Executive summary

The international community is increasingly acknowledging that migrants can make a positive contribution to development, both in countries of origin and destination. The question that must now be answered is "what policies will allow this potential to be realised and minimise any negative impact?".

The Interrelations between Public Policies, Migration and Development (IPPMD) project – managed by the OECD Development Centre and co-financed by the European Union – was conceived to answer the key question. It does so by exploring:

- how migration, in its multiple dimensions, affects a variety of key sectors for development, including the labour market, agriculture, education, investment and financial services, and social protection and health;
- how public policies in these sectors can enhance, or undermine, the development impact of migration.

This report summarises the findings of the empirical research, conducted between 2013 and 2017 in ten partner countries – Armenia, Burkina Faso, Cambodia, Costa Rica, Côte d'Ivoire, the Dominican Republic, Georgia, Haiti, Morocco and the Philippines – and presents the main policy recommendations.

A unique empirical approach

The IPPMD team designed a conceptual framework that explores the links between four dimensions of migration (emigration, remittances, return migration and immigration) and five key policy sectors with the most relevance to migration and development: the labour market, agriculture, education, investment and financial services, and social protection and health. It also looked at the impact of these five sectoral policies on a range of migration outcomes, including the decision to emigrate or return home, the amount of remittances sent and how they are spent, as well as the integration of immigrants.

Data to support the analysis were gathered from surveys of more than 20 500 households, interviews with 590 local authorities and community leaders and 375 in-depth stakeholder interviews in the ten partner countries. Regression analysis measured the relationships between the migration dimensions, outcomes and sectoral policies.

Migration offers development potential, but the policy context is critical

The research found strong links between migration and a range of key development indicators. It also found evidence that by improving market efficiency, relieving financial constraints, helping develop skills and reducing risk (amongst others), sectoral policies can influence people's decisions to emigrate, or to return home, or how to send and invest remittances. But the way sectoral policies affect migration is not always straightforward.

The IPPMD data reveal that similar programmes can generate a variety of effects according to the countries in which they are implemented. Despite the differences in the way specific sectoral policies or programmes affect migration, it is the combination of different policies that is more likely to influence the impacts of migration. For example:

- **Emigration** can relieve underemployment, provide an incentive for skills upgrading and increase women's economic and social autonomy in the countries of origin. Despite these opportunities, the contribution of emigration to the development of the home country remains limited. This is because the households left behind often do not have the tools to overcome the negative short-term effects associated with the departure of household members, or because the country lacks adequate mechanisms to harness the development potential of emigration. In terms of impact on the decision to migrate, policy failures affecting labour markets, rural poverty and a weak education system also may push people to leave their countries.
- **Remittances** can help build financial and human capital in origin countries. Given a supportive policy environment they can remove credit constraints and allow households to invest in businesses and other productive activities. Receipt of remittances can be linked to higher female self-employment in rural areas, and enable households to invest in human capital, particularly education. However, high transfer costs reduce the amount received and encourage the use of informal channels. The prevalence of informal channels hinders the contribution of remittances to the development of domestic financial markets and, in turn, limits households' ability to use the formal financial system for their savings and investments.
- **Return migration** is a largely underexploited resource. With the right policies in place, return migrants can invest financial capital in business start-ups and self-employment and have the potential to transfer the skills and knowledge acquired abroad. Policies that relieve financial constraints at home – and, more generally, contribute to create opportunities – encourage migrants to return, and high rates of public social protection expenditure encourage them to stay.
- **Immigrants** have much to contribute – their labour and skills, as well as investing and paying taxes in their host country. However, high levels of underemployment and low education rates – which are symptomatic of poor integration – and discrimination in access to education, health and social services, can undermine their contribution. Policies in both host and origin countries can facilitate integration and maximise the contribution of migrants to development.

A coherent policy framework can enhance migration's role in development

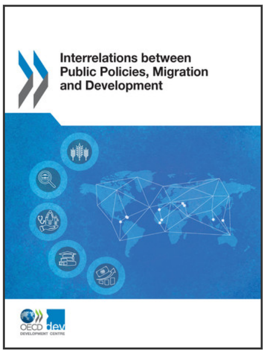
While most IPPMD partner countries do have a wide range of migration-specific policies in place, very few have included migration as a cross-cutting issue in their different sectoral policies. Ministries and local authorities in charge of these sectors are often unaware of the effects of migration on their areas of competency and, conversely, of the effects of their policies on different migration outcomes.

Greater awareness, through data and analysis, and a more coherent policy framework across ministries and at different levels of government would get the most out of migration. Such framework should be designed to:

- **Do more to integrate migration into development strategies**. To enhance the contribution of migration to development, public authorities in both origin and destination countries should follow a **twin-track approach**:
  1. consider migration in the design, implementation, monitoring and evaluation of relevant sectoral development policies;
  2. introduce specific actions, programmes and policies directly aimed to minimise the costs of migration and maximise its benefits.

The interactions between public policies also need to be taken into account when drawing up development strategies for a country.

- **Improve co-ordination mechanisms** across national authorities; among national, and regional and local authorities; and between public authorities and non-state actors.
- **Strengthen international co-operation**. Host and home countries alike need to develop co-operation instruments, such as bilateral and regional migration agreements, which promote regular migration, guarantee the protection of migrants' rights and facilitate the portability of social benefits.



From:

Interrelations between Public Policies, Migration and Development

Access the complete publication at:
https://doi.org/10.1787/9789264265615-en

Please cite this chapter as:

OECD (2017), “Executive Summary”, in *Interrelations between Public Policies, Migration and Development*, OECD Publishing, Paris.

DOI: https://doi.org/10.1787/9789264265615-2-en