

## **Africa – Growth, Urbanisation and Development**

### **Reception Côte d'Ivoire, Austrian Chamber of Commerce and Prosper Africa**

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Mr. Chairman, Ladies and Gentlemen,

First of all I would like to thank the Austrian Chamber of Commerce and Prosper Africa for organising today's event and for inviting me to share a few words with you on the links between development, urbanisation and economic cooperation from the perspective of an organisation mainly dealing with migration and migration policy. I am especially happy about this invitation because I think we should discuss this context much more often.

Today, we speak about a total 258 million international migrants. However, migrants represent only 3.5 percent of the world population, which is remarkably little in view of the impact of the drivers mentioned before. The majority of migrants move in a voluntary and regular manner. But a large minority cannot move in such a way. The latest figures estimate more than 71.5 million refugees or internally displaced.

How does African migration fit in this picture? The images the media often produce suggest that African migration is huge. Up until now, however, the opposite is the case. When we look at persons who have left their home country from a regional perspective, we see that about 9% of Europeans, 6% of Latin Americans but only 3% of Africans and 2.4% of Asians live outside their home country. In total, there are roughly 36 million African emigrants. About 53% of them have migrated to another African country; 26% (or 9.4 million) to Europe, and another 21% to Asia, North America or Australia. The situation of Cote d'Ivoire is exceptional in this regard. The country is one of the main destinations for migrants on the African continent. With an estimated share of 12% immigrants among the population the situation resembles the situation of many immigration countries in Europe.

It is a widespread belief that people migrate because of poverty. In reality, people migrate because of development, which provides them with the education, skills and financial means to go to a place where the situation is better than at home. And this is exactly the situation we will be dealing with when it comes to African migration. Many African countries show strong economic development and this trend will continue. Still, the average GDP per capita in Europe is about 10 times higher than in Africa. And these disparities will continue for some time.

Demography will be the second main driver for African migration. There are different scenarios, closely linked to economic development. The "low-development" scenario speaks about 2.5 billion Africans for the year 2050, a doubling of the current population, and a doubling of the

annual African emigration rate from 1.4 million to 2.8 million. The “high-development” scenario estimates a lower African population of 1.8 billion for the year 2050, but a tripling of the annual African emigration rate to 3.5 million. Why is that? Higher Development means lower birth rates but also better education and more financial means for people to move abroad. All evidence points towards the “high-development” scenario. Africa is the second fastest growing economy in the world. Among the ten fastest growing economies in the world there are no less than seven African countries. Western Africa is the fastest growing economic region in the world and Cote d’Ivoire is number four among all African countries in terms of economic growth.

Economic development is always linked to urbanisation. A recent McKinsey Report estimated that up to 50 percent of the productivity growth in Africa can be attributed to urbanisation. And this trend will continue. The urban population in Africa will grow by 3.5 percent every year until 2050. Cote d’Ivoire has already a high degree of urbanisation. Almost 51 percent of the population live in cities. This is very close to the situation in Europe, Austria for example, has about 58 percent urban population. In Africa, however, the growth of urban population is so fast that the urban infrastructure and labour markets have difficulties to keep up with this very dynamic development. But this is not only a challenge, it is also a big opportunity for economic cooperation. I think as Austrians we are quite good at developing infrastructure and at managing cities, so we should not miss out on this opportunity. The same refers to the other sectors where there is great potential for cooperation between Cote d’Ivoire and Austria like construction, agribusiness, renewable energy, commerce or ICT.

What can we expect for the future in terms of the link between development and migration in Africa? We definitely can expect a growth in African migration as a result of significant economic development. Most of these migrants will move within Africa and utilise the new opportunities on the continent. But an increasing number of Africans will also try to move to Europe. We do not have to expect a mass exodus but can expect increasing numbers.

How should we go about it? First and foremost, we should see the situation as a big opportunity that will also bring big challenges. There is a huge emerging market for European products and services right across the Mediterranean, but of course also a very potent European market for African goods and services. Moreover, Europe has ageing populations and a structural demand for foreign labour that will grow in the future. Africa will see a huge increase in young populations and will have difficulties in creating decent jobs for all of them.

So, we could simply say there is demand, there is supply, let them find together. Unfortunately it is not that simple. A sheer opening of European labour markets is neither likely nor desirable. Each country needs the right kind of immigration with the right kind of skills and qualifications. We need skills partnerships which bring our training standards to African markets and make migrants fit for our labour markets. If they stay home this will have a big development impact

since their new skills will be needed on domestic markets as well. And it will prevent people from migrating in an irregular way, simply because they will have opportunity at home. To make this work we need a much stronger involvement of the private sector, in terms of investment and in terms of know-how on training and professional education.

But we will also need close cooperation on migration control. We know that the best way to reduce irregular migration is a combination of strict migration control AND openings for labour migration supported by close political cooperation between sending and receiving countries. Doing only one of the things – control or opening – does not work.

This also means that we will need to return persons who do not fulfil the legal requirements of our policies. But we need intelligent return policies that create triple win situations for sending and receiving states and migrants who have to return. At ICMPD we are implementing a project called SUPREM with Nigeria which tries to do this. The idea is to train Nigerian migrants who have to return while they are still in Austria and place them with companies in Nigeria once they have returned. This does not only help the migrants but it also carries a strong development component and makes it easier for both sides to cooperate politically.

Ladies and gentlemen, we should not be naïve. Migration is a challenge and will be a challenge in the future. But we can manage it much better, and we can see it as an opportunity much more than we do now. However, this will only work when we do things in a spirit of partnership and when we involve you, the private sector, much more than we do now. Africa is the next big chapter of globalisation, a chapter that has already started, and a chapter that provides great opportunities. We should see these opportunities much more, but we should also not forget to address the challenges. Again, from the point of view of migration we will not find solutions without the economy, without the private sector. And I think that an evening like today is a great opportunity to bring stakeholders together, to discuss openly and to pave the way for the good solutions we all want to achieve.

Thank you.