixth Report of Session 2003-04, *Migration and Development: How to make migration work for poverty reduction*, HC 79-I. On 6 December 2004 we received the Government's response to the Report. It is reproduced as an Appendix to this Special Report.

In the Government Response, the Select Committee's conclusions and recommendations are in bold text. The Government's response is in plain text.

Appendix: Government Response

The Government welcomes the Committee's report as a positive and constructive contribution to what is an important and sensitive policy debate.

Since the White Paper on making globalisation work for the poor, published in 2000, DFID has been working to improve its understanding of the relationship between migration and development and its impact on poverty in different contexts and settings. The challenge is to make the most of migration by minimising the costs for developed and developing countries alike, as well as for migrants themselves. And the best way to do this is by working together across Government and with our partners, both here and abroad.

The Committee's report has a wealth of practical suggestions and observations that will feed into DFID's evolving work in this area, and also emphasises the importance of cross-Whitehall working to maximise the very real benefits that can accrue from well-managed migration policies.

The Government's responses to individual Conclusions and Recommendations are set out below.

1. Policies aimed at delivering development and poverty reduction should not start from the assumption that migration is a rare occurrence, a south–north phenomenon, or a one–off event. Policies need to be based on an understanding of the multi–faceted nature of migration, including temporary, circular and seasonal migration, within and between developing countries, as well as from south to north. (Paragraph 16)

The Government agrees that migration is complex and context specific. It is not a development failure or a new phenomenon and is here to stay. Those individuals or families migrating make the decision to do so for multiple reasons in response to economic, social, political, conflict or other situations. Movement within borders and regions is by far the most significant form of migration for poor people both in terms of volume of movement and potential impact on poverty reduction.

2. Given the heightened vulnerability of female migrants to trafficking and exploitation, it is essential that policy is not based on the assumption that migrants are male. Policy makers must pay careful attention to the experiences and concerns of female migrants to ensure that their migration is beneficial. (Paragraph 16)

The Government agrees, and does not assume that migrants will be male. The opportunities open to migrants from various employment schemes apply equally to men and women. We have taken steps to protect those vulnerable to exploitation by traffickers, through a combination of tough enforcement action, prevention, cooperation to tackle the problem at source and support for the victims of this abhorrent trade. DFID is supporting the production of a briefing pack on Gender and Migration to help raise awareness of the importance of a gender differentiated understanding of migration for policy makers and practitioners

3. Understanding migration as part of the range of poor people's livelihood options has important implications for policy. Migration and migrants should not be seen as problems to be dealt with. Migration presents both challenges and opportunities. Migrants are people trying to improve their lives and must be treated accordingly. (Paragraph 21)

Migration has an important role to play in the livelihoods of people, and to that extent migration can be viewed as the human dimension of globalization (albeit less well analysed and studied than other types of flows.) This was an important theme in the report of the Commission on the Social Dimensions of Globalisation earlier this year.

4. As the poorest do not migrate, or do not migrate far, it cannot be assumed that policies which help migrants will also help the poor. [...] We must not lose sight of the main question: what is the impact of migration on those left behind in developing countries? A second implication which poses a dilemma for those who would like migration management to reduce migration, is that developed countries cannot expect to solve their immigration problems by reducing poverty in developing countries. Indeed the migration hump suggests that if we are successful in reducing poverty, we should expect increased out-migration from developing countries. But there may be aspects of development – democracy, good governance, gender equality – which developed countries might promote, and which might have the effect of reducing the push factors that encourage migration, leading to a situation where migration is an informed choice rather than a desperate option. Improving governance is of the utmost importance; better governance would make some migrants less desperate to leave, and – by encouraging migrants to remit and perhaps to return – would also make that migration which does take place more development-friendly. This is primarily the responsibility of developing country governments. (Paragraph 25)

We agree that decisions to migrate are influenced by a wide variety of factors, not least the provision of effective government in the country of origin.

5. Policy should not be designed on the basis of hunches and anecdotes. If development policies are to be well-designed, on the basis of a sound understanding of the causes and consequences of migration and development, then the evidence-base urgently needs improving. In particular, better data on internal migration is needed. (Paragraph 34)

We acknowledge that there is a need to improve the evidence base on the causes and consequences of migration. The Home Office's programme of research and statistical work on immigration aims to address certain aspects of these issues, while DFID has been supporting a range of projects and activities regionally that are contributing to evidence-based pro-poor policy reforms for better management of migration to promote and protect the rights of migrant women and men. The Government supports the need for better data, including census and household survey data on internal migration.

6. The International Organisation for Migration (IOM) suggests that the Government produce a short annual report on migration from developing countries. By providing information about who is coming to the UK, where they come from, what they do in the UK, to what extent they are remitting, and whether they return to their countries of origin, and by outlining what the Government is doing to make migration more development-friendly, such as report could do much more to raise awareness about the linkages between migration and development. We support this proposal and recommend that the Government takes it up. (Paragraph 35)

At present the UK does not have the data to support the Committee's recommendation. It will be considered as part of the forthcoming review (by National Statistics) of the "Control of Immigration Statistics Command Paper". It will be necessary to avoid duplication of work that another report into migration would bring. The control of immigration statistics annual report, reports on all categories of entry into the UK with characteristics of migrants where available. Eurostat, the Council of Europe, OECD and United Nations also produce regular reports on international migration.

7. It is unfair, inefficient and incoherent for developed countries to provide aid to help developing countries to make progress towards the Millennium Development Goals on health and education, whilst helping themselves to the nurses, doctors and teachers who have been trained in, and at the expense of, developing countries. (Paragraph 39)

The Government agrees that vacancy rates in the healthcare systems of some developing countries, especially in Africa, is reaching levels which pose a real risk towards progress in meeting the Millennium Development Goals in health. International migration of healthcare workers is one factor at work; yet the human resources crisis is about more than migration. Other factors include health workers leaving the sector due to poor pay and working conditions, difficulties in deploying staff to rural areas, political instability and repression and so on. Fundamentally, the underlying problem is underinvestment in health systems and delivery services, exacerbated in some countries by the effects of the HIV

epidemic. A broad range of both short- and longer-term solutions is needed to tackle this multidimensional set of issues.

8. As regards the regulation of the recruitment of healthcare professionals by the UK, several issues need clarifying. How effective has the NHS Code of Practice been? What will the Government do to enforce the Code of Practice or to encourage NHS employers to adhere to it? Where does passive recruitment end, and active recruitment begin? Why is there not a Code of Practice for Northern Ireland, Scotland and Wales? And perhaps most importantly, how significant a loophole is the fact that the Code does not apply to the private sector; specifically, how many health-workers from developing countries are employed in the private and public sectors, and how many of those employed in the public sector were initially recruited for the private sector? (Paragraph 44)

It is important to recognize that the UK was the first country to produce guidance for international recruitment of healthcare workers based on ethical principles, and to implement policies that explicitly prevent the targeting of developing countries for active recruitment. The Government maintains a list of recruitment agencies compliant with Code of Practice which was published in 2001, and monitored compliance through information supplied by statutory health authorities. The Code of Practice has been brought to the attention of devolved health authorities, which are considering how best the principles can be adopted. Experience gained with implementation of the Code of Practice has fed into the review which has just been completed (see recommendation 9 below.)

9. We were pleased to read about the Government's plans to tighten up the Code of Practice, and look forward to seeing the detail of these proposals. They must be effective, and their effectiveness must be proven. James Buchan reported to us that the NHS cannot say how many nurses from developing countries it employs. He described this as "unfortunate". We need not be so restrained. Data should be collected on the number of doctors and nurses born and trained in developing countries who are employed by the NHS. This is a gaping hole in the evidence-base for policies relating to migration and development. We also recommend that UK-based employers be required to use only recruitment agencies which are registered in the countries from which they are recruiting. In this way developing country governments might have some leverage over recruitment agencies, or at the very least have some opportunity to plan for the impacts of recruitment. (Paragraph 45)

The Department of Health launched a review of the Code of Practice in September 2004 and a revised and strengthened Code of Practice will be published in December. Among the changes are steps to close a loophole on the recruitment of temporary and locum staff; widened scope to enable all healthcare providers, including the private sector, to sign up to the principles of the Code of Practice; NHS providers to be commended to use only recruitment agencies that comply with the Code of Practice for domestic as well as international recruitment; steps to prevent third party recruitment via agencies in developing countries; and a series of best practice benchmarks. NHS Employers will

maintain details of organisations which have agreed to comply with the Code of Practice; and Monitor will commend Foundation Trusts to observe the Code. Efforts to compile more detailed statistics on the characteristics of the NHS workforce would have significant operational and resource implications which would have to be fully analysed.

10. The UK Government is a member of the Working Group which has developed the Commonwealth's Draft Protocol on the Recruitment of Teachers; we trust that this is a sign of its commitment. The UK is not a signatory to Commonwealth's Code of Practice for the International Recruitment of Health Workers. By its support the UK could play an important role in improving the multilateral regulation of recruitment. We invite the Government to explain its position. (Paragraph 46)

The Government supported the development of a Commonwealth Protocol on the Recruitment of Teachers and has endorsed the text which was agreed in September 2004. The Government strongly supports the principles underlying the Commonwealth Code of Practice on the international recruitment of healthcare professionals, but final version of the Code contained elements which the UK was unable to support. The Government felt unable to commit to undertakings which would not be within its control, such as action on all recruitment agencies both in the UK and overseas. The text on compensation was also unacceptable. Other Commonwealth countries had similar concerns.

11. If the NHS is to depend on overseas workers, then we recommend that the Government considers designing schemes to train nurses in developing countries for temporary employment for a specified number of years in the NHS, on the understanding that they would then return to their home country. Such schemes should be designed with the input of developing countries, migrants' organisations and employers. The nurses would have an opportunity to earn more and to acquire skills. The UK would receive a temporary influx of staff for its health service. The developing country would see an increase in its skills base. Such a scheme would need careful design, not least to ensure that migrants did return to their home countries. But the potential development benefits, and the fact that this would be a more cost-effective way of training nurses, no matter where they ended up working, make it worthy of serious consideration. The costs of training nurses should not be borne by countries which do not benefit from their training. (Paragraph 48)

The pattern of international recruitment of healthcare professionals is constantly evolving with new models of recruitment emerging to meet demands. In some developing countries, training courses are being adapted to particular niches in the global market for healthcare workers; and the Department of Health is equally active in considering tailor-made schemes which will work to the mutual advantage of the NHS and service providers overseas. The Memorandum of Understanding which was agreed with South Africa in 2003 is one example. This focuses on creating opportunities for healthcare professional from both countries to undertake time-limited placements that will give opportunities for the exchange of knowledge and skills and also help develop collaborative approaches to health.

12. We acknowledge that “just training yet more nurses” as Hilary Benn put it, will not in itself reduce the brain-drain, although it may help to address what appears to be a global shortage of nurses. However, in combination with efforts to address the push factors, such an approach has considerable potential to make migration work better – more fairly, and more cost-effectively – for development and poverty reduction. (Paragraph 49)

DFID has provided £560 million over the last five years to support health services development in Africa alone, including the training of nurses and doctors. A strong focus of this assistance has been workforce capacity development. For example, DFID is supporting Malawi’s efforts to develop an emergency human resource programme which aims to almost double the number of nurses and triple the number of doctors in Malawi over the next six years.

13. One way of reducing illegal migration might be to open up more transparent and efficient channels for legal migration. Indeed, this is what the UK has been doing in recent years, through measures such as reform of the seasonal agricultural workers scheme and the introduction of sector-based short term work schemes for hospitality and food manufacturing workers. Migration, especially legal migration, can be of benefit to the UK, migrants and their home countries. But whilst opening up channels for legal migration may undercut traffickers and smugglers, it will not satisfy the latent demand for migration. Migration still needs to be managed, and illegal migration tackled. (Paragraph 52)

The UK Government agrees with the Committee’s conclusion. We are pursuing a balanced immigration policy: welcoming legal migrants and encouraging the integration of those who settle here, whilst tackling vigorously abuse of the UK’s immigration and asylum procedures.

Policies on legal migration need to be designed in a way that prevent illegal immigration (assuming migration in the particular instance is good for the UK) but also do not risk adding to the problem. They also have to be developed alongside other policies to deal with the problems caused by illegal immigration - including exploitation of the workers themselves.

14. The UK Government and governments of other developed countries, need to address the issue of sex tourism which fuels the exploitation of women and child in south-east Asia particularly, and ensure that existing legislation protecting the rights of migrant workers is vigorously enforced. (Paragraph 53)

The UK Government is committed to eradicating the sexual exploitation of children, including where British citizens go abroad to abuse children. The Government has put in place comprehensive legislation to deal with this problem:

- Section 72 of the Sexual Offences Act 2003 enables courts in England, Wales and Northern Ireland to deal with British citizens or residents who commit sexual offences against children abroad. Similar provisions apply in Scotland.
- The Criminal Justice (Terrorism and Conspiracy) Act 1998 makes it an offence for a person to conspire to commit an offence outside the UK (including sexual offences against children) and the Sexual Offences (Conspiracy and Incitement) Act 1996 makes it an offence to incite or commit certain sexual acts outside the UK.

Accompanying the Sexual Offences Act 2003, the Government has made regulations which reduce the period that registered sex offenders can spend abroad before they have to notify the police, from 8 to 3 days. The police can, and do, pass this information to other jurisdictions when they believe that it will prevent the offender from committing an offence overseas.

The Sexual Offences Act 2003 introduces two new civil preventative orders aimed at protecting vulnerable children abroad from UK sex offenders and British children from offenders convicted overseas. First, the foreign travel order is targeted specifically against paedophile sex tourists – those who travel overseas to abuse young children. It is intended to prevent those with a conviction for a sexual offence against a child under 16 from travelling abroad when there is evidence that they may cause serious sexual harm to children. This order has considerable support amongst non-governmental organisations (NGOs) who actively oppose the child sex industry.

Second, the notification order enables the courts to make offenders who have received convictions and cautions for sexual offences overseas (whether they are British citizens or foreign nationals) subject to the notification requirements (the sex offenders' register) of Part 2 of the Sexual Offences Act 2003 if they come to the UK.

Clearly legislation can only help to tackle part of the problem. We are also working with other governments, law enforcement agencies and NGOs to tackle this problem head on wherever it occurs. The Foreign and Commonwealth Office and Department for International Development supports projects in many parts of the world aimed at combating those who commit offences against children.

The Government is determined to tackle the exploitation of illegal migrant workers in the UK. The UK Immigration Service has increased enforcement activity against illegal working, and the Government is looking at ways to improve cross-departmental co-operation, including with the police and local authorities, in enforcing workplace regulations. The new joint Workplace Enforcement Pilot was announced on 10 November 2004.

15. Governments, including the UK Government, need to ensure that they do not, in their enthusiasm to control migration – prevent refugees from gaining asylum. And if public confidence in a government's ability to control migration is to be maintained, asylum claims need to be processed fairly and quickly. If this is not achieved, public support for economic migration will disappear, and with it potential development gains. (Paragraph 56)

The UK Government is committed to upholding its obligations under the 1951 UN Convention relating to the Status of Refugees and will consider all applications for asylum made in the UK. Each claim will continue to be assessed on its individual merits.

We do not believe that the measures we have introduced to reform the asylum and immigration system, including tighter border controls, prevent refugees from obtaining protection. It is appropriate for asylum seekers to claim in the first safe country they reach. In addition, we are working with EU partners to promote protection of refugees in their region of origin, so that they are not forced to put themselves at the mercy of people smugglers and traffickers in order to seek protection in Europe. We have also recently initiated the Gateway protection programme, designed to allow recognised refugees, from West Africa in the first instance, to begin new lives in the UK. This, together with other resettlement schemes in which the UK participates, provides a legal channel for entry for genuine refugees.

The Government agrees with the Committee's view that asylum claims must be processed fairly and quickly if public confidence in the Government's ability to control migration is to be maintained. For this reason, we have invested considerable time and effort into improving the efficiency and quality of the asylum system. Over 80% of asylum applications are now decided within two months. Furthermore the number of cases awaiting a decision has fallen by 58% in the last year alone, with the number of undecided cases now standing at the lowest level for a decade.

We have also acted to speed up the appeals process. The Asylum and Immigration (Treatment of Claimants etc) Act 2004 contains measures to streamline the appellate structure and reduce the opportunity for delay for those playing the system. The new single tier appeal (the Asylum and Immigration Tribunal) will be put in place from April 2005. It will be fully compatible with our Human Rights obligations and in particular the ECHR obligation to provide a right to an effective remedy. The new appeals process will be fast, fair and effective, while increasing speed and reducing abuse.

16. A reader of the British press might assume that the UK is in the front-line of dealing with refugees. Such a view is incorrect and should not be allowed to mis-inform debates about migration. (Paragraph 59)

The UK Government agrees that asylum applicants and refugees are often misrepresented. It is clear that, within the European Union, the UK has until recently received a disproportionately high share of asylum applications. Most applicants had no protection needs. We have taken steps to address this situation by legislating in 2002 and 2004 to reform the asylum system in the UK and by working closely with EU Member States. It is also clear that most of the world's refugees are hosted by under-resourced countries and there needs to be better managed and more equitable asylum, protection and migration processes globally.

For this reason, we are increasing our focus on assisting countries in regions of origin that host asylum applicants and refugees. In June 2004, the Commission issued a communication on "managed entry in the EU of persons in need of international

protection and the enhancement of EU regional protection programmes in the regions of origin". This proposes the development of EU regional protection programmes (RPPs) in the regions of origin to address protracted refugee situations. The proposals are intended to be flexible and can include action to enhance protection capacity, the introduction of registration schemes, action on migration management, voluntary return, assistance to improve local infrastructure and resettlement and help to integrate persons in need of international protection in a third country. The RPP approach will be developed in close partnership with third countries and in close co-operation with UNHCR, seeking in particular to dovetail with its Convention Plus Initiative and ensuring coherence with its Agenda for Protection.

In addition, we are seeking to develop migration partnerships with countries in the regions of origin of major asylum generating countries. The aim of the partnership is to address a range of migration issues including the handling of their asylum and refugee caseload.

17. It is essential that the UK contributes its fair share to international humanitarian assistance. There is also a need for both donors and developing countries – including government at national and local levels – to take into account the needs of refugees, and the implications for policy, in Poverty Reduction Strategy Papers. (Paragraph 60)

When the 2005 round of consolidated appeals for humanitarian assistance was launched in November 2004, the UN noted that the UK is an important partner as the third largest donor for humanitarian assistance after the United States and the European Community. The UK has provided more than £60 million in response to the crisis in Darfur, Sudan, making the UK the second largest bilateral donor. We will be committing a further £100 million next year for humanitarian and development assistance for Sudan provided there is early signature of a comprehensive peace agreement and the Sudanese authorities live up to their commitments on Darfur. We agree that the needs of forced migrants, especially those in protracted refugee situations, should be taken into account more explicitly in national planning processes, including poverty reduction strategies; and support the steps taken by the UN High Commission for Refugees (UNHCR) to address these issues more effectively through its Convention Plus initiative.

18. Host countries need to ensure that migrants living within their borders are able to live productive lives, enjoy adequate access to services, welfare services, and have their rights protected. We were pleased to hear that DFID is funding innovative rural livelihoods programmes in India which, by including support to migrants, are making a big difference to migrants' lives. [...] We applaud such creative efforts to improve the lives of migrants, which will in turn help to make migration work better for development and poverty reduction. We trust that mechanisms will be put in place to ensure that policy-makers elsewhere can learn from these projects. (Paragraph 62)

We will continue to look for innovative approaches which support the livelihoods of migrants and ensure that best practice experience is shared and disseminated.

19. We invite the Government to outline what it does to help migrants' integration in the UK, and to consider Oxfam's recommendation of a comprehensive support and education system. Similarly, where appropriate, the Government should encourage and help its developing country partners to establish similar schemes. (Paragraph 64)

The Committee's recommendation is entirely consistent with the Government's approach to helping migrants to integrate. The overall aim of programmes that we are currently developing is to help new migrants to learn English, to develop a practical knowledge of life in the UK and an understanding of our democratic traditions, and to support them in finding and sustaining employment. It is accepted that real benefits can accrue from providing language programmes to new migrants at an early stage.

"Language and Citizenship" ESOL courses are being piloted in all Learning and Skills Council areas. Piloting should be completed by Spring 2005. The programmes are faithful to the concepts outlined in the final report of the Life in the UK Advisory Board: "The New and the Old", and have been developed by NIACE and their partners, London Language and Literacy Unit. Teachers delivering these courses will be given detailed guidance, including suggested lesson plans and learning support materials.

There are special arrangements for refugees. In June, the Home Office published as a consultation document a new refugee integration strategy: "Integration Matters". This outlined plans for caseworkers to help refugees to develop a personal integration plans that would cover entry to employment, using pathways that are appropriate to their needs and skills. There will be help with the housing problems that some refugees face, particularly when moving from Government-funded accommodation. There will also be help with access to public services and English language tuition if this is needed. They will be offered the support of a mentor for up to one year.

20. Oxfam have told us that Home Office research disproves the idea that giving asylum seekers the right to work would increase the attractiveness of the UK to potential refugees and asylum seekers. We would welcome clarification of the Government's views. (Paragraph 65)

The UK Government is committed to maintaining a clear separation between the asylum system, which should be reserved for those with a well-founded fear of persecution, and the selective admissions system for addressing skills and labour shortages in the UK economy. We remain of the view that to permit asylum applicants to take employment as a matter of course whilst their claims are considered risks encouraging misuse of our asylum system and irregular migration. The Home Office research referred to by Oxfam, which related to the decision-making of asylum seekers, cannot be regarded as representing the views or decisions made by all actual or potential asylum applicants. The survey involved interviewing 65 people. The research did not investigate the decision-making of people who were deterred from travelling to the UK.

21. Governments should do their utmost to protect migrants' rights – through legislation and its enforcement, and through the provision of information – to ensure that they are not subject to exploitation by employers, gangmasters and employment agencies. We welcome the swift progress of the Gangmasters (Licensing) Bill through Parliament; once the Bill becomes law it will be an important step in preventing the exploitation of workers, including migrant workers, by gangmasters. (Paragraph 65)

The UK Government is keen to ensure that migrant workers coming to the United Kingdom are aware of their employment rights and responsibilities. We have therefore been working with some of the new EU Member States to produce employment rights information for their nationals in the form of bilingual leaflets. Called "Working in the United Kingdom - Know your rights and how to get help and advice", the leaflets were launched simultaneously in the UK and in Poland and Lithuania in June this year. The Home Office has assisted the TUC to make available in relevant languages information explaining the rights of accession state nationals living and working in the UK.

The Government agrees with the Committee that the Gangmaster (Licensing) Act 2004 is an important step in preventing the exploitation of workers, including migrant workers, and is currently engaged in an extensive programme of work to implement the legislation. The Government supported the measure throughout its Parliamentary passage.

22. We invite the Government to explain why it has not ratified the UN Convention and to provide us with the evidence to support the assumption that there is a trade-off between migrants' rights and immigration control. We would also like to know how the Government came to the conclusion that it had struck the right balance; that is, how was the value of migrants' rights and the value of immigration control assessed? (Paragraph 68)

The rights of migrant workers are already protected in UK legislation and the UK's existing commitments under international law, including the Human Rights Act 1998. Incorporating the full terms of the UN Convention into UK law would mean fundamental changes to legislation, including the Immigration Rules, and would undermine the UK's system of frontier controls as well as having major cost implications for the Government and local authorities. We believe that the UK has struck the right balance between the need for immigration control and controlled access to public funds and services on the one hand and the protection of the interests and rights of migrant workers and their families on the other.

For example, at present a work permit holder seeking to enter the UK must not intend to take employment other than as specified on their work permit. If the individual remains in the UK in work permit employment (or in other employment or self employment categories) for four years, they are eligible to apply for settlement. Those settled in the UK are entitled to claim benefits and access to social housing and public funds in the same way as a British citizen (although state school education and treatment under the NHS are not considered public funds for the purposes of the Immigration Rules and so migrant workers can access these before they are settled). If the UK were to ratify the Convention, we would not be able to restrict the employment that work permit holders can do to that specified on

their permit and they would have access to public funds from the date that they entered the UK. Although the UK would retain the right to refuse entry, this would be particularly problematic after entry as the Convention requires that a migrant stays for the length of their latest permission to stay, regardless of whether they subsequently become unemployed. The UN Convention would therefore allow migrant workers to circumvent current immigration controls and remain in the UK even when they are not fulfilling the conditions on which they were granted entry to the UK (pursuing the specified employment).

Giving all migrant workers access to public funds from the date of entry would therefore not only be costly, but also create an unnecessary “pull factor”. This would be the case if all migrant-receiving countries were to ratify the Convention, even if the available public funds were equivalent in all migrant-producing and migrant-receiving countries. As above, the Convention would also allow migrant workers to remain in the UK and claim benefits for the duration of their period of stay, even when they are unemployed for some or all of this period. In itself, it would create an unnecessary “pull factor”.

23. If there were a multilateral commitment on the part of all migrant-receiving countries to ratify the Convention, and to protect migrants’ rights accordingly, then no one country would risk being seen as a soft-touch as a result of its ratification. (Paragraph 69)

The UK Government is of the view that, unfortunately, the problems explained in relation to recommendation 22, would not be resolved through ratification of the Convention by all migrant-receiving countries.

24. There are temporary migration schemes that work, and schemes that do not work. What is not in doubt is that there is a demand for workers in developed countries such as the UK, and demand for employment from people in developing countries. There is a need to examine the evidence to learn the lessons and to understand what can be done to make temporary migration and assisted voluntary schemes work and deliver development benefits. The UK Government, working with the IOM and other international organisations, should ensure that this challenge is taken up. (Paragraph 74)

The Government notes the observation, at paragraph 73 of the report, that some have concluded “that temporary migration inevitably becomes permanent”. We do not accept this to be the case. The vast majority of applicants who come to the UK on a temporary basis do in fact leave the UK at the end of their approved stay. Applicants on schemes such as the Sectors-Based Scheme (SBS), training and work experience scheme (TWES) and Seasonal Agricultural Workers Scheme (SAWS) are not able to switch into other employment categories without first leaving the UK. Only in tightly defined circumstances are graduated students and working holiday makers able to switch into other employment categories without first leaving the UK.

The Government has recently announced that it will be looking to control access to SAWS through the imposition of country specific quotas. These will be based upon the existence of a successful returns procedure that ensures co-operation with the return of citizens found to have overstayed their visas and remained in the UK illegally.

The Government recognises the importance of effective voluntary return schemes in assisting returning migrants to reintegrate in their country of origin. The UK's Voluntary Assisted Return and Reintegration Programme (VARRP) provides reintegration assistance through the International Organisation for Migration (IOM) to help former asylum seekers settle back into their countries of origin.

The assistance will vary according to the country conditions and individual needs, but can include education, training, assistance finding employment, or help returnees to become self sufficient and can thereby deliver development benefits. VARRP, which is part-funded by the European Refugee Fund, is evaluated by independent researchers each year in order to identify the lessons learned and to help improve the scheme.

25. DFID, and through DFID, other development stakeholders – including migrants' organisations and labour ministries in key migrant-sending countries – should be consulted when the UK Government is designing and revising temporary migration schemes. If countries with a Department or Ministry concerned with the welfare of their overseas workers were given priority in such consultations, developing country governments might be encouraged to do more to protect their overseas workers. The input of development stakeholders would make the schemes work better for the UK and deliver more benefits to developing countries. On 27 April 2004, the Prime Minister announced a wholesale review of the UK's immigration schemes; DFID must be fully involved in this review so that development objectives are fully considered. (Paragraph 70)

DFID is represented on a cross-Whitehall Managed Migration Group of officials, and is involved accordingly in the top-to-bottom review of managed migration. Officials are in discussion about ensuring that managed migration schemes are designed to meet development objectives. A key factor is to ensure that migrant workers from developing countries are enabled to improve their skills in the UK, and to send remittances home, but also to return to benefit their home communities.

26. Well regulated recruitment agencies – offering transparent fee structures, involving migrant workers' associations, and rigorously enforcing minimum wage and other health and safety conditions in the workplace – could be given preferential access to legal immigration routes into the UK, providing an incentive for, and model of, good practice. (Paragraph 77)

With regard to the work permit scheme, Work Permits UK operates a policy of issuing work permits only to the employer, and not to those third parties who recruit workers solely to hire them out to other third parties (although this does not preclude recruitment agencies from involvement in the recruitment process). This policy ensures that the terms

and conditions of employment for a specified post can be checked before a work permit is issued.

In the case of agricultural workers, the SAWS arrangements are implemented through Home Office-approved operators who are responsible for the recruitment and placement of participants and are regulated through contractual arrangements to ensure that terms and conditions of employment are consistent with UK legislation. This approach is appropriate given the particular circumstances of this sector, that is, the need to manage the movement of workers coming for temporary, often seasonal work.

However, the recommendation to give regulated agencies preferential access to legal migration routes for other sectors would need to be carefully assessed, particularly if it placed at a disadvantage, those employers who currently recruit without recourse to the services of agencies. It should be noted that new legislation (the Gangmaster Act) has recently been introduced to regulate agencies operating in the agriculture sector.

Those seeking admission to the UK for the purpose of domestic work are admitted only on the basis that they are accompanying their overseas employer to the UK. Regulation of their recruitment is not therefore at issue.

27. Temporary migration can enable migrants to learn new skills, and in many cases it can play a useful role in exposing migrants – as well as host societies – to new ideas and ways of doing things, some of which may be usefully continued or adopted after the migrant’s return. The experience of VSO volunteers and their “volunteer journeys” may hold important lessons for efforts to improve the skills acquisition element of temporary migration. (Paragraph 79)

We agree that experiences of such agencies as VSO, which have developed a professional development support system both at source and destination, may well offer insights into the development of workable temporary migration schemes.

28. Migrants could be encouraged to return home by reimbursing them with a portion of their unused National Insurance contributions once they had left the UK. Given that migrants who leave will not be making a claim on their contributions, we consider that there is some sense of fairness in this suggestion. (Paragraph 80)

The Government agrees that financial incentives may have a role to play in encouraging migrants to return to their country of origin at the end of a temporary period working in a host country; but does not consider the specific suggestion in relation to National Insurance contributions to be feasible. The UK’s National Insurance contributions system operates on a pay-as-you-go basis with contributions being paid by all those in work. The contributions help to fund current expenditure on the health service and contributory benefits for those who are currently not working or have retired, irrespective of whether the person who pays them will have paid enough contributions to be entitled to benefits in the future.

29. The Government should consider seriously the idea of involving employment agencies in making temporary migration schemes work, as well as the proposal to reimburse National Insurance contributions. It should also ensure that lessons are learnt and disseminated from the experience of other countries such as Canada and the USA with making their temporary migration schemes truly temporary. (Paragraph 81)

The Government agrees that employment agencies are potentially well-placed to help ensure that temporary migration schemes operate effectively, and experience with such programmes as the Seasonal Agricultural Workers Scheme (SAWS) have been positive. The Government also aims to draw lessons from successful examples of managed migration schemes operated by other countries such as Canada, the United States and Australia, as well as the experiences of labour-exporting developing countries, especially in South and East Asia.

30. To ensure that returning migrants have something to go back to, governments, with the support of donors, need to:

- **be serious about welcoming migrants back**
- **make progress with improving governance and tackling corruption;**
- **ensure that pay structures and progression within the civil service do not unfairly penalise migrants who have worked elsewhere and may have acquired useful skills; and,**
- **help returning migrants to find suitable jobs, or to set up their own businesses. (Paragraph 84.)**

We agree that governments in sending countries need to provide a welcoming and conducive environment to encourage return migration and take measures to address constraints which often impede the successful reintegration of migrants who return home. Many developing countries are now taking proactive steps to develop links with their diasporas and establish incentives to encourage return.

31. We were pleased to hear that DFID and the EU are supporting programmes including the IOM's Migration for Development in Africa and pilot schemes in Ghana and Sierra Leone. It is only through learning from experience that the best ways of facilitating sustainable return can be discovered. (Paragraph 86)

Unfortunately, because of contractual difficulties, the pilot programme in West Africa under IOM's Migration for Development in Africa (MIDA) has not yet been launched; but we agree that learning from experience is an effective way of finding what works in facilitating sustainable return, and DFID is committed to exploring innovative approaches in the future.

32. If developing countries are to benefit from the sustainable return of their migrants, they need to pursue policies – better governance, less bureaucracy, and economic growth – which will make migrants want to return, and which will ensure that those migrants who have returned have a sense that they, and their country, are moving towards a brighter future. (Paragraph 87)

We agree that a sound home country environment with good governance and economic growth is the best guarantee to ensure the sustainable return of migrants.

33. The UK Government should explore the potential development benefits which might be gained from more circular migration, and – alongside its developing country partners – should examine the different ways in which such circular migration might be encouraged. The Government should also consider whether there is scope – in sectors such as health where developing countries would benefit a great deal – to help migrants to return home temporarily by offering leave of absence from employment and other forms of assistance. (Paragraph 89)

The Government is ready to consider ways in which temporary migration schemes can operate more effectively (see comment on recommendations 24-29 above.)

34. DFID reported that the UK's position on GATS Mode 4 is widely viewed as being among the most progressive. The Government should make the UK's policy stance on GATS Mode 4 clearer and explain what the UK is doing to promote an agenda which will be to the mutual benefit of the UK and developing countries. The Government should also clarify its position on a simplified GATS visa. (Paragraph 94)

The Government's approach on GATS and the WTO negotiations on trade in services, together with its views on the role of trade and investment in global poverty reduction, was set out in the White Paper, 'Making Globalisation a Force for Good', published in July 2004.

The number of applications received in the UK for GATS is very small. This may be due to that fact that the UK's business and commercial work permit arrangements provide sufficient flexibility to accommodate most circumstances, they also provide more favourable benefits than GATS and it may also be the case that UK businesses may not be as aware of the GATS provision. Under GATS the UK does not operate an economic needs test for the majority of applications covered by GATS. The UK only requires such a test to be applied in the case of engineering service, integrated engineering services, advertising, management consulting services, translation services, site investigation services and technical testing and analysis services.

35. As is the case with trade liberalisation more widely, developing countries could secure benefits from liberalising south-south migration, perhaps through the establishment of regional passports, and by making it easier for skilled people from the

north to offer their services in developing countries. There is a pool of people in countries such as the UK who are keen to employ their skills in developing countries; developing countries should take advantage of this. As regards south–south migration, we were interested to hear that the European Commission is working with the African Union on migration management in Africa. We would welcome further information about this. (Paragraph 94)

We agree that through a number of regional integration movements, developing countries are beginning to explore the potential of freer movement of workers within their respective region. In June 2003, the African Union adopted a ‘Strategic framework for a policy on migration in Africa’ which is currently under preparation following an Expert Group meeting in March 2004. The IOM has worked closely with the African Union on this framework; and the EU has indicated that it is also ready to support development of this policy.

36. We seek assurances that the Government is pursuing a joined-up approach to its policy on Somaliland. The Foreign and Commonwealth Office should clarify its position on the issue of recognition, particularly if Somaliland continues to govern itself in a responsible and democratic way, while the other parts of Somalia continue as a failed state. We would welcome a response from the Government on the measures it has taken to assist the successful resettlement of those who have been repatriated. (Paragraph 98)

We can assure the Committee that the Government is pursuing a joined-up approach in its policy towards Somaliland.

On the question of recognition, the Committee will know that the international community has been working actively to support the creation of a Transitional Federal Government for Somalia and to help that Government to become established in Mogadishu. We believe that this will be the best way of achieving the objectives of bringing peace and democracy to the Somali people and creating the conditions to meet their humanitarian and development needs. The British Government does not recognise Somaliland as an independent state. Nor does the rest of the international community. The UK has signed up to a common EU position and to a UN Security Council Presidential Statement, which refer to respect for the territorial integrity and unity of Somalia. We believe that breaking up the country would undermine international efforts to bring about reconciliation and a return to stability in the south. Nevertheless, the UK is aware of the position of the Somaliland Government and of opinion within Somaliland. We hope that Somaliland will engage in early dialogue with the new Transitional Federal Authorities, which have been created by the current reconciliation process, and that a mutually acceptable solution on the future relationship between Somaliland and the rest of Somalia can be agreed.

On measures to assist the successful reintegration of those who have been repatriated, DFID recently provided £400,000 to support the UNHCR’s on-going efforts to promote voluntary repatriation of Somalis, many of whom return to Somaliland. This project includes work to support the reintegration of returnees into the community. The

Government is also co-financing, along with the European Commission and other European partner countries, a UNHCR-led project which aims to develop a Comprehensive Plan of Action for Somali refugees and asylum seekers. Working in co-operation with other initiatives, this project also aims to improve access to durable solutions for Somalis in the region of origin, including providing assistance to those who wish to return. Voluntary returns are very much preferable to enforced removals, and Somalis who decide to return are supported in doing so, both while they are in the UK and on their arrival in Somalia. This is provided via the Home Office's Voluntary Assisted Returns and Reintegration Programme (VAARP). Through VAARP, the International Organisation of Migration (IOM) is funded to provide support for those considering return, payment for travel, and in-country reintegration assistance such as training, as required. Such assistance is not as a rule provided for enforced returnees in order to not incentivise the enforced route, however with regard to Somalia, a small cash grant is made to each individual to support their immediate needs.

37. We recognise the difficulty of gathering reliable data on unofficial remittances, and applaud the Government for its efforts to gather information about remittance outflows from the UK. The Government should encourage other European governments to do the same. In the absence of such information, evidence-based policy on remittances and on migration will remain an aspiration. (Paragraph 103)

The Government is encouraging other governments and also international financial institutions to improve the quality of remittances data, through its co-chair role (with the World Bank) of the Inter-Agency Remittances Task Force. This Task Force emerged from the DFID-World Bank Remittances Conference of October 2003, and has 'improved data collection and coordination' as one of its two principal themes. The Task Force includes the IMF, World Bank, and others that are actively working to improve data definitions, data standardisation and comparability, and data availability.

The UK Office of National Statistics is a member of the IMF Balance of Payments Statistical Committee, and is working through that committee to improve remittances balance of payments data and definitions.

ECFIN, the European Commission's Directorate General of Social and Economic Affairs has compiled information from 15 member states on how national remittance statistics are produced and what statistics are available on remittances in each country. (The internal report produced as a result of this survey has not yet been published).

38. Migrants and their families have long been aware of the value of remittances. Greater awareness on the part of governments and development agencies is welcome. But if the potential of remittances is to be maximised, then more needs to be done to understand remittances and their use, to increase the flow of remittances and to make them work better for poverty reduction. (Paragraph 106)

The Government has initiated a comprehensive strategy to improve understanding of remittances flows and their use. A survey of remittance products available to developing country migrants in the UK has been initiated, with joint sponsorship by the UK Banking Code Standards Board. DFID is assisting the Inter-Agency Remittances Task Force to develop and refine remittance household surveys, and will pilot those surveys in at least two developing countries as well as in the UK. Household surveys promise to provide a much better insight into policy-relevant information such as remittance-sending behaviour and remittance mechanisms used. DFID has commissioned two reports exploring the impact of remittances on development.

39. The UK could encourage remittances through the provision of guarantees to back the issue of bonds by developing country governments, by the use of tax incentives such as treating person-to-person remittances as charitable and therefore tax-deductible donations. For their part, migrants' associations might wish to investigate acquiring charitable status, or, a charitable arm. As a charity, donations channelled through them would be tax-deductible. (Paragraph 107)

The Government supports efforts aimed at facilitating remittance flows and maximising their role in poverty reduction. Remittances are private financial flows and recipients should be free to choose how they spend or invest their funds. Bonds are only one investment option and households may choose to spend remittance inflows in other ways, including health, education or housing. The Government does not see a role for the UK in providing guarantees promoting a specific investment vehicle.

On the use of tax incentives, charity law does not allow individuals to be classified as charities. Person-to-person remittances cannot therefore be charitable, and tax relief is inappropriate in these circumstances. Tax reliefs including Gift Aid may be applicable to migrants' associations that are recognised as charities by the Charity Commission. The Government believes that a decision by migrants' associations to seek charitable status is wholly a decision for them. The granting or not of such status would be a matter for the Charity Commission.

40. As with temporary migration, so with remittances; there will be schemes which work for poverty reduction and schemes which do not. Along with other development agencies such as the World Bank, DFID needs to ensure that lessons are learnt and best practice is disseminated widely. DFID should also help its partner governments in developing countries to assess whether and how they might encourage their migrant workers to remit. The DFID-World Bank International Conference on Migrant Remittances provided an excellent start, bringing together as it did a wide range of stakeholders. Such activity needs to be taken forward. (Paragraph 108)

Remittances are primarily person-to-person transfers, sent through private sector (or personal, e.g. cash taken in person or sent with a friend) mechanisms. The primary focus for the Government in promoting remittance volumes and their impact on poverty reduction is therefore on person-to-person transfers through private mechanisms.

The Government is working to promote lesson-learning and dissemination of good practice in remittance policies and initiatives through the Inter-Agency Remittances Task Force, which includes over 12 international and government agencies. The Government also initiated the formation of a UK Remittances Working Group in June 2004, which has broad representation from the private sector (banks, money transfer companies etc) and public sector (including the FSA, DFID, UK Treasury, Customs and Excise), and which includes information-sharing as one of its priorities.

The Government has offered assistance to partner governments in Bangladesh and Nigeria in their efforts to remove barriers to remittance flows, as part of the Remittance Country Partnerships the UK has committed to through the G8 process (and may also extend this offer to Ghana). This assistance will include an assessment of where there are barriers to increased remittance flows, and how access for poor and rural remittance senders and receivers can be improved.

41. If transactions costs are to be reduced, then the market for remittance services needs to work better so that service providers compete harder, to offer better and cheaper services, to more informed customers. (Paragraph 109)

The Government has initiated an active dialogue with the private sector through the UK Remittances Working Group, which has set its priorities as improving regulation, remittance product design, and information-sharing.

As referred to in the response to recommendation 38, DFID has commissioned a survey of remittance products available to migrants in the UK, in partnership with the Banking Code Standards Board. This survey will be disseminated widely in order to provide more information and transparency on the market for remittance services in the UK, and should provide an incentive for the introduction of better, cheaper services.

The Remittance Country Partnerships with Nigeria and Bangladesh (see response to recommendation 40) will also work to improve markets for remittance services.

42. The UK Government, NGOs and the private sector can all play their part in driving down the costs of remittances. Competition will help, but the Government needs to encourage this process by raising awareness about remittances, disseminating good practice and ensuring that the market is transparent and well-regulated. Banks should not be allowed to crowd out their competitors by excluding them from access to banking services. In order to prevent the voice and interests of powerful players dominating, we recommend that the Government support the establishment of an Association of Independent Money Transfer Companies. We also recommend that the Government consider the merits of a code of practice to regulate banks' relationships with independent transfer companies. Further, the Government might encourage an NGO or consumers' organisation to compile a price-comparison table – "Which remitter?" – showing the costs of transferring remittances to a range of developing countries through different firms. (Paragraph 112)

The Government fully supports a competitive market for the provision of money transfer companies. Competition promotes flexible markets and increases business efficiency and consumer choice, and the Government has worked to ensure the UK competition regime ranks among the best in the world.

The Government believes that the requirements of any legislation regulating remittance services must be proportionate to the risks involved. While an appropriate and consistent regulatory regime can help to foster market confidence and provide protection for consumers, over-regulation stifles competition and innovation, leading to inefficient markets that do not serve consumers well.

The UK remittances product survey should contribute positively to improved price awareness and better-informed consumers. This will be complemented by the work of the Inter-Agency Remittances Task Force (see recommendation 38.) The Government feels that the establishment of an Association of Independent Money Transfer Companies is primarily a commercial decision for such companies.

The Government is working to remove any anti-competitive barriers to entry to the market for provision of remittance services. For example, the Office of Fair Trading is currently investigating access to payment systems as part of the Payment Systems Task Force, set up as part of its enhanced supervisory role in this area granted by the government in December 2003.

The Government feels that the relationship between banks and Money Transfer Companies is a commercial matter between the two parties and currently has no plans to introduce a code of practice in this area.

43. Hawala and other informal funds transfer systems play a key role in facilitating remittances. Governments need to ensure that such systems are not abused by criminals, but should also ensure that regulatory solutions are proportionate to the risks and sensitive to the possible impacts on those who rely on remittances. We are pleased that the UK Government – informed by DFID’s analysis – appreciates the need to strike a balance between tackling the financing of terrorism, and ensuring the free-flow of remittances. The UK Government was praised by our witnesses for its light-touch approach to regulating the UK remittance sector. It should persuade its EU partners to follow suit. (Paragraph 113)

The Government is working directly with developing country regulators and financial institutions to implement most effectively and appropriately the Financial Action Task Force recommendations on anti-money laundering and counter-terrorist financing. It is important that systems are effective at both countering the financing of terrorism, and avoid causing a disproportionate burden on the free flow of remittances.

The Directive to establish a New Legal Framework for Payments in the Internal Market currently being worked up by the European Commission is likely to propose a new regulatory regime for payment service providers. The Government has engaged with the Commission and other EU Member States to argue the case for an approach that is proportionate to the risks involved in providing payment services, including remittances,

and which avoids over-regulation. The Commission is expected to publish a legislative proposal for the New Legal Framework early in 2005.

44. As part of its continuing dialogue with diaspora organisations, DFID should learn from the diaspora's existing practices, and explore: what enthusiasm there is for Government-involvement in establishing voluntary schemes to channel remittances towards poverty reduction; what ideas migrants have for the design of such schemes; and, how best DFID might help. In addition, the UK Government, along with the IOM or the World Bank, should ensure that lessons are learnt from existing voluntary schemes and that best practice is widely shared. (Paragraph 119)

The Government has an ongoing dialogue with organisations representing the diaspora in the UK, and has a strategic grant agreement with Connections for Development, an umbrella diaspora and ethnic minority group. Examples of consultations held with the diaspora include a Migration and Remittances workshop hosted by DFID, and individual meetings with AFFORD and Africa Recruit.

The UK Remittance Products Survey will also undertake qualitative research with migrants to better understand factors affecting their decisions regarding remittance channels, and their preferences for the design of remittance mechanisms.

45. The Government should encourage innovative public-private-NGO partnerships that aim to make remittances work better for poverty reduction, and do what it can to make them a success. (Paragraph 120)

There is scope to support innovative public-private-NGO partnerships through the Remittance Country Partnerships, if the initial assessments currently being conducted in Nigeria and Bangladesh indicate potential for these. An example of an innovative and promising partnership might be between banks and microfinance institutions, in countries such as Bangladesh where microfinance institutions have wide outreach in rural areas. DFID's Challenge Funds have proved effective in leveraging private sector investment through public funds, and are being considered as a tool for inclusion in the Country Partnerships.

Principal tasks for governments in sending and receiving countries though are to remove any unnecessary policy or regulatory barriers to remittances and promote transparency and competition in the remittances market. A more positive climate for investment in remittance-receiving countries would also stimulate the use of remittances for investment purposes.

46. We were pleased to hear that there is a team within DFID's policy division looking at financial sector reform and banking systems, particularly in rural areas, and the linkages with remittance issues, and look forward to seeing the fruits of this team's work. (Paragraph 121)

The Government (DFID) has financial sector development programmes in seven countries, with a range of policy and funding measures to promote greater access for the poor to financial services. The Business Linkages Challenge Fund and the Financial Deepening Challenge Fund have provided grants to leverage larger investments from private companies in developing country markets. Examples relevant to remittances include a grant to Vodafone to pilot mobile phone-based banking in East Africa, a grant to Teba Bank in South Africa to assist with the introduction of debit cards for poor clients, and support to a financial institution in Kenya to extend mobile banking (including remittance services) to remote rural communities.

Regulations can have an impact on access to remittances and other financial services. DFID sponsored a study exploring the impacts on financial inclusion from the implementation of anti-money laundering legislation in South Africa, which provided positive recommendations to more effectively implement such legislation without harming access. A wider cross-country study is being discussed.

47. The best way of making remittances work for poverty reduction is to ensure that there is an investment climate and an infrastructure which enables their productive use. Key factors include: stable exchange rates, low inflation, the absence of excessive bureaucracy and corruption, reliable power supplies, decent roads and other communications. (Paragraph 122)

The Government supports developing countries to improve their investment climate and infrastructure, as this indeed underpins any improvements in the relationship between remittances and poverty reduction. DFID also actively supports the development of financial sectors in developing countries that include the poor (as outlined in the response to recommendation 46). Access to savings and other financial services also enable remittance recipients to more productively and beneficially use remittance monies.

48. Donors and the international community have a role to play in helping to remove international and structural obstacles to poor countries' development, and in supporting developing countries to improve their infrastructures and to create good business environments. The primary responsibility however lies with developing countries themselves, or if the government itself is an obstacle, with the political process. (Paragraph 123)

The Government has initiated the Remittance Country Partnerships to support developing countries in doing so. More widely, DFID's use of Poverty Reduction Budget Support directly strengthens the capacity of developing country governments to take responsibility for their own development.

49. In calculating the costs and benefits of migration, and designing policies to make migration work better for poverty reduction, governments should not focus solely on factors which can be valued in monetary terms. Migration can lead to political, social

and cultural change in the countries of origin – and indeed in host societies – as people become aware that other ways of life and other ways of organising society and politics are possible. (Paragraph 127)

The Government acknowledges the force of the statements made in recommendation 49. It is true that the benefits of migration can be measured in monetary terms: we estimate that in 1999/2000, foreign-born migrants made a net fiscal contribution of £2.5 billion to the UK and paid 10% more in taxes than they received in public services. But we need to ensure that our policies take account of impacts on source countries such as not draining developing countries of vital professional skills.

It is equally true that migration can change both receiving societies and countries of origin. The Government sees integration as a two-way street. Integration does not mean assimilation. In welcoming the contributions which legal migrants make to the UK, the UK-born population also needs to recognise the obligation to support migrants and recognise the contributions that they can bring. We are aiming to develop shared values, and a shared sense of belonging, not the imposition of one set of values on another. Expressing culture or faith identity does not make an individual any less British or less European. On the contrary, suppressing expressions of cultural and faith identity by minority communities can in fact create the very opposite of integration – by contributing to the alienation, segregation and exclusion of individuals from those communities from the wider society.

50. Diasporas' views are valuable and may help to deliver peace in their home countries, but it would be a mistake to assume that communities in exile are better able than people back home to represent their nations' interests. (Paragraph 128)

The Government agrees with the Committee's observation.

51. We welcome the Government's recognition of the importance of working with Black and Minority Ethnic organisations, and look forward to seeing more rapid progress in this area. The Africa Foundation for Development called for DFID to report regularly on its engagement with diaspora communities and particularly on what DFID is learning from the dialogue; we support this suggestion. (Paragraph 132)

DFID has taken steps to support and develop a diaspora network which will facilitate engagement with development activities. This was done under the framework of the Compact on relations between Government and the voluntary and community sector (1998). Under the terms of the Strategic Grant Agreement which DFID has concluded with Connections for Development (a network of Black and Minority Ethnic voluntary and community organizations which aims to mobilise civil society on action for development) an annual report on activities will be produced. As we develop engagement with diaspora communities, we will consider how best to effectively communicate the lessons emerging from the dialogue.

52. There are a range of ways in which the Government and DFID might work more with the diaspora:

- **DFID might usefully include diaspora organisations more systematically in consultations on draft Country Assistance Plans, and in consultations on policy areas in relation to which migrants' organisations may have valuable insights;**
- **DFID and other Departments including the Treasury should explore with diaspora organisations the possibility of developing schemes to enable migrants, if they so wish, to channel remittances so that they have maximum impact on poverty;**
- **DFID and relevant Departments should examine, alongside diaspora organisations, whether there are initiatives they could take to encourage the temporary return of migrants to their home countries;**
- **and, most simply, the Government should encourage initiatives to create migrant associations, promote and publicise their activities, and help them to work effectively. (Paragraph 133)**

We take note of these helpful suggestions from the Committee and will take them into account as we work with diaspora groups in the context of DFID country assistance programmes. The Home Office is also supporting activities to strengthen the Black and Minority Ethnic voluntary and community sector through funding of Black and Minority Ethnic capacity-building organizations.

53. Diaspora organisations must not be seen as marginal players in international development; rather, the Government, DFID and mainstream NGOs should work harder to involve them more fully. (Paragraph 134)

We fully agree that we need to work harder to involve diaspora groups in supporting development efforts and will be exploring mechanisms to enable us to do this more effectively especially in relation to country assistance programmes.

54. DFID should ensure that its partner governments take account of migration as a development issue and are aware of its potential to deliver benefits. Beyond this the UK should help partner governments to consider their various options for managing migration, helping them to design effective strategies, and providing support so that they can implement these strategies. This should include, but not be limited to, support for refugee-hosting countries. (Paragraph 141)

We are seeking to develop migration partnerships with countries in the regions of origin of asylum seekers, in which we would seek to address a range of migration issues. Currently we are looking at how we might assist partner countries to tackle their control problems more effectively. In time, such assistance could be widened.

55. PRSPs and Country Assistance Strategies should not mention every single development issue, but for countries where migration is important, DFID's Country Assistance Strategies should outline what DFID will do to help developing countries: to improve their data-gathering and information management capacities; to identify specific ways in which the costs and risks of migration might be minimised and the benefits maximised; and, to provide a policy and governance environment conducive to making migration development-friendly. (Paragraph 143)

We agree that migration issues ought to be factored more explicitly into such planning processes as poverty reduction strategies and supporting processes by development partners, and DFID will seek opportunities to do this as appropriate in individual country contexts.

56. We applaud DFID for the leading role it is playing in moving migration up the international development agenda. The Government should consider further what might be done at a multilateral level to manage migration better, and particularly to make it work better for poverty reduction. In addition we would like to be kept informed as to the involvement of the UK Government in the Global Commission on International Migration. This Commission provides an excellent opportunity to promote a more positive and development-friendly agenda on migration; the UK Government should be an active participant. (Paragraph 150)

There have been a number of recent initiatives at the international level aimed at improving the multilateral context in which international migration is considered. In June 2004, the International Labour Conference adopted an action plan to provide a fair deal for migrant workers in the global economy, which aims at the development of a non-binding framework. The World Health Assembly in May adopted a resolution on the international migration of healthcare workers which calls on the WHO to develop an international Code of Practice on recruitment. The United Nations is beginning preparations for a High Level Dialogue on international migration and development in 2006. The World Bank has launched a major research programme on international migration, and migration will be the special theme of its annual Global Economic Prospects report for 2006. In the context of these and other initiatives, the Government is following with interest the work of the Global Commission in International Migration which is scheduled to present its report to the UN Secretary General in mid-2005. The UK is a member of a 'core group' of countries which the Commission consults periodically about emerging themes. The Commission is holding a series of regional consultations, and DFID is supporting the Africa consultation which will be held in Cape Town next February.

57. The Government needs to make clear how the High Level Working Group on Asylum and Migration imagines that aid and development strategies might be employed in the battle to limit economic migration, and what its assessments concluded. (Paragraph 160)

The phrase on assessing the ‘effectiveness of aid and development strategies in the battle to limit economic migration’ appears in a paper by Joanne van Selm about the EU’s High Level Working Group on Asylum and Migration. The terms of reference adopted by the Council in January 1999, however, refer to the need for action plans to consider “in the light of the possible effectiveness of aid in preventing economic migration, the possibilities for strengthening the common strategy for development between the EC and (where they so wish) its Member States and the country concerned...” In other words, the terms of reference touch on the debate as to whether promoting development encourages or discourages migration (in which context, the Committee’s comments about the ‘migration hump’ theory under recommendation 4 are relevant.) We are not aware of any formal evaluation of the six action plans which were drawn up in 1999, but a progress report for the Nice European Council in 2000 did note some of the operational challenges and the importance of genuine partnership with the countries concerned. The High Level Working Group’s terms of reference were revised in June 2002.

58. It is sensible to support governments which are moving in the right direction, improving governance and fighting poverty, but it would be a mistake to make aid conditional on measures which aim to limit out-ward migration. Withdrawing aid to countries which fail to limit out-migration would simply plunge them further into poverty; threatening such a withdrawal would force developing countries to spend scarce resources on border controls rather than poverty reduction, would undermine any notion of partnership, and would simply succeed in pushing more migrants into the arms of smugglers and traffickers. Development assistance or the threat of its withdrawal must never be used as a tool for migration management. We trust this remains the Government’s position. (Paragraph 162)

The Government considers that migration issues form an integral part of the UK’s overall relationship with a third country. The Government expects co-operation on the return of a country’s own nationals and on the management of migratory flows. The Government is prepared to work in partnership with a country to assist with this. The International Development Act 2002 places poverty reduction firmly at the centre of the UK’s approach to development.

59. The Presidency of the European Union in 2005 will provide the UK with an opportunity to promote a positive agenda on migration which takes full account of its development potential. We trust that the Government is preparing now to take this opportunity. (Paragraph 163)

We agree. Two important issues will be a new Commission Communication on Migration and Development, following on from the Council conclusions adopted in May 2003; and preparations for the launch of a pilot scheme to develop Regional Protection Programmes aimed at strengthening protection for refugees in their region of origin. Both will be high priorities for the UK’s Presidency.

60. DFID has an important role to play in the domestic context, helping the Government to examine the development implications of its migration policies, and working hard to ensure that development objectives are not marginalised. Immigration from developing countries has been increasing, in absolute terms and in terms of its share of the whole. On this basis alone, DFID must be fully involved in the formulation of policies on migration. A clear statement of the objectives of UK development policy in relation to migration will also be valuable; this is something we expect to see from DFID by the end of 2004. (Paragraph 166)

DFID participates in cross-Whitehall discussions on migration issues. DFID is preparing a policy statement on Migration and Development, completion of which is now anticipated for the first quarter of 2005.

61. We invite the Government to outline, in relation to migration initially: the issue areas where Departments' objectives and policies overlap; the nature of each of these overlaps; what scope there is for increasing policy coherence in these areas and finally, what mechanisms are in place, and how they are being used, to achieve greater policy coherence for development. (Paragraph 167)

Migration policy is the result of many aspects of government policy across several departments - DFID is no exception. In the case of migration, the links between Home Office and other Government Department policies are also highly relevant. These can include the DTI (policies on innovation, enterprise and productivity); DfES (skills strategy to ensure employers have employees with the skills they require; the provision of education services; and encouraging overseas students to study at UK universities); DEFRA (policies on the agricultural sector and rural communities); DWP (role of migration alongside other labour market policies e.g. welfare-to-work); FCO (maintaining links with other countries to our mutual benefit).

We are further improving synergies between migration and development policies and taking these forward at a national and multilateral levels. The Government agrees with the committee that there is considerable scope for policy coherence. Synergies are evident and important in addressing the root causes of forced migration, which may be connected to poverty, lack of employment, governance, human rights or conflict issues, and also in the sustainable reintegration of returning nationals.

A cross-departmental interest is present in relation to such initiatives as the development of EU regional protection programmes (RPPs) in the regions of origin of RPPs, further to the EU Commission's communication on "managed entry in the EU of persons in need of international protection and the enhancement of EU regional protection programmes in the regions of origin" of June 2004. The intention is to develop these in close consultation with UNHCR and ensure coherence with Convention Plus and to incorporate RPPs in to Country and Regional Strategy papers. Discussion of this initiative continues to be taken place in the EU's High Level Working Group on Asylum and Migration - a cross-pillar group attended by the Home Office, DFID and FCO. Work is expected to continue into the UK's Presidency. The Government expects and will support further engagement at EU level on

migration and development policy as part of the EU's external relations with third countries.

The Government is seeking to take a cross-departmental approach to migration issues, which includes regular consultation between and also ad hoc meetings of officials. In addition, at regular intervals, ministers meet from the Home Office, Department for International Development and the Foreign and Commonwealth Office.

Department for International Development

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