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DEVELOPMENT ON THE MOVE A PROJECT BRIEF

The project, **Development on the Move: Measuring and Optimizing Migration's Economic and Social Impacts**, was jointly coordinated with the Institute for Public Policy Research (ippr), one of the UK's leading think tanks. It was one of GDN's Global Research Projects (GRP) involving seven research teams from across the world. Building on ippr's experience with migration issues, and drawing on the GDN's extensive network of development experts, this flagship project looks at the multidimensional nature of migration from a holistic approach to further research and policymaking on both emigration and immigration, and analyzes the various impacts of migration on a country's economic-social and political development. The project, carried out between 2007 and 2010, examined a wide range of migration impacts on development, including through gathering new, comparable data in Colombia, Fiji, Georgia, Ghana, Jamaica, Macedonia, and Vietnam.

PROJECT DONORS

- The Australian Agency for International Development (AusAID)
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MEASURING AND OPTIMIZING MIGRATION'S ECONOMIC AND SOCIAL IMPACTS

Laura Chappell, Ramona Angelescu-Naqvi, George Mavrotas and Dhananjayan Sriskandarajah



Speakers at the special parallel session on GDN's Global Research Project 'Development on the Move: Measuring and Optimizing Migration's Economic and Social Impacts' on the second day of GDN's 11th Annual Global Development Conference in Prague in January 2010

This article presents the main findings from the major global research project, 'Development on the Move,' carried out between 2007 and 2010. The project examined a wide range of migration's impacts on development, including through gathering new, comparable data in Colombia, Fiji, Georgia, Ghana, Jamaica, Macedonia and Vietnam. While the already-published country studies provide details of findings in each country, the final report released in May 2010 seeks to draw out the main comparative lessons. The project aimed to make six key contributions to the study of migration's development impacts:

- 1.** To develop better methodologies for assessing migration's impacts. The project designed a new, holistic approach to the study of migration and development. Our aim was to examine the range of various effects that international migration – both immigration and emigration – has on economic and social development.

- 2.** To improve the evidence base. The project commissioned a set of new country studies, each of which was conducted in the same way, combining analysis of the existing literature with new data taken from extensive, in-depth household surveys and stakeholder interviews.

- 3.** To carry out comparative work. There is a clear need for more analysis that examines similar research questions, using similar definitions of migration and development, and gathering similar kinds of data in similar ways. This kind of analysis should give us a much greater insight into general lessons and the factors that appear to be at the root of differences in impacts.

- 4.** To analyze policy impacts and options. An explicit focus of the project was current and potential policy frameworks for managing migration and its impacts. We wanted to explore

how policymakers could enhance positive impacts and reduce negative ones.

- 5.** To build research capacity on migration. In order to help build migration research capacity and strengthen research networks, especially in developing countries, teams based in the countries studied conducted the majority of research for the project, with support and coordination from GDN and ippr staff and advisers.

- 6.** To promote multi-disciplinary analysis. By adopting a multi-disciplinary framework and by assembling researchers and advisers from different methodological backgrounds, the project aimed to go beyond the narrow focus of much current migration research, and to promote holistic analysis.

METHODOLOGY

The project analyzed a wide range of migration's effects. These include:

Economic impacts, educational impacts, health impacts, gender impacts and 'wider' social impacts.

Impacts for individual migrants themselves, plus their families, communities and nations. Impacts that occur both directly as a result of movement (through immigration, emigration and return) and indirectly (for example, through remittances, other 'transfers' (like the transfer of investment funds or of ideas), and the potential that migration has to change people's behavior).

In each of the 'case study' countries we worked with local researchers who gathered together the existing evidence on this diverse range of impacts and complemented it with two additional kinds of new data – information gathered from stakeholder interviews, and a new, nationally-representative household survey. The survey was the most important and innovative aspect of our approach. We designed it specifically for this project to give us reliable data on how common migration is and to investigate a range of its development impacts.

In each country the survey was carried out in such a way that it provided nationally representative results (with the exception of Colombia which, for logistical and financial reasons, was representative of urban areas only), meaning that this project is able to draw a picture of the scale and impacts of migration across the countries as a whole. This means that policymakers can draw on the findings with confidence, knowing that they depict trends for their entire country, not just certain specific groups or areas.

The final dataset includes information from almost 10,000 households, each of which was asked around 178 questions. The topics covered included household members' characteristics (such as age, occupation, gender) and their experiences of migration, as well as



Study country team - Development on the Move

information on the household as a whole (such as their consumption patterns and receipt of remittances). Households both with and without migrants were included, the latter as a basis for comparison, to try to understand migration's effects.

Attributing causality – i.e., understanding when migration is genuinely the cause of a particular trend – is a key issue in interpreting data on migration. For example, if the data show that households with migrants have higher incomes than households without, how can we be sure that migration has caused the increase in incomes? An alternative explanation is that members of richer households are simply more likely to be able to afford to migrate. To overcome this problem, we have used a range of techniques which include:

- A.** Advanced econometric tools (such as propensity score matching and instrumental variable analysis)
- B.** The use of retrospective questions to plot how things have changed within households over time
- C.** Asking migrants themselves about what they believe was cause and what was effect
- D.** Drawing on our other methodologies (such as existing literature and interviews with experts) to try to contextualize and explain findings.

FINDING 1: HOW COMMON IS MIGRATION?

Two points in particular emerge. First, it is interesting to note that the kind of emigration often assumed to have the greatest development impacts – that is, recent emigration in which the migrant leaves other household members behind – does not constitute as large a proportion of all emigration from the countries studied as might have been expected: no more than 60 percent for the countries we have data for, and in some places far less than this, just above 10 percent for Georgia, for instance.

Second, the project presents the first nationally representative and comparable statistics on return migration that have ever been collected, as far as we are aware. When 'rates of return' are calculated we find that although they vary somewhat between countries, in no cases are they very high. In Georgia we estimate about 12 out of every 100 emigrants have returned, in Vietnam about 16 out of every 100, and in Jamaica about 20. Ghana and Macedonia see somewhat higher levels of return with 34 migrants returning to Macedonia for every 100 who have departed, and 37 out of 100 in Ghana.

Even where rates of return appear broadly similar, that does not mean that return migration is composed of similar people across countries or

TABLE 1: ESTIMATES OF FREQUENCY OF MIGRATION

COUNTRY	POPULATION SIZE	TOTAL EMIGRANT STOCK ¹	STOCK OF EMIGRANTS WHO DEPARTED WITHIN LAST DECADE LEAVING SOME HOUSEHOLD MEMBERS BEHIND ²	TOTAL STOCK OF RETURNED MIGRANTS ³	TOTAL IMMIGRANT STOCK ⁴
Colombia ⁵	44.530.000	450.000-3.300.000 Consensus is above 1.500.000	-	-	110.000-115.000
Georgia	4.580.000	195.000-1.500.000 Consensus is above 900.000	140.000	138.000	157.000-526.000
Ghana	23.350.000	960.000-4.000.000	541.000	877.000	514.000-1.852.000
Jamaica	2.690.000	1.000.000	130.000	240.000	13.000-130.000
Macedonia	2.040.000	3.300 - 700.000 Consensus between 250.000 and 500.000	153.000	159.000	33.000-130.000
Vietnam	85.210.000	2.000.000-3.000.000+	1.200.000	479.000	22.000-59.000

1. Source University of Sussex Global Migrant Origin (GMO) database and statistics used in-country; 2. Source DotM; 3. Source DotM; 4. Source DotM; GMO and UN population division, in most cases the DotM immigration estimate falls between the UN and GMO estimates; 5. No DotM statistics are provided for Colombia because the survey there was only representative for urban areas and not the country as a whole.

that it is driven by similar forces or has the same development effects. Migration's nature and its impacts need to be explored explicitly and separately from its scale.

FINDING 2: WHY DO PEOPLE MIGRATE?

Our survey gives an insight into the motivations driving emigration and return across a range of countries in the developing world. Drivers of emigration appear remarkably consistent across countries, with the pursuit of economic opportunity clearly emerging as the major reason to depart. Employment opportunities and higher wages on offer abroad are by far the strongest motivators of movement, with having the opportunity to remit the third most important. The prominence given to remittances demonstrates explicitly that migrants do not leave just to further their own economic prospects, but also to improve their families' economic welfare.

After these economic factors come two

other broad categories of motivation – learning (migration for formal study, to learn a language or to acquire other skills) and family (migrating alongside family members, or to join those already living abroad). It is striking that reasons relating to social and political problems in the country of origin were rarely identified, even in countries such as Colombia which have experienced turmoil and instability in recent years. But this does not mean that such problems are not drivers of emigration – political and social problems often create the economic conditions that drive economic emigration.

While reasons for departure were broadly consistent across countries, reasons for return were much less so both between and within countries, though family and personal reasons were the most commonly reported. The desire to be with family was the biggest driver motivating migrants to return. After family considerations come two sets of reasons: 'completion' motivators (the migrant finishes their job or contract, their study, or makes

the amount of money they went abroad to earn) and visa and related issues (people returning because of having a bond placed on them, people returning voluntarily because their visa has expired, or people who are deported). It would seem that immigration regimes in countries of destination do drive some return migration, despite assertions by some that they have no effect. Another relatively common set of reasons revolve around the migrant either being disappointed with their life overseas, or missing the culture and lifestyle at 'home'.

New economic opportunities in the country of origin, such as a new job, or wanting to start a new business, and government or other schemes to motivate return, are mentioned rarely. This is likely to be disappointing for policymakers in both origin and destination countries who hope to tempt returnees back by highlighting new economic opportunities or providing specially tailored programs, such as voluntary return packages.

TABLE 2: FREQUENCY OF REMITTANCES

COUNTRY	PROPORTION OF ABSENT MIGRANTS THAT REMIT TO THEIR HOUSEHOLD OF ORIGIN	EST. PROPORTION OF ALL HOUSEHOLD IN COUNTRY WHO RECEIVE FUNDS FROM THEIR OWN ABSENT MIGRANT	EST. PROPORTION OF ALL HOUSEHOLD IN COUNTRY WHO RECEIVE REMITTANCES FROM A NON-MEMBER REMITTER
Colombia ¹	43%	2%	4%
Georgia	72%	11%	10%
Ghana	66%	6%	4%
Jamaica	67%	7%	28%
Macedonia	36%	4%	7%
Vietnam	77%	4%	9%

Source DotM household surveys 2007/2008

1. In Colombia these are estimates for the proportion of households in urban areas receiving remittances from each source

FINDING 3: REMITTANCE PATTERNS

Table 2 highlights the proportion of absent migrants who remit to the household they left behind when they migrated – somewhere between one third and three quarters, depending on the country in question. Given the information we have on the proportion of households in each country that have a migrant, we are able to calculate the proportion of the population in each country that receives remittances from their own absent migrant. This ranges between 2 and 11 percent. Our research also shows that it is very common for households to receive funds from migrants who were not previously members of their households – typically more distant relatives, or in some cases (especially in Jamaica), friends. In three countries (Colombia, Jamaica and Vietnam), more households are estimated to benefit from this kind of remittance than those sent money by their 'own' absent migrant. Those 'non-household member' remitters send less money, and send it less frequently, than a household's own absent migrant, but the differences tend not to be very great. This makes clear that the development impacts of migration extend beyond the migrant's own household into the wider community: an important finding, challenging the commonly held perception that migration's benefits may only go as far as their immediate household.

The report also explores how the characteristics of migrants influence their remitting behavior. Neither gender

nor the migrant's level of education prior to departure has a clear or consistent influence over the likelihood that they will remit or the amounts they send.

For example, Vietnamese women remit more than men while Macedonian women remit less than their male counterparts. Other characteristics appear to have more consistent effects – for example, if the migrant leaves close family behind (such as a partner or children), they remit more. This is unsurprising, but may raise awkward trade-off questions in policymakers' minds, especially in countries of origin, for while extended periods of separation are no doubt bad for family welfare, there may be a temptation to pursue that kind of migration to maximize remittance flows.

FINDING 4: THE ECONOMIC IMPACTS OF MIGRATION

Our research finds that individual migrants' own disposable income is improved – quite often dramatically – by migration. Typically between 70 and 90 percent of migrants are reported to have experienced an increase in their real disposable incomes while abroad, the majority seeing large increases. Of the remainder, the majority experience no change and only a few see their incomes decline.

Our research suggests that not only does migration raise individual migrants' incomes: it also raises the incomes of households they come

from and/or remit to. (While there is some overlap between households that receive remittances and those with an absent migrant, they are not the same – see Table 2). For example, in Colombia households that receive remittances are 12 percent less likely to be below the national poverty line than those who do not. In Georgia having an absent migrant makes a household more likely to have built up its assets, for example being 10 percentage points more likely to have acquired a DVD player over the preceding five years.

We also found that receiving remittances seems to have a positive impact on business ownership. In Colombia, for example, receiving remittances raises the likelihood that a household has a bank account used for running a business by 5 percentage points.

On the other hand, having an absent migrant in the household does not appear to increase business ownership. The general trend for households with returned migrants suggests that on the whole this, too, increases the likelihood of the household owning a business. Here, results vary significantly by country, however: while the presence of a returned migrant in Georgia appears to have no effect on business ownership, in Macedonia it dramatically increases the likelihood. Doing business in Georgia is generally regarded as relatively easy, and in Macedonia less so, and it may be that this means that there is relatively less need in Georgia for the advantages that migration brings.

Receiving remittances appears, on the whole, to have little impact on household members' labor force participation or unemployment. Nor does return migration affect household members' employment status, though the returning migrants themselves tend to have a greater chance of being unemployed for the first 12 months after return than would be expected of people with similar characteristics (after that they appear to adjust and this risk dissipates). The evidence on the impact of having an absent migrant is more divided but the most notable results suggest that migration increases employment. In Georgia having an absent migrant reduces the likelihood that anyone in the household is unemployed by 37 percent, and a result of a similar magnitude is found in Jamaica.

Both households receiving remittances and those with absent migrants see an increase in their savings. In Colombia, for example, households in receipt of remittances save US\$4 more per capita per month than otherwise, and households with absent migrants US\$3 per capita per month (the World Bank estimates the average monthly per capita income in Colombia is US\$228). Return migrants appear to have no effect on savings one way or the other.

FINDING 5: THE EDUCATIONAL IMPACTS OF MIGRATION

The evidence suggests that being in receipt of remittances and having an absent migrant have a positive impact on household spending on education. Households in Ghana with absent migrants, for example, spend US\$107 more per year on education than those without (the World Bank estimates average annual per capita household income in Ghana is US\$670). Return migrants appear to have no particular impact one way or the other.

In terms of school attendance, however, on the whole migration seems not to have any effects – whether household experience is through the receipt of remittances, having a migrant away or having a returned migrant in their household. Putting these two results together suggests that households with migrants are probably making

improvements to the quality of children's education, investing in materials like books, or sending them to better schools, rather than making larger changes such as enrolling them for an extra year's schooling.

There is, however, an exception to this general statement, as parental migration does appear to have a substantial impact. Some evidence suggests that when a parent migrates, this has a considerable effect on whether or not their children, left behind in the country of origin, are in education (though results vary significantly by country). In Jamaica, parental absence is associated with younger children in particular being much less likely to be in school, whereas in Vietnam and Macedonia the result is reversed, with parental migration being associated with children having a substantially greater chance of being in school. However, the models that examine these impacts do not control for

causality, and so it is difficult to know how much of this association is driven by migration, and how much by reverse causality.

Turning to the effect that migration has on national skills stocks, it seems likely that in some of the DotM countries (particularly Jamaica, but possibly also Ghana and Macedonia) migration's overall effect on a country's stock of skills may be negative. In other words, the positive effects that migration can have on skills stocks (through immigration, return, remittances and incentive effects) are not able to compensate for the direct impact of skilled people emigrating. In Vietnam, Georgia and Colombia, on the other hand, it seems possible that while skills are being lost through emigration, they are being compensated for through migration's other channels. Indeed, it may be that these countries now have more skilled people than they otherwise would have had, had no one been able to migrate.

FINDING 6: THE HEALTH IMPACTS OF MIGRATION

Where households receive remittances, there is some strong evidence from across the studies that

spending on health increases. In Vietnam, for example, regional fixed effects analysis suggests that not only does receiving remittances raise healthcare spending, but remittances also appear to raise health spending more dramatically than other forms of income. And having an absent migrant on the whole appears to increase spending on healthcare, although here the evidence is thinner and less consistent.

Having a returned migrant seems to affect healthcare spending. In Jamaica, for example, each additional returned migrant in a household increases healthcare spending by more than 50 percent. The patterns of spending change too, so that less emphasis is placed on traditional Jamaican medicines and more on the kinds of treatments that migrants will have been exposed to in the countries they have been living in (predominantly the USA, UK and Canada). We suggest that while this analysis is based on OLS modeling and thus does not explicitly address questions of causality, these combined findings do point towards migration being the cause of the changed behavior.

Returning migrants, while they appear to boost healthcare spending, do not affect household members' reported health status, and neither on the whole (except for in Colombia, where effects are negative), do absent migrants or remittances. As in education, there is a distinction between spending patterns and outcomes – migration appears to have positive impacts on spending on health and education but not, on the whole, to the extent that outcomes such as household members' health, or school attendance, improve.

The report also looks into the effect that migration has on a country's healthcare provision – an issue that often gains attention because of fears that 'brain drain' draws healthcare professionals out of a developing country. Our evidence suggests that the damage caused by brain drain can often be overstated because opportunities to emigrate may actually drive additional people into healthcare professions through 'incentive effects'. The resulting net effect on healthcare provision seems to vary across countries. In Jamaica and Ghana 20 percent and 25

percent of medically trained personnel respectively are located abroad, which may be levels that these countries have found difficult to cope with. On the other hand, Vietnam and possibly Georgia might actually have more healthcare staff than they do at present if they had higher levels of medical migration, as the more powerful incentive effects might well outweigh the numbers of people who actually leave.

FINDING 7: THE GENDER AND OTHER SOCIAL IMPACTS OF MIGRATION

Exposure to different norms and experiences while abroad can, it is suggested, change people's attitudes towards gender roles. Among returned migrants this was indeed the case: typically more than 70 percent of migrants from each country said that as a result of their experiences, they were more committed to efforts to achieve gender equality in their country of origin. However, changes in attitudes do not seem to translate into changes in behavior within returned migrants' own households (or in households in receipt of remittances or with absent migrants). None of the evidence gathered on this issue suggests that migration is changing who – men or women – undertakes household tasks (such as childcare, home repairs or cooking).

When it comes to migration's effects on family structure, our research suggests that while some migration does split nuclear families, this does not occur as often as one might expect. For example estimates suggest that emigration from Colombia makes it 6 percent less likely that parents and children are living together. These numbers are so low partly because much of the emigration that takes place is of whole households. It does appear that the temporary separation of families may lead to permanent breakdowns in relationships, however, even when migrants return to their country of origin. For example, in Vietnam rates of separation and divorce are higher among returned migrants than the non-migrant population, as are numbers of single parent families, who make up 4.5 percent of non-migrant families but 6.7 percent of returned migrant families. That said, there is no

investigation of causality here (and it may be that people migrate to escape from a bad relationship, or feel freer to go because their family life is poor), and the rates are still quite low.

POLICY IMPLICATIONS

The findings from Development on the Move provide some useful insights for policymakers. We hope that as well as providing some insight into which specific policy levers could be used to maximize migration's contributions to development, this report also helps policymakers to look beyond the immediate imperatives that often seem to drive migration policy.

At the individual and household level, this project contributes further evidence that in almost all cases migration can be an important way of improving livelihoods and expanding capabilities. This is an important reminder to policymakers and practitioners that migration should not be seen primarily as a 'problem' for development. While it may create challenges migration does allow people – many of whom may have few alternatives – to improve their own standard of living and that of their families and others to whom they remit. The evidence suggests, moreover, that through spillover effects such as business creation it may also improve development outcomes, even for people without a direct relationship with a migrant.

That said, poor economic opportunities in developing countries drive migration and may also make return less attractive. Plus, while migration is improving many outcomes for people in developing countries, these changes tend to be incremental. Nothing in the findings of this project suggests that migration is transformational at the societal level, or that alone it can be relied on to act as a national strategy for development. Rather, the fact that people are migrating in order to achieve certain goals (and are not being attracted back by opportunities at 'home') should be taken as a reflection of people struggling to achieve their aims and improve their lives in their country of origin, and that more needs to be done to promote sustainable national development. This is not news – policymakers do not

need migration to remind them of the need for development – but it is important to note because there is a danger that migration and its benefits are used as a reason for development to be pursued with less urgency, when it should be seen as another indicator that successful long-term development strategies must be devised and pursued.

An equally important implication of this project's broad framework has been to underline the complexity of impacts that migration can generate. For example, while large-scale emigration from one particular sector (such as health) can in some instances have a negative impact, there are many other ways in which the departure of those migrants may be having positive impacts on the society they have left behind. Development on the Move has cast light on some of the better known of those impacts (such as the economic benefits of remittances) and those that have not been studied as much (such as attitudes to gender equality). The research suggests that any attempt to intervene based on a narrow or short-term view of migration's impacts could be counterproductive.

More generally, the findings emphasize how powerful a force migration is – it is very common; it is successful in improving key aspects of migrants' and others' lives; and the policies put in place around it can shape but not control or determine it. This implies that policies that acknowledge and even facilitate people's migration ambitions are likely to be more effective than those that inhibit and frustrate them.

As such, policies that open legal routes for migration that make it easier for migrants to invest and buy property in their country of origin while away; or that reduce remittance costs are likely to boost migration's development impacts, as are all policies that recognize and work with the grain of people's migratory intentions and migrants' interactions with their country of origin. In contrast, policies that try to stop emigration, to induce return without changing the wider policy environment, or even those that are simply poorly connected to the lives migrants live (such as policies that try to induce migrants to invest in community

development projects over which they have little control or to which they have few links) are much more likely to fail. Good policy interventions should be based on a sound understanding of migrants' motivations and real life experiences, and should 'go with the flow' of migration as an unstoppable fact of life in the 21st century.

Finally, by taking a wide definition of international migration (examining all movements of three months or more both into and out of a country), and looking at all sorts of interactions (going beyond remittances to consider ideas and attitudes transmitted from abroad, for example), this project has also uncovered new evidence of the scale, nature and even the impacts of migration. In some countries there has been much more short-term migration of a duration that falls below the generally accepted threshold of what is

defined 'migration'. It also may not be officially recorded as migration by immigration agencies. For example, when a Jamaican goes to the United States and works cash-in-hand for a few months before returning home, this is generally not classed as international migration. Yet such behavior does seem to be common in some contexts and potentially has development impacts as important as those from longer-term migration. The project also finds that new communication technologies appear to be transforming the ways that migrants can interact with their home countries.

Policy-makers interested in managing migration, let alone harnessing its development benefits, should recognize, then, that today's migration patterns do not mirror those of yesterday. While migration may be an

age-old human strategy for seeking betterment, the conditions under which migration takes place and the nature of its impacts seem to be evolving constantly.

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VIETNAM: POTENTIAL FOR PUBLIC POLICY TO FACILITATE MIGRATION FOR DEVELOPMENT

Dang Nguyen Anh, Tran Thi Bich, Nguyen Ngoc Quynh and Dao The Son

Although migration to and from Vietnam has increased considerably in recent years and now attracts a great deal of attention from both policymakers and researchers, there is still a lack of comprehensive quantitative information on international migration and its impacts on development.

Researchers have tended to focus on internal migration and its consequences, and very few policies take into account the profound impact of international migration. This research is therefore the first empirical study to provide a comprehensive investigation of the social and economic impacts of international migration to and from Vietnam and the current policies related to these issues. The report's analysis focuses particularly on the effects of migration on income distribution and living standards, savings and investment, labor market participation, education, health, gender roles and other social factors.

The report has employed a wide range of methodological tools, including

analysis of existing literature and data sources, a national household survey and in-depth stakeholder interviews. The household survey is the first nation-wide survey on international migration in Vietnam, which allows for a detailed investigation of the developmental impacts of international migration and generates new evidence.

KEY FINDINGS

Migration to and from Vietnam has increased significantly since the end of the Vietnam War. Nationally, 5 percent of Vietnamese households contain one or more members currently living abroad (equating to about 1 million people currently away), while 2 percent of households have one or more members who have previously lived overseas and have now returned to Vietnam.

1. Vietnamese migrants are concentrated in around 30 countries, with 10 destination countries containing more than 80 percent of Vietnamese migrants – both absent and returned. The most significant of

these are the United States, Taiwan, Korea, Malaysia and Russia. The period of migration is normally between one to five years. Migrants are disproportionately drawn from the proportion of the population aged 17 and 30, which is the age at which most Vietnamese migrants depart. The next most common bracket is the 31–45 year old age group. An increasing number of Vietnamese migrants are female.

2. Our data suggests that absent and returned migrants (particularly those from urban areas) are more likely to achieve higher levels of education than non-migrants. For example, around 30 percent of returned migrants and almost 20 percent of absent migrants from urban areas are educated to college level or above, compared to just over 10 percent of non-migrants from urban areas.

3. Economic factors (particularly the opportunity to 'earn more', 'save money', or the fact that it is perceived to be 'easier to get a steady job' abroad) tend to drive the decision to migrate from Vietnam, while the main reason for return is the completion of a contract overseas.

4. Migrant remittances to Vietnam have been increasing in recent years. Female absent migrants, especially those from urban areas, tend to remit more frequently than male absent migrants. For example, 76 percent of female migrants who have migrated from urban areas remit in comparison to 64 percent of urban male migrants. Absent migrants from rural areas tend to remit every six months while those from urban areas send money home every year.

5. More than 80 percent of the study households report being in contact with their overseas migrant members once a month or more, suggesting the existence of strong links between the home country and the Diaspora.

6. Both descriptive statistics and econometric estimations suggest that migration and remittances have had positive impacts on household income and living standards. There is also evidence to suggest that migration and remittances have improved income equality in Vietnam.

7. Our survey data reveals that migrant households, especially those with currently absent members, tend to have higher saving rates than non-migrant households. These households are also more likely to have family businesses.

8. Although the majority of stakeholders and surveyed households believe that international migration can reduce unemployment and do not see it as a threat to high levels of dependency, our data shows that the unemployment rate among returned migrants remains high. This suggests that the skills that may be acquired by migrants while they are abroad have not been used effectively.

9. From our survey data, it seems that the impacts of migration and remittances on education and skills are mixed. For example, while the presence of migrants in a household does not have a statistically significant impact on the school attendance rates of children in Vietnam, the receipt of remittances appears to have a significant negative impact on children's school attendance.

10. The brain gain and brain drain effects of migration in Vietnam are similarly unclear, with only around 1 in 5 returned migrants reporting having gained additional educational qualifications while abroad. This figure

seems surprisingly low, given that more than a third of all surveyed households (both migrant and non-migrant) believe that migration allows individuals to bring back new skills that are useful for development in Vietnam.

11. Our econometric analysis suggests that both migration and remittances may have significant positive impacts on household health expenditure per capita. However, the data also shows little evidence of migration and remittances having an impact on standards of health in Vietnam.

12. The gender impacts of migration seem ambiguous from the survey results. Although it appears that women living in households with migrants are more likely to hold bachelor degrees than those in households without migrants, the receipt of remittances seems, if anything, to work in the opposite direction. Migration also does not seem to have had a significant impact on traditional divisions of labor within the household in recent years, even though around 90 percent of returned migrants report that their experience of living abroad has supposedly enhanced their commitment to gender equity.

13. Our household data reveals that returned migrants are more likely to be separated or divorced than non-migrants. The proportion of single parent families is also higher among returned migrant households. However, living away from home also seems to have made returned migrants appreciate traditional ways of life and culture, with more than 90 percent of returned migrants reported that living abroad made them feel more strongly about protecting the Vietnamese culture and ways of living.

POLICY RESPONSES

There are a number of ways in which policy could optimize the development impacts of migration in Vietnam. We recommend that policymakers should focus on:

1. Shaping consistent policies to facilitate the productive use of migrant remittances.

Government policies have not been particularly successful in harnessing the resources which tend to be generated by migration for

development (such as remittances or the savings that returned migrants usually bring back with them). To address this problem, it is necessary to cooperate closely with host countries to improve the speed and reduce the cost of formal remittance transfers through banks and other financial sector institutions in order to compete effectively with the informal transfer system.

2. Supporting Vietnamese migrant workers and contract laborers in their destination

countries: The government, local authorities and community organizations should participate in raising awareness about the opportunities and risks of migration through training and mass media, and assist migrant workers and their households in making their right decisions about working abroad. Programmes to provide loans for the poor to cover the costs of migration should be facilitated to ensure that the poor are able to benefit fully from the opportunities that migration offers. Furthermore, efforts should be made to equip migrants with adequate information and training about working and living conditions abroad, as well as about their rights and the risk of exploitation. This should help to ensure that improvements in income, for example, are not gained at the costs of migrants' wellbeing.

3. Encouraging skilled workers and professionals to return and enabling them to use the technical skills and qualifications they have gained abroad.

The government should create incentives for the return of professionals, skilled laborers, trainees and students to maximize the developmental impacts of migration in Vietnam.

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MACEDONIA: EU ACCESSION, DIASPORA ENGAGEMENT KEY TO POSITIVE MIGRATION OUTCOMES

Zoran Nikolovski, Vanco Uzunov, Maja Micevska Scharf and Suncica Szadovska

Although Macedonia has a long history of migration, relatively little is known about the number of migrants who move, their experiences abroad, and the impact of their absence on the families and communities they leave behind. It is also unclear how return migration affects development in Macedonia. The aim of this report is therefore to fill some of these gaps in the evidence base. Our findings incorporate a review of the most relevant existing literature on this subject, but are drawn primarily from new primary research carried out in 2008 and 2009, including interviews with key stakeholders and data derived from a new and nationally representative household survey.

KEY FINDINGS

1. Building on earlier estimates about the scale of migration from Macedonia, our research suggests that the current level of Macedonian migration is somewhere between 400,000 and 500,000 people (representing 20 to 25 percent of the population living in the country).

Although these migrants are scattered in 35 countries around the world, most are concentrated in just a few, with the four most frequented destinations (Italy, USA, Switzerland and Germany) hosting 51 percent of absent migrants.

2. Macedonian migrants tend to depart as young working age adults and remain abroad for long periods of time (often between five and 10 years or more), and are often young, unmarried males. Major reasons to leave include earning money abroad and acquiring additional skills and education.

3. There is a very slight rural bias in the group of absent migrants, while all ethnic groups experience migration (with a very slight bias in the cases of Albanian, Roma and Turkish ethnic groups).

4. The majority of both absent and returned Macedonian migrants have either low or medium levels of education at the time of departure, while a smaller proportion are highly educated. This is not dissimilar to the general standards of education among Macedonia's non-migrant population, although the share of very highly educated (above university level) individuals among Macedonian migrants is much higher than the corresponding share of individuals among non-migrants.

5. Thirty-three percent of absent migrants and 45 percent of returned migrants had income from employment or occupational activities before migration (as compared to 60 percent of the non-migrant population) but almost 65 percent of the returned migrants have income from employment or occupational activities after returning, suggesting that migration can have an impact on employment prospects.

6. Remittances have become an increasingly important source of finance in Macedonia. Between 1993 and 2008, the amount of all private transfers (the sum of remittances, other private transfers and foreign exchange operations) from abroad rose by an enormous amount, increasing more than 23 times over – from US\$57.8 to \$1,376 million. On average for the period 2003–2008, those funds amounted to over 10 percent of GDP and covered 50 percent of the trade deficit. Meanwhile, the stock of private transfers from abroad for the same period is almost three times bigger than levels of FDI. This has had a strongly positive impact on the macro-economic stability of Macedonia, and on the health of the country's foreign exchange reserves.

7. In terms of remittance patterns, it

appears that only around a third of all Macedonian migrants send money home. Females remit less than males, while older migrants, migrants who have been abroad longer and migrants who have frequent contact (at least once a week) with the family they leave behind, remit more. The majority of remitters send amounts of up to US\$5,000, with less than 8 percent having reported sending larger amounts. Most remitters send money fairly regularly (on a monthly basis, every couple of months or twice a year). Only 56 percent of remitters use formal channels (money transfer agencies, banks and post offices).

8. Remittances are not only sent from migrants to the households they left, however. Seven percent of households across Macedonia receive remittances from 'non-member remitters' – people who weren't members of their households before migration. It has also been suggested that migrants remit to organizations, such as schools or community development organizations. Our evidence suggests that very few do, however.

9. It is still unclear what effect remittances have on socioeconomic inequality in Macedonia. The data collected for this project suggests that remittances reduce inequality slightly, though other data suggests that the bulk of remittances and foreign pensions are concentrated in the highest three decile groups of households. There is potential for further research here to determine what is behind this difference in results.

10. A key research question relates to the impact of migration on entrepreneurship in Macedonia. It appears that the proportion of families reporting having ever owned a business is higher among migrant households. However, migrant households are also more likely to have started a business

which is now closed, though these businesses tend to have lasted longer than failed businesses operated by households without migrants.

11. For the first three months after returning, emigrants do not appear to have significantly different employment chances compared to other residents of similar age and gender, although those who have been home between three and 12 months are far less likely to be working for others for pay. However, a year or more after return there is an increased chance of self-employment. This indicates that it takes longer for returned migrants to utilize the skills they may have acquired while abroad.

12. The data suggest that migration has a mixed impact on the employment of those left behind: departure is associated with greater employment, but if the migrants remit then this tends to diminish employment among those who remain at home. This implies that the overall effect on household members' likelihood of being in work will depend on the proportion of its members who migrate, and the amounts of remittances they send back.

13. In terms of education outcomes, the findings suggest that younger children have higher school attendance rates in families where no remittances are received. This gap is even more pronounced among the older age-group of children. This suggests that receiving remittances may reduce the incentive for families to send their children to school, particularly older children.

14. Negative correlation is also observed between the number of absent migrants and school attendance of children, but having an absent parent has a large and statistically significant effect in increasing school attendance among older children. One possible explanation for this is that where children see a parent migrate, often to increase the family's income, they feel that a sacrifice has been made at least partially on their behalf, and they are more motivated to attend school. It may also be that parental absence is specifically related to acquiring the necessary financial assets for their children's education.

15. In assessing the gender roles

within households with migrants, it appears that there are no significant differences in the gender distribution of household tasks between non-migrant households and households with returned migrants, as might be expected if migrants brought back some of the values of the countries they have been living in. Indeed, the proportions of females engaged in traditional household activities are higher in households with members currently abroad. This indicates either that Macedonian migrants tend to come from households with more traditional views about gender roles, or that migration of a household member requires females to spend a higher proportion of their time engaging in household activities.

POLICY RESPONSES

Our research has demonstrated that the existing policy framework in Macedonia is in need of considerable reform. This report identifies four key areas where changes could help to maximize the developmental outcomes of migration:

1. Focus on the implementation of policy reforms required by Macedonia's process of accession to the European Union. If Macedonia succeeds in its application to become a full member of the EU, around 70 percent of Macedonia's emigrant population will be resident in countries among which the freedom of movement of people is at present, or soon will be, a full reality. Passing the reforms required for membership must therefore be the government's priority, since migrant workers will then be granted the rights of domestic workers in all EU member-states, the transfer of remittances will be facilitated, the country will become a more attractive place for investment by migrants, and it is to be hoped that other positive impacts from migration will start to occur.

2. Efforts should be made to increase Macedonia's attractiveness to its citizens. Given that migration from Macedonia is primarily driven by the desire for personal advancement, the government should focus on

improving the country's attractiveness as a place to live and work. This would involve a sustained effort to improve living standards, foster political stability, and strengthen the rule of law and security. Specific proposals for how this might be achieved include: preparing a long-term strategy for intensive and balanced development of the country; developing policies to increase employment (working particularly with the private sector to make it capable of generating new jobs) and tackling problems with the educational system in Macedonia, which is currently unable to prepare students for life and work in a globalised economy. This approach would also recognize that the government needs to do more to make migration a positive choice for Macedonians who wish to live and work abroad, rather than something they feel they need to do to meet their life goals.

3. A strategic approach to improving the impacts of migration is required. This should specifically focus on facilitating the transfer of remittances from abroad, providing more support to returning migrants in terms of their economic and social reintegration, and improving the documentation and registration of migrants. This last recommendation is particularly important, for without a good sense of the scale and scope of Macedonian migration, it is impossible to design effective policies.

4. Priority should be given to involving the diaspora in Macedonia's development. Our research has shown that attempts to engage the diaspora in the development of Macedonia have not been very successful to date. The government will need to do much more here if it is to make the most of the new skills, values and financial resources that migrants acquire while they are living abroad.

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GEORGIA: PRE-MIGRATION ASSISTANCE CRUCIAL TO FACILITATE MIGRATION, BOOST REMITTANCES

Robert Tchaidze and Karine Torosyan

Migration – both forced and voluntary – has dramatically affected the former Soviet republic of Georgia in recent decades. Correspondingly, interest in the question of how migration affects the country is increasing. However, most of the migration studies about Georgia produced in the last few years have been descriptive only, focusing on the structural characteristics and the causes of migration rather than its developmental consequences. This report aims to fill in some of the gaps in the evidence base by providing the first comprehensive dataset on migration and development in Georgia, and by using rigorous propensity score matching methodologies to assess a range of the impacts that migration appears to be having on the development of individuals and households in the country. It then interprets these findings to draw out some key recommendations for policymakers.

KEY FINDINGS

1. According to our data, 7.4 percent of Georgia's populace has experienced some kind of migration: that is, they are either currently absent migrants or they have migrated and returned, with a roughly equal number in each group. Based on the size of the sample, the number of migrants currently abroad is estimated to be around 140,000. Another 138,000 are estimated to be returned migrants.

2. Men are more likely to migrate from Georgia than women: while the share of men among non-migrants is 48.4 percent, among migrants (both absent and returned) men constitute just over 60 percent. Males also start migrating earlier, with our survey indicating that 14.6 percent of male migrants are aged 18-24, whereas only 5.1 percent of

female migrants fall in this age range.

3. Russia has traditionally been the most important destination for Georgian migrants, and our survey indicates that the number of migrants currently in Russia who left in the last ten years is somewhere around 49,000. However, our evidence also suggests that migration patterns seem to be changing. The countries of Western Europe, particularly Greece, now have a higher share of currently absent Georgian migrants at 40.4 percent, while 36.5 percent are currently in Russia. This contrasts with the destination choices of returned migrants (more than 57.3 percent of returned migrants in our sample had come back from Russia, but just 17.8 from Western Europe).

4. Economic factors dominate in people's reasons for migrating: 73 percent of currently absent migrants and 60.8 percent of returned migrants left in the hope of acquiring a stable job and/or earning more money. Meanwhile, 40.6 percent of currently absent migrants and 21.8 percent of returned migrants left to study, to learn a language or to acquire other skills. Finally, 36 percent of absent migrants and 11.2 percent of returned migrants left for family reasons, including to get married or to reunite with or follow other family members.

5. Remittances are a significant source of income for the Georgian economy, both in absolute and relative terms. Inflows rose tenfold between 2002 and 2008, and now constitute more than a billion US dollars, or 7.8 percent of GDP. Russia is the most important source of bank transfers into Georgia, accounting for 63.3 percent of total inflows in 2008 (some US\$630 million). Inflows from Russia

are more than six times larger than inflows from the second largest source country (Ukraine, which accounts only for 7 percent of total inflows). Thus while Russia is increasingly unpopular as a destination for migrants, it is still vital as a source of remittances.

6. From our survey, it appears that around 70 percent of absent migrant groups remit to their households in Georgia, with most of these remitting fairly regularly. 58 percent of migrant groups send remittances every year or more often, while approximately 10 percent remit only on special occasions or in emergencies.

7. The average amount remitted per year is the equivalent of US\$1,470 (compared to an average annual income in Georgia of US\$3,665), but there is considerable variation around this figure, with a minimum reported amount of US\$67 and a maximum of US\$8,065. It is rare for remitters to send extremely large amounts, with 75 percent of households having received US\$1,680 or less in remittances during the year preceding the survey.

8. Around 10 percent of the households reported receiving remittances from migrants who they do not consider to be members of their household. The amounts sent by non-member remitters vary. 75 percent of households reporting this kind of remittance receive around US\$670 or less, although the maximum reported amount was approximately US\$13,450. In 37 percent of cases, remittances from non-members are sent to a specific household member, rather than the household as a whole (compared to only 14 percent in the case of remittances from household members). It seems as if these funds are mostly sent to help households in emergency situations

and with unexpected expenses, rather than as regular budget support.

9. A number of factors affect an absent migrant's propensity to remit, including the length of their absence from Georgia, the destination country they have moved to and their employment status while abroad. Unsurprisingly, the migrants most likely to remit are those who have moved to richer European countries, those who had a confirmed job in their destination country before departing and those working on a full-time (or almost full-time) basis. Our survey found that migrants tend to remit most in their third year away from home, after they have established themselves financially. But after this, the amounts remitted start to decrease.

10. Household characteristics also play a part in determining the level of remittances sent by absent migrants. As expected, migrants are more likely to remit back home if they have left their children in Georgia, if their households are located in rural areas (which tend to be poorer) and if they have frequent contact with families left behind.

11. Overall, 34.5 percent of survey respondents stated that they spend remittances from migrants absent from their own households differently than they do other sources of household income. 44.4 percent of households that receive remittances from non-members said this. The most common uses of remittances that are not simply added to household budgets are for healthcare costs, household goods, paying off debts, child support and special occasions, such as funerals and weddings. Few households reported using remittances for direct savings or investments in business and property. Note, however, that reported use of remittances may not tally with actual use – if remittances are spent on healthcare, for example, this might mean that other sources of income do not need to be spent there, and are reallocated.

12. Migration appears to have a mixed impact on certain development

indicators in Georgia (as do remittances), though on the whole the effects are positive. For example, our survey suggests that while households in rural areas that receive remittances are less likely to have members in poor health, in the capital Tbilisi the effect is the opposite. Meanwhile, remittances do not seem to have a significant impact on unemployment and the rate of labor force participation, while migration itself has a positive impact on employment rates. So having a migrant depart from your household means you are more likely to be in work, as does having a returned migrant in your home.

13. Migration does not appear to have significantly changed gender roles in Georgia, which remains a very traditional society. However, there is some evidence to suggest that returned females are more likely to perform traditionally male tasks (9 percent more than the average), while return males are less likely to engage in female tasks. When asked whether more effort is needed to ensure that men and women are treated equally in Georgia, the majority of female respondents agreed or strongly agreed that it was, with return migrant females being particularly supportive (86 percent of them agreed or strongly agreed, compared with 72 percent of non-migrant females). Returned females do stand out as the most supportive group when it comes to ensuring gender equality in Georgia, suggesting that their experience of migration might have an impact on their opinions and values.

POLICY RESPONSES

The literature review, stakeholder interviews and surveys carried out in support of this study have revealed substantial gaps in Georgia's policy framework around issues of migration and development. We therefore make the following three recommendations about where policymakers should focus their attention.

1. Domestic labor market policies: Although the government has

succeeded in strengthening the Georgian business environment in recent years, much more needs to be done in terms of creating sustainable employment opportunities. This would reduce the need for high levels of outward migration from Georgia, which our data suggests is driven primarily by the demand for employment and for higher wages. It would also support the reintegration of returned migrants. Some policy innovations to make Georgia more competitive might be to establish vocational schools and training programs, and to promote the adoption of internationally recognized business ideas and practices.

2. Policies to improve information and assistance for migrants: The Georgian government should improve its collection and dissemination of information on legal migration routes, and should help to organize pre-migration assistance. That could involve the creation of support centers that would gather information on migration programs and opportunities in destination countries. Preparation is important for a number of reasons, among them the fact that where Georgian migrants have employment arranged in advance they are more likely to remit. Basic language training could also be provided by these centers, as the significant language barriers that exist for many Georgians abroad seem likely to prevent migrants from utilizing their skills and education most effectively. Such centers could employ returned migrants who possess the right language skills and the knowledge of such programs and other aspects of residing abroad (legal, social, cultural and so on).

3. Policies to maximize the benefits of remittances: Given the size of remittance flows entering Georgia, it is vital that policymakers understand what drives these transfers and how families use them. The fact that remittances are mostly spent on basic needs suggests that those who send them from abroad do not feel able to invest them in local businesses. It might therefore be fruitful for policymakers to investigate whether there is scope for the encouragement of pooling and joint

investment of assets in community development projects, though careful planning would be required to ensure these projects were attractive to remittance senders and recipients. The government could also help with facilitating remittance transfers. Although the monetary costs of

remitting to Georgia are relatively low, there is scope for reducing inconvenience costs, for example by developing technology to transfer remittances electronically rather than requiring recipients to travel to collect them from banks.

GHANA: URGENT NEED FOR RELIABLE MIGRATION DATA

Ian Yeboah, Francis Dodoo, Stephen Kwankye, Philomena Nyarko, Delali Badasu and Costanza Biavaschi

Although the impact of migration on Ghana has received a considerable amount of attention in the literature and the media, to date this analysis has been based more on anecdotal evidence than on robust statistics, and has focused primarily on the issues of remittances and brain drain.

This report therefore aims to fill some of the gaps in the evidence base by providing the first nationally representative dataset on migration and development in Ghana, and by using econometric methodologies to assess a broad range of economic and social impacts that migration appears to be having on individuals and households who remain in Ghana. It also looks in detail at immigration to Ghana. Below we present some of the key findings of the report, and the implications of these for Ghanaian policymakers.

KEY FINDINGS

1. In terms of the demographic profile of migrants, we find that migrants leaving Ghana tend to be older than immigrants entering the country (more than 40 percent of the latter are younger than 25). More than 80 percent of all absent migrants are in the most economically productive years of their life (between 25 and 59 years old), while only about 48.7 percent of immigrants are in the same age category. There are also clear gender differences between Ghanaian migrants and immigrants to Ghana. Our survey finds that about 68

percent of absent migrants and 60 percent of return migrants are male, while nearly 60 percent of immigrants to Ghana are female.

2. There are some notable variations in the destination choices made by absent and return migrants in Ghana. While the majority of return migrants in our sample had moved to other countries in the bloc that makes up the Economic Community of West African States (ECOWAS), including Cote d'Ivoire (31 percent), Nigeria (25 percent) and Togo (15.4 percent), the most popular destinations for absent migrants were more diverse, and included more western countries. At the time of the survey, almost 16 percent of absent migrants had moved to the United States and another 9.1 percent were in the UK – similar to the proportion of migrants living in Cote d'Ivoire (11.9 percent) and Nigeria (10 percent). Of the immigrant population currently living in Ghana, more than 90 percent of these are entrants from other West African countries.

3. It appears that Ghanaian migrants are overwhelmingly driven to move as a result of economic factors. Around 45 percent of absent Ghanaian migrants left to seek jobs in other countries, while nearly 39 percent moved because of the potential to earn higher wages and another 13 percent left in order to be able to remit money to their families. Fairly similar figures were observed with respect to return migrants. Social and educational

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factors were relatively less important as reasons for migration, with 14.5 percent of absent migrants and 22.3 of return migrants stating that they left in order to live with family and just 9.6 percent of absent migrants and 4.1 percent of return migrants claiming to have moved in order to study abroad.

4. However, social factors appear to be much more significant in explaining why migrants return to Ghana. Just over 25 percent of the return migrants in our survey sample stated that they came home because they wanted to be with their families, while a further 10 percent returned because their family needed them. Another 21 percent were dissatisfied with their experience of living abroad, while just over 7 percent indicated that their affection for Ghana had prompted their decision to move back. Meanwhile, a relatively large proportion of return migrants (just over 11 percent) left their destination countries involuntarily, having been deported because of their status as illegal migrants. Very few reported having returned home because of government incentive schemes that made it attractive to do so.

5. One of the most interesting findings of this study is that Ghana does not seem to be experiencing brain drain on the scale that is commonly believed. While small numbers of highly skilled migrants (such as doctors and entrepreneurs) are leaving the country, the majority of absent and return migrants are those who are

economically active but with lower level, more practical skills. Fewer than 10 percent of absent migrants in Ghana report having university or other tertiary education and before migrating, many work in sectors such as agriculture, retail and wholesale trade. However, it is worth noting that in spite of the small numbers of skilled personnel that are migrating, the impact of their departure on Ghana's development can be great. For example, the impact of 100 doctors leaving Ghana would be far greater than if 1000 masons left, since the training of doctors requires huge investment over long periods of time.

6. While there is a general consensus in the literature and in media reports that remittances are an important source of income for the country as a whole, and for households in particular, data on the scale of these are very patchy. While the World Bank estimated that remittances amounted to just US\$117 million in 2007, the then-President of Ghana suggested that this figure was closer to US\$4 billion. Unreliable evidence is complicated by the fact that remittances are frequently sent informally, and therefore not captured in the formal statistics. This research therefore provides an important insight into remittance patterns in Ghana.

7. Our results show that just over 65 percent of absent migrants sent remittances to the households they left behind in Ghana in the year prior to the survey. Although the largest proportion of these sent the equivalent of US\$100 or less, others sent up to US\$1,000 – a significant amount considering that the per capita gross domestic income of Ghana for the same period was about US\$650. Remitting absent migrants tend to send money regularly (either once a month or once every two months), although nearly 25 percent of absent migrants remit only in emergencies or on special occasions to assist with specific costs such as acute illnesses or school tuition fees.

8. Based on the Propensity Score Matching (PSM) techniques used in our econometric analysis of the data, we find that migration has a number of

significant economic impacts on Ghana. For example, households with experience of migration tend to spend more on education and save more compared with households without migrants. Overall, households with migrants spend around US\$84 more per year on education than households without a migrant. Also, households with migrants save just over US\$205 more than households without a migrant. However, the impact of migration differs depending on the type of migrant household. Statistically speaking, return migrant households look more like households without migrants in terms of household earnings, food consumption, school expenditures and savings, suggesting that migration has a much more significant impact on absent migrant households.

9. Migration and remittances appear to be associated with a higher level of house building in Ghana, although this relationship weakens once migrants return to Ghana. This increase in house building means that remittances may have a positive multiplier effect on other sectors of Ghana's economy, especially in sectors related to construction.

10. Although some research has suggested that remittances sent home by migrants can result in household members feeling financially secure enough to withdraw from their home-country labor market, our data did not indicate that this was the case in Ghana.

11. The educational achievement of Ghanaian migrants appears not to be greatly affected by migration. Less than 10 percent of return migrants and just over 16 percent of absent migrants report having gained additional educational qualifications while abroad (although it is possible that other currently absent migrants are still in the process of studying and may return at a later date).

POLICY RESPONSES

Throughout this report, we argue that international migration should be

viewed as an important process through which individuals may improve their own lives and those of their households. We therefore recommend that Ghanaian decision-makers should focus on how they can improve the developmental benefits and minimize the costs of migration in Ghana, rather than attempting to place strict limits on who is able to move into and out of the country.

While there are a series of ad hoc policies that affect migration in Ghana, there is little by way of an organized migration policy framework at present. Our research demonstrates that there can be no 'one size fits all' approach to migration policy in Ghana, since it must be designed to cope with the departure and return of both highly skilled and lower skilled migrants, as well as a considerable influx of immigrants. It must also be responsive to the policies of receiving countries. However, this project has highlighted the urgent need for a better system of collecting reliable data on migration trends, and responding to these effectively. We therefore suggest that a national institution for migration should be established within the Ghana Immigration Service to assume responsibility for research, management and policy formulation around the wide range of issues related to migration and development in Ghana.

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COLOMBIA: WORK WITH HOST COUNTRIES TO REDUCE MIGRATION COSTS

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Although Colombia has only become a major sender and recipient of international migrants relatively recently, migration and remittances have become important issues for policymakers. According to various sources, around 8 percent of Colombians live abroad, primarily in the United States, Spain and Venezuela. Meanwhile, remittances currently constitute 3 percent of Colombia's GDP (as of 2008), up from just 1 percent a decade before.

These trends have generated an increasing interest in the causes and consequences of international migration in Colombia, despite a lack of comprehensive information about the characteristics of migrants and their patterns of movement. This report therefore aims to fill some of the gaps in the evidence base by providing the first dataset on migration and development in Colombia, and by using robust econometric methodologies to assess a range of economic and social impacts that migration appears to be having on individuals and households left behind. It then interprets these findings to draw out some key recommendations for policymakers.

KEY FINDINGS

1. Most Colombian migrants are concentrated in a few destination countries, with around 35 percent currently living in the US, followed by 23 percent in Spain and 20 percent in Venezuela. While different datasets produce different results, it seems that Colombian absent migrants tend to have more years of schooling than the average citizen (around 12 years compared to 9 years). In addition, 30 percent of migrants over the age of 25 have tertiary education, compared to just 5 percent of the population in Colombia. Also, both absent and return migrants are more likely to be female than male.

2. Economic factors dominate the motivations for migration among Colombian absent migrants, with around two thirds reporting having left for work-related reasons. Around 17 percent migrate to gain additional educational qualifications, while 11 percent leave for family-related reasons and 5 percent depart to escape armed conflict.

3. Remittances have become an increasingly important source of financial support for many Colombian households. Our data indicate that around 55 percent of absent migrants send remittances, while 30 percent of households with return migrants receive remittances. Moreover, almost 4 percent of households without either a returned or absent migrant receive remittances. This sounds small, but as this group make up the vast majority of the Colombian population (and constitute 64 percent of all Colombian households that receive remittances), it actually adds quite significantly to the total number of households receiving remittances.

5. It is sometimes argued that migration and remittances can increase dependency among household members left behind. Our findings indicate that the impacts of migration on labor market participation are mixed in the Colombian case. The most accurate estimates that we have suggest that there is no significant impact on labor force participation for either men or women living in households with migrants. However, being in receipt of remittances does appear to have a negative effect on labor force participation. According to our results, individuals (and particularly females) in households receiving remittances from any source are nearly 4 percent less likely to participate in the labor market.

6. We find that having an absent migrant makes women in households with absent migrants less likely to be unemployed, with unemployment rates for this group falling by 2 percent. In contrast, the unemployment rates for males living in households with an absent migrant increase by just over 3 percent. Meanwhile, remittances (at least those sent by a household's own absent migrant) seem to increase unemployment among all individuals by just over 2 percent.

7. Migration and remittances affect expenditure patterns in migrant households in Colombia. Having a migrant in the household (either absent or returned) increases total per capita expenditure by nearly US\$35 per month while being in receipt of remittances increases it by between US\$37 and US\$48.50. In households with absent and return migrants, this seems to prompt an increase in spending on home products and recreation. Although being in receipt of remittances does not significantly increase spending on housing, our data does suggest that the probability of owning a home is increased in households that receive remittances. Households that receive remittances from their own household member are 5 percent more likely to own a home, while households receiving remittances from any source are 4 percent more likely to own a home.

8. Having an absent and/or returned migrant in the household also appears to increase household monthly total and per-capita savings by US\$17 and US\$5.50, respectively.

This is mostly due to the effect on households with a return migrant, where the effect is about three times larger than in households with an absent migrant. Meanwhile, remittances from relatives increase total and per-capita monthly savings by US\$12 and US\$4, respectively.

9. Previous evidence on the effect of remittances on income inequality in Latin American countries has been mixed, and our evidence is supportive of these findings. Barriers to international migration faced by Colombians might be preventing migration and remittances from having a more progressive impact on income inequality, since most households at the lower end of the income distribution scale cannot afford to leave the country and are therefore unable to access the developmental benefits that this appears to produce.

10. Our survey results show that migration and remittances increase spending on education in some migrant households in Colombia. For migrant households with at least one member aged between 6 and 25, monthly spending on education rises by about US\$17, while households receiving remittances spend US\$30-40 more per month. This equates to around US\$5 extra per-capita per month for households with migrants and between US\$11 and US\$13 per-capita per month for those receiving remittances. However, our data suggest that increased expenditure on education does not have a similarly positive impact on levels of school attendance, which are not affected by migration or remittances.

11. Migration increases total spending on health by around US\$14 per month (particularly in households with return migrants), while remittances from any source increase total health expenditure by about US\$24 per month. It is interesting that this increased expenditure does not appear to have changed the perceptions of members of migrant households about their health status. Indeed, our survey found that individuals living in a household with an absent migrant are almost 4 percent less likely to state that their health is good. This opinion seems to be particularly prevalent among female household members.

12. Our data suggest that both migration and remittances are connected to family fragmentation.

Households with experience of migration are around 8 percent less likely to keep their immediate families together, with this effect particularly pronounced in the sub-group of households with return migrants, who are 10 percent less likely to do so.

More encouragingly, it appears that both men and women living in a household with return migrants are more likely than those living in other types of household to spend time taking care of children living in the household, although receiving remittances seems to have the opposite effect.

13. Migration and remittances have an impact on traditional gender roles in Colombia. Our survey finds that males with experience of migration (and particularly return migrants) are more likely to spend time cooking than those with no experience of migration, while females living in households with experience of migration spend less time cleaning the house, a reversal of traditional gender roles.

POLICY RESPONSES

To improve the developmental outcomes of international migration and remittances in Colombia, we suggest that policymakers should prioritize:

1. Working with key destination countries to reduce restrictions on families being able to be together. At present, many Colombians are working abroad illegally, which prevents them from migrating with their whole families, and once abroad, prevents them from visiting them due to the risk of not being able to migrate again. Concluding bilateral or multilateral agreements which include circular migration programs could help shift migrants from irregular to regular movement which would help to avoid the various costs of illegal migration including family fragmentation, the lack of transferability of new knowledge and human rights abuses.

2. Promoting the use of remittances for savings and investment. Policies designed to promote a more efficient use of remittances, such as providing advice and information to remittance senders and recipients on the use of formal financial services and working to reduce transfer costs, are likely to increase the amount of money sent by absent migrants and received by recipients.

3. Creating incentives for absent migrants, and particularly the most skilled, to return to Colombia. Our evidence suggests that absent migrants are likely to be positively selected while return migrants tend to be negatively selected; in other words, the most able Colombians are those most likely to leave the country, and are less likely to return. The government should therefore seek to encourage the return of the most skilled migrants by establishing temporary return programs tailored to them. This should go hand in hand with initiatives to reduce crime and improve socio-economic conditions in Colombia, which might attract absent migrants home, and enable potential migrants to achieve their goals without needing to move abroad.

Mauricio Cárdenas, Senior Fellow and Director of the Latin America Initiative, Brookings Institution

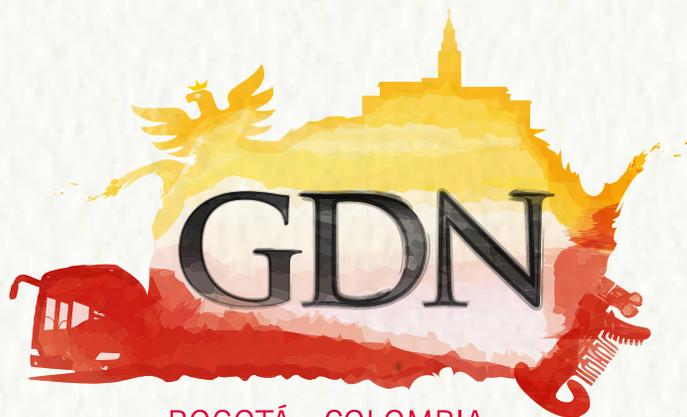
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