



**DEVELOPMENT COMMITTEE**  
(Joint Ministerial Committee  
of the  
Boards of Governors of the Bank and the Fund  
on the  
Transfer of Real Resources to Developing Countries)

**ONE HUNDREDTH MEETING**  
**WASHINGTON, DC – OCTOBER 19, 2019**

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October 19, 2019

**Statement by**

**Arturo Herrera Gutiérrez**  
**Secretary of Finance and Public Credit**

**Mexico**

**On behalf of Costa Rica, El Salvador, Guatemala, Honduras,  
Mexico, Nicaragua, Kingdom of Spain, and República  
Bolivariana de Venezuela**

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**On behalf of Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Kingdom of Spain, and República Bolivariana de Venezuela**

**100<sup>th</sup> Meeting of the Development Committee**

**October 19, 2019  
Washington, DC**

**Unleashing the Potential of Trade and Economic Migration**

It is a great privilege to participate in the 100<sup>th</sup> meeting of the Development Committee. I stand at this forum representing Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Spain, Bolivarian Republic of Venezuela and my own country, Mexico. I would like to share the views of our constituency and concerns we would like to see addressed moving forward.

**Trade and Global Value Chains**

We believe that this is the ideal moment to promote a change in the international trade narrative, and that this can be done through the institutional strength and convening powers of the World Bank Group. There is a subtle distinction between trade and global value chains (GVCs), which is crucial because it means moving forward in rebuilding the narrative on free, fair, non-discriminatory, rules-based, transparent, predictable and stable trade, as illustrated in the 2020 World Development Report (WDR 2020). GVCs improve efficiency, strengthen lasting relationships between firms, and promote the dissemination of technology and access to capital and inputs. Moving forward it is necessary to have a clear and thorough understanding that the rise in trade and GVCs has accelerated economic growth and contributed to reducing global poverty. Our following steps must be well thought and innovative to ensure that the gains from participation are equitably distributed.

However, since the global financial crisis of 2008, trade growth and GVCs expansion have significantly decreased. In addition, recent unpredictable changes in trade policies of major trading countries is undermining the rules-based trade order and creating uncertainty. The uncertainty is producing an increase in volatility and thus having a negative impact on economic growth and employment. Unfortunately developing countries are those that suffer the most. For example, enduring a decrease in private investment. Thus, we are concerned with the current state of affairs, now more than ever we encourage the World Bank Group to promote and strengthen orderly trade between countries.

We concur with the proposed criteria for Bank action in this area. Along these lines, the World Bank Group's engagement with these matters should be guided by its reputable knowledge.

## **Migration**

Looking ahead, we would like to raise an issue of global concern. In the last decades we have devoted attention and achieved progress in bringing down barriers to the trade of goods and services, as well as financial flows. Now, it is imperative to draw attention to the orderly and safe mobility of human capital, a global challenge of major importance. Swift, effective and efficient efforts are needed from all countries to address migration. Notwithstanding, we would like to see a greater presence and enhanced role on behalf of the World Bank Group, for example through its institutional commitments, its programs and its resources. It also calls for a significant commitment and involvement from fellow members.

Migration is the missing link in the process of global economic integration. Migration has the potential of playing a crucial role in improving the lives of communities in the countries of origin through the transfer of financial capacities and resources, and simultaneously significant benefits to recipient countries in the form of skills, increased workforce, cultural diversity, investment and bringing youth to countries with aging population. However, if the mobility of human capital is not adequately managed it could have a negative impact on development, endanger people, put communities under undesirable levels of social tension, and reduce development benefits.

Migration is complex and must grapple with interests that may counter economic integration. For example, protectionist practices reduce the opportunity of creating jobs and economic growth; or migration policies may create an increasingly restrictive environment. Therefore, innovative solutions are necessary to find that sweet spot where both, countries of origin and recipient countries, benefit from migration.

Migration flows are expected to increase in the coming years driven, among other things, by climate change. Because the fight against climate change is a WBG concern, it is worth exploring in greater depth its relationship to the migration phenomenon in a development perspective.

Taking the time to understand migration is only the first step to effectively address the issues that have brought us all together today: GVCs, the Human Capital Project (HCP), Jobs and Economic Transformation (JET); these initiatives also have the potential to generate crucial strategies to overcome the global economic challenges.

We hope that our call will have resonance and achieve the support and attention it deserves. We are convinced that looking forward the World Bank Group can provide a helpful framework to address the relationship between orderly and safe migration, enhancing economic development. World Bank Group resources have the potential to deepen the understanding of migration that will empower the international community to foster economic development.