Chapter 8

Making emigration a better asset for origin countries

Despite the financial, human and social capital costs for households and the home country, emigration can be beneficial in several ways: for labour markets characterised by underemployment; for skill levels in the home country; and for women who stay behind and take on more responsibility. This chapter provides an overview of emigration in the IPPMD countries and its impact on the economic and social development of the home country. It also demonstrates how public policies and the lack or inadequacy of certain policies can play a role in the decision to emigrate. It explores a holistic view of migration in development policy, rather than a piecemeal approach which can have unexpected impacts, and outlines ways in which policy can make the most of emigration.

When people migrate to another country, they affect the country they leave behind. There may be costs to the households and communities that lose productive members, but opportunities are also created and overcrowded labour markets relieved. Policies can help reduce or increase the rate of emigration. While admission requirements and border controls certainly play an important role, sectoral policies do as well.

This chapter sheds light on how the findings in the previous chapters should be viewed together for a more holistic approach to strategies on development. It starts by providing an overview of the many faces of emigration across the IPPMD countries, drawing on data on emigrants and their households. It then explores the general impact of emigration on society, highlighting the ways in which it can be beneficial – despite the short-term costs and the potential for some long-term ones. The third section outlines the role of public policies in minimising the costs and maximising the benefits of emigration. The chapter concludes with policy recommendations.

Table 8.1. **Emigration, sectoral policies and development: Key findings**

How does emigration affect countries of origin?	How do sectoral policies affect emigration?
● Certain sectors are more likely than others to lose labour to emigration, which can generate shortages, but also release pressure and revitalise sectors characterised with underemployment.	● Policies that provide cash transfers to households tend to increase emigration in the poorest households and countries, especially when they are not conditional.
● The emigration of highly skilled individuals can be partly compensated by the fact that those who stay might have more incentives to upgrade their skills.	● Training programmes seem to increase emigration, probably because they do not provide what the domestic market needs.
● The emigration of men provides an opportunity of an increase in the responsibilities and autonomy of women who are left behind.	● Mechanisms that provide better information on labour market needs, such as government employment agencies, contribute to reducing emigration.
	● The intention to emigrate is lower in countries that invest social protection mechanisms.

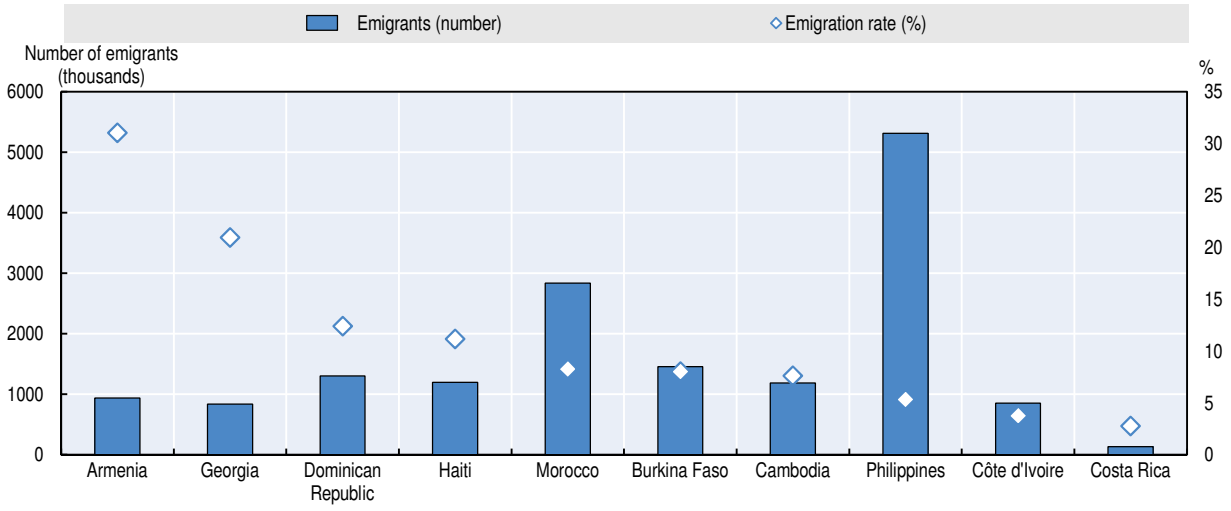
Note: These findings do not apply to all countries. More country-specific findings can be found in the IPPMD country reports.

The countries in the IPPMD project vary in their emigration experience

Countries vary greatly in their rates and drivers of emigration. The IPPMD partner countries were selected to represent this diversity in migration experience (Figure 8.1; and Chapter 2 for the methodology). This section describes the characteristics of emigration across the ten countries, and provides some context as to why the rates differ from one to another. Figure 8.1 shows that although the Philippines has the largest number of emigrants (5.3 million), it has one of the lowest emigration rates – less than 10% of the population. On the other hand, Armenia and Georgia have relatively few migrants, but they make up a large share of their populations (31% and 21% respectively). In these countries emigration is mostly driven by instability following the early years of transition. Costa Rica (3%) and Côte d'Ivoire (4%) have the lowest rates, partly reflecting the fact that both countries have more immigrants than emigrants.

Figure 8.1. **Emigration experience varies across the IPPMD countries**

Number of emigrants and as a share of the population, 2015



Source: UNDESA, International migration stock: The 2015 revision, *www.un.org/en/development/desa/population/migration/data/estimates2/estimates15.shtml*.

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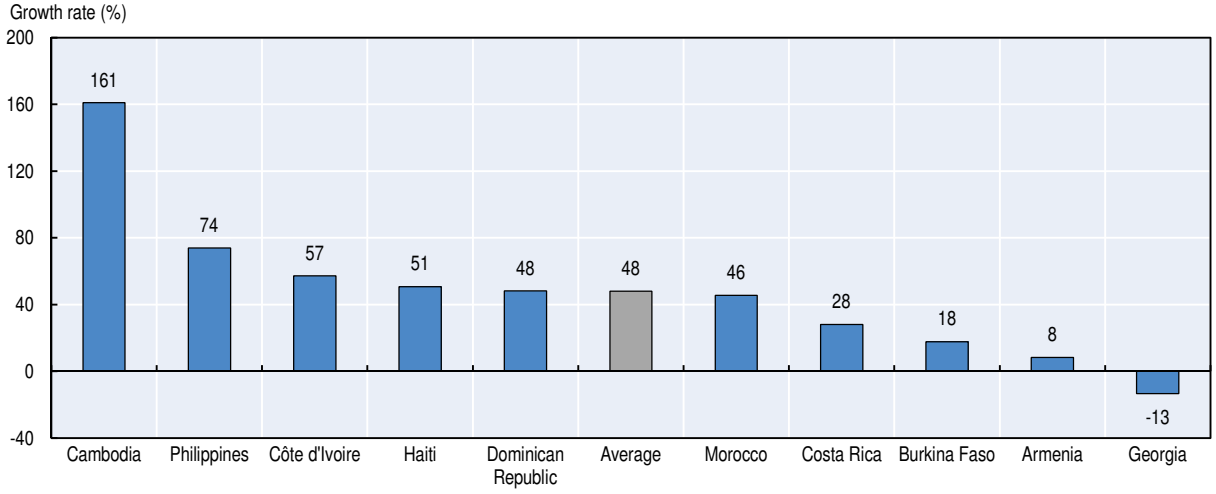
Emigration rates tend to reflect a country's level of development. In theory, emigration rates in developing countries should first increase and then gradually decrease as the country develops; the gaps in economic and social well-being close and job opportunities arise at home (Martin and Taylor, 1996). However, most countries in the project have not yet reached that point of inflection, with the exception of Costa Rica, which has not experienced a high rate of emigration in its history (IDB et al., 2012).

A snapshot of a country's emigrant numbers tells us little about trends over time. In fact, all countries apart from Georgia saw the number of emigrants grow between 2000 and 2015 – by 48% on average (Figure 8.2). The highest growth was in Cambodia, at 161%, where a young and growing population is experiencing the benefits of freer mobility and the economic difficulties of the transition from a communist regime. This is followed by the Philippines (74%), where emigration is facilitated and to some extent encouraged. Georgia saw its number of emigrants decrease by 13%, partly due to return migration, while Armenia experienced only modest growth (8%) (Figure 8.2). While these two countries have the highest emigration rates of all the IPPMD countries, these data show that emigration is decreasing as the countries stabilise.

As explained in Chapter 2, the methodological framework aimed to sample an equal number of migrant (emigrant, return migrant and in some cases immigrant households) and non-migrant households.[1] The migrant half of the sample reflects the relative importance of emigration and return migration for each country, with the exception of Costa Rica (Table 8.2).[2,3] In five of the countries (the Dominican Republic,[4] Cambodia, Georgia, Haiti and the Philippines) there were at least three emigrant households for every four migrant households sampled, reflecting the low rate of return migration in the areas where data was collected.[5] In contrast, the share of emigrants was much lower in Armenia (where policy has explicitly encouraged return migration – Chapter 10) and Burkina Faso (due to the return of Burkinabé emigrants following the recent conflicts in Côte d'Ivoire).

Figure 8.2. **Cambodia has seen the greatest growth in emigration**

Growth rate in emigrant numbers, 2000-2015 (%)



Note: The definition of an international emigrant is any person who changes his or her country of usual residence and has lived outside of this country for at least three months. The average represents the average across IPPMD countries only.

Source: UNDESA, International migration stock: The 2015 revision, *www.un.org/en/development/desa/population/migration/data/estimates2/estimates15.shtml*.

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Table 8.2. **The share of emigrant households sampled varied by country**

Country	Number of individual emigrants	Emigrant households			Non-migrant households		Share of individuals who plan to emigrate %
		Total	Share of total sample (%)	Share of migrant sample (%)	Total	Share of total sample (%)	
Armenia	819	550	27.5	57.7	996	49.8	6.9
Burkina Faso	566	320	14.6	49.8	1 375	62.5	4.1
Cambodia	1 483	816	40.8	81.7	1 001	50.1	8.5
Costa Rica	113	95	4.3	44.6	1 299	58.1	1.3
Côte d'Ivoire	630	450	19.2	74.4	1 180	50.3	17.1
Dominican Republic	622	417	20.5	92.1	1 073	52.7	12.5
Georgia	980	804	35.6	82.7	1 288	57	2.6
Haiti	342	272	21.9	82.4	911	73.4	8.6
Morocco	1 128	808	36.1	74.3	1 126	50.4	4.4
Philippines	1 037	788	39.4	78.6	996	49.8	18.4

Note: Emigrants were generally interviewed by proxy, as they were not always available for interview in the home country. Questions were therefore asked to a member most familiar with them (usually the household head). In a few cases, emigrants were interviewed in person because they happened to be in the home country at the time of the interview. Emigrant households are those with at least one member who has emigrated. Non-migrant households are those with no emigrants, returned migrants or immigrants. The migrant sample does not include immigrants. The share of individuals planning to emigrate does not include returned migrants or immigrants.

Source: Authors' own work based on IPPMD data.

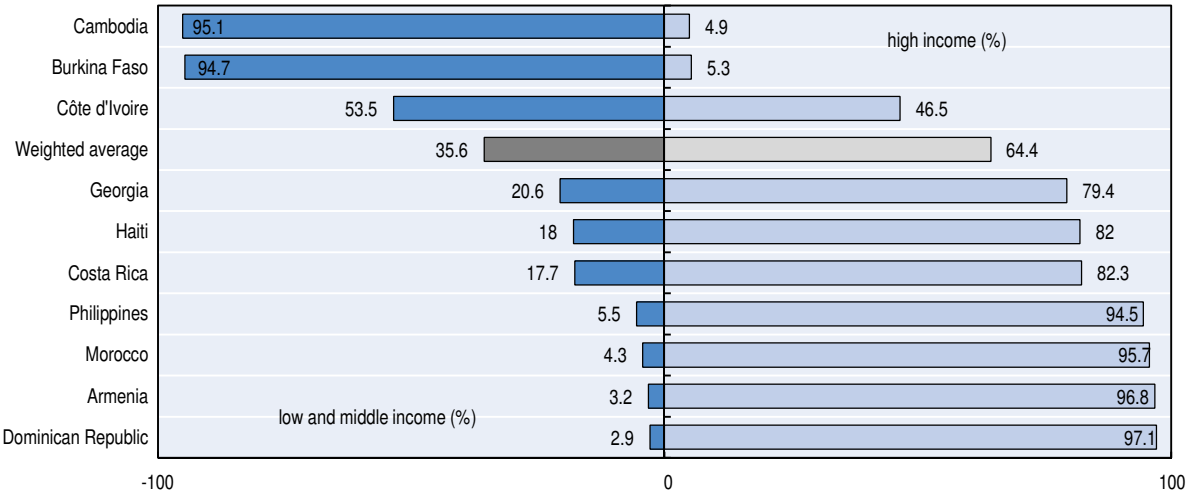
In addition to information on emigrants, the IPPMD team also collected data on whether non-migrant individuals living in the home country intend to emigrate or not (Table 8.2). The rates vary remarkably from country to country and were highest in the Philippines (18.4%), and lowest in Costa Rica (1.3%). In almost all cases, they reflect the relative order of magnitude across countries of current flows (Figures 8.1 and 8.2).

The IPPMD project revealed a broad spectrum of destination countries. Emigrants from Armenia, the Dominican Republic, Morocco and the Philippines are more present in

high-income countries (Figure 8.3). This may mean that the available channels into their host countries are not always as easily accessible as they would be for closer and poorer countries; and perhaps why, according to stakeholders, many Armenians emigrate through formal seasonal migration programmes. It is also partly explained by the level of development and the average level of education in the country as a whole. The Dominican Republic and Morocco are two of the richest countries in the project and education levels are relatively high, which may partly explain why many emigrants go to high-income countries. On the other end of the income scale, most emigrants from Burkina Faso and Cambodia go to low and middle-income countries, which tend to be neighbouring and therefore more accessible, and so circulation between the countries is more fluid.

Figure 8.3. **Most emigrants move to high-income countries**

Share of emigrants (%), according to the income level of the countries of destination



Note: The figure is based on the current country of residence of the emigrants whose households were interviewed for the IPPMD project. Income levels are based on the World Bank's five-level classification, divided into two groups: (1) low and middle income (World Bank categories of low income, lower middle income and upper middle income); and (2) high income (World Bank categories of non-OECD and high-income OECD). Countries are ranked based on their share of emigrants in low and middle-income countries.

Source: Authors' own work based on IPPMD data.

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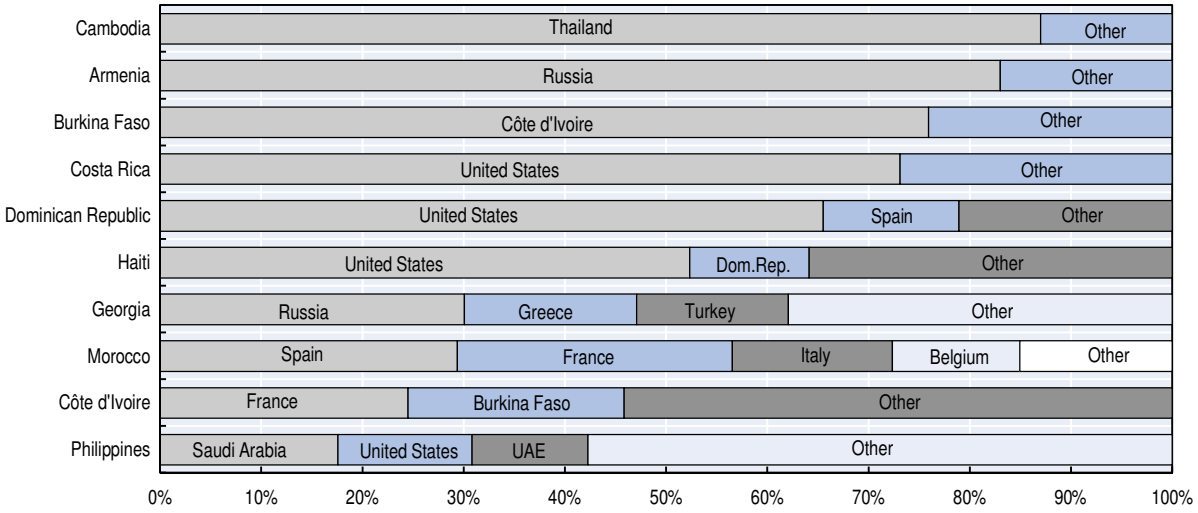
Emigrants from some countries tend to go to only a few nearby countries, while emigrants from other countries are more scattered and travel further (Figure 8.4). According to the IPPMD data, more than three out of every four Armenian emigrants go to Russia, 76% of emigrants from Burkina Faso go to Côte d'Ivoire (where there is a long tradition of working in cacao fields) and 87% of Cambodians go to neighbouring Thailand. Where a country's emigrants mainly go to a single destination country, negotiating bilateral agreements on migration is easier and the flow of general knowledge on the country, through various social, political and economic links, is more fluid. However, it can mean the country is particularly heavily affected by natural, political or economic shocks in destination countries (such as earthquakes, civil strife or recessions) that may force migrants to return or affect remittance flows. Emigrants from Côte d'Ivoire, Georgia, Morocco and the Philippines are much more scattered. The more diverse set of destination countries provides some insulation from such shocks.

Figure 8.4. **The concentration of emigrants across destination countries varies widely across countries**

Emigrants' country of destination (%), by country of origin



Note: Countries are ordered according to the share of emigrants in the main country of destination. UAE stands for United Arab Emirates. Dom.Rep stands for the Dominican Republic. Only countries which are the destination for at least 10% of the overall stock of emigrants are named.

Source: Authors' own work based on IPPMD data.

StatLink http://dx.doi.org/10.1787/888933418296

Emigration can benefit countries and communities of origin, as well as individuals left behind

The characteristics described above influence how emigration affects the source country. In the previous chapters, the impact of emigration has been discussed in the context of the labour market, agriculture, education, investment and financial services, and social protection and health. However, looking at any sector in isolation is not enough, since the impacts may interact and reinforce each other. Instead, a whole-economy picture is required, one which looks at how emigration affects a country and how policies can affect emigration decisions.

Emigration can imply costs that require incurring debt as well as the separation of family members and the necessity to replace lost household labour. However, emigration also provides countries with long-term benefits, including those derived from remittances and return migration. Beyond those dimensions, which are discussed later, emigration itself can provide benefits to the country.

Despite the short-term costs, households and entire countries can benefit from emigration:

- by reducing pressure on the labour market
- by encouraging individuals to increase their skills
- by allowing women greater economic responsibility and independence.

Labour losses may hurt in the short term, but in the longer term the effect can be positive

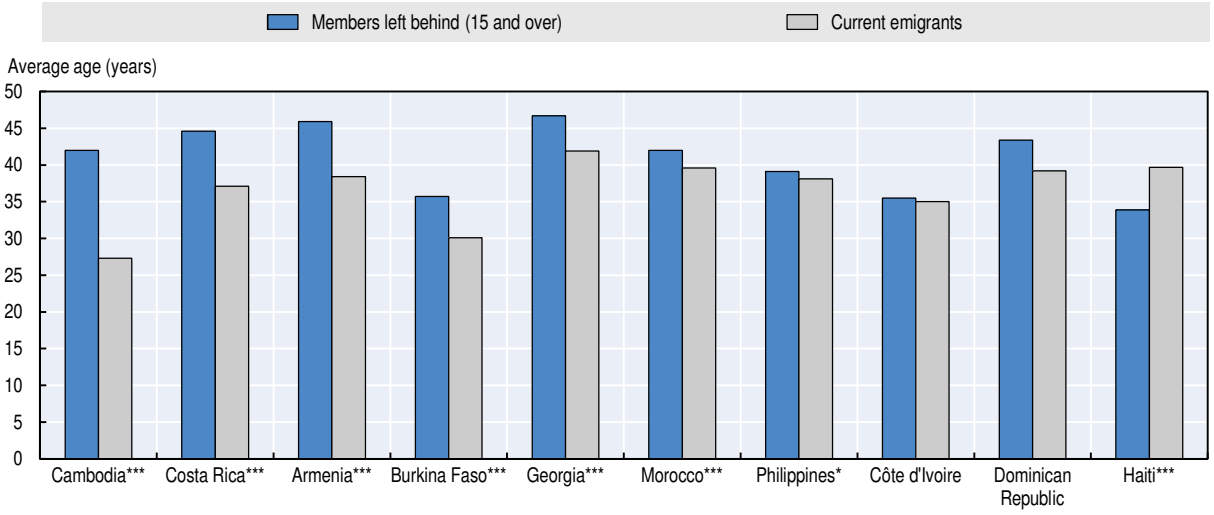
While labour losses can be detrimental for some economies, in certain cases they can relieve pressure on an over-crowded market. By decreasing the labour pool in the sending country, emigration may help alleviate unemployment (and mostly underemployment) and increase incomes for the remaining workers (Asch, 1994). Where emigrants were unemployed

before moving or where their departure allows others to take their jobs, emigration can efficiently relieve source countries of excess labour, and help lower unemployment and enhance wage growth.[6]

While emigration can negatively affect households through loss of labour, the economic consequences for households are likely to only be short-term, and possibly minimal. As shown in this chapter and the next two, the longer-term benefits far outweigh the costs. Chapter 3 shows that on average across the IPPMD countries, the rate of employment among emigrants prior to leaving is higher than for non-migrants.[7] Losing household labour to emigration can have a deep impact on household members, especially as migrants are often in the most productive years of their lives. Emigrants in the IPPMD sample left on average in each country between the ages of 25 and 36 (not shown), and are usually younger than the average age of all adults in their household (Figure 8.5).

Figure 8.5. **Emigrants are typically the younger members of their household**

Current average age, household members (15+) vs. emigrated members



Note: Statistical significance calculated using a t-test is indicated as follows: ***: 99%, **: 95%, *: 90%.

Source: Authors' own work based on IPPMD data.

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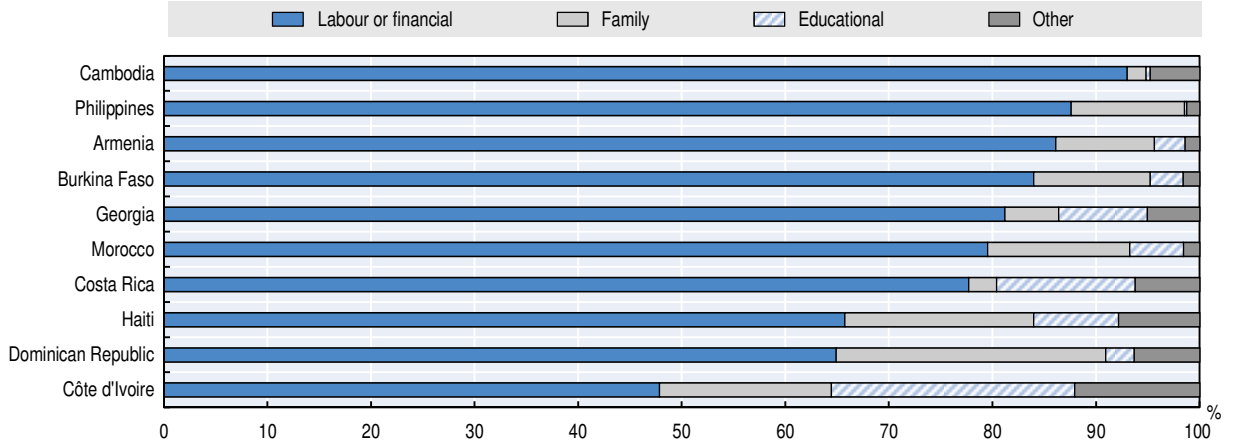
However, as most emigrants left to seek better work overseas, in the medium term a new income stream would be generated for the household in the form of remittances, and any debt incurred to finance emigration could be paid off – assuming that the emigrant manages to find work. The IPPMD questionnaire asked why emigrants had left their country; the overwhelming response was for work-related reasons (Figure 8.6). Even in the country in which the rate of labour-driven emigration was lowest (Côte d'Ivoire), the share was above 50%. All other countries had a rate of labour-driven emigration of at least 65%.

The effect of a loss in labour is minimised under certain policies, however. For instance, if emigrants are seasonal, they are not absent from their households for a substantial amount of time, and the timing of the departure can be such that the household does not suffer the labour loss. Several stakeholders mentioned that seasonal migration was an important phenomenon in their countries. The country that stands out the most is Armenia, where 40% of the emigrants are seasonal, mostly going to nearby Russia, followed by Burkina Faso (21%), Morocco (21%), Haiti (20%) and the Philippines (11%). The loss of labour can also be minimised if the country of destination is nearby. Ease of circulation at the border may

minimise loss of labour, which is perhaps why Cambodian emigrant agricultural households do not draw on more labour, as most emigrants go to nearby Thailand (Chapter 4).

Figure 8.6. **Emigrants typically emigrate for labour-related reasons**

Relative share of reasons emigrants left (%)



Note: Countries are ordered from top to bottom according to their relative share of emigrants who left for labour or financial-related reasons. Respondents were given the chance to provide multiple reasons for emigrating, but only the first reason was taken into account.

Source: Authors' own work based on IPPMD data.

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At a sectoral level, some sectors may also pay the price more than others. Chapter 3 shows that the agricultural sector suffers a bigger loss in terms of human capital than the construction and education sectors. However, the agricultural sector tends to be overstocked with underemployed workers. Emigration could be relieving pressure in the sector, and even help in the country's transition towards a more industrial or service-oriented economy. In fact, Chapter 4 showed that households with emigrants are more likely to hire workers from outside the household – many of which may have been underemployed themselves. This provides some evidence that emigration is reducing the pressure on the few and less productive jobs in the sector.

Emigration may provide an incentive for skills upgrading

Emigration can generate skills shortages in some sectors and occupations more than in others. The cost is particularly high when emigrants are tertiary-educated. This can have deep consequences for the country's education sector, which invests in upskilling the population without reaping the benefits. The IPPMD data suggest that better educated individuals are more likely to plan to emigrate. Most concerning is the loss of human capital from the health sector. Across the world, shortages in health care workers amounted to about 7.2 million in 2013; this is projected to climb to 12.9 million by 2035 (GHW and WHO, 2013). The poorest countries are the worst affected.

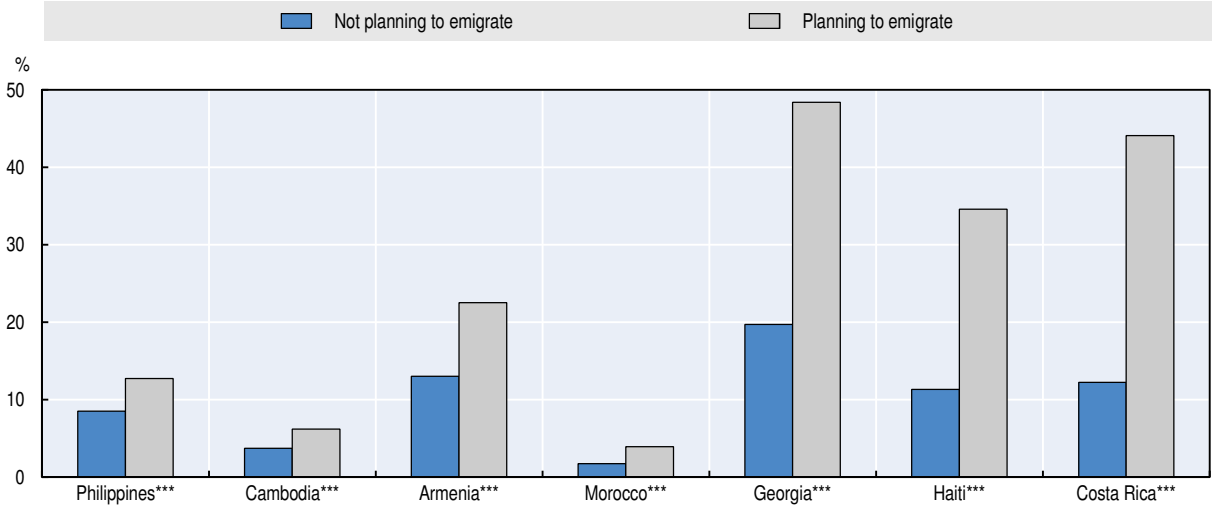
Despite this burden, emigration can also be a catalyst for improvement, as it can push individuals to develop their skills to improve their prospects of emigrating. As the prospects of doing so are not certain, many individuals with improved skills will stay in the country and contribute towards increasing the level of skills there. Such a dynamic is termed the "brain gain", and in large numbers it can boost the human capital of the home country (Mountford, 1997; Stark et al., 1997). The success of health professionals emigrating, for example, may inspire

future cohorts to become doctors and nurses.[8] In the Philippines, emigration has spawned a market to service the demand for upgrading vocational skills, especially nursing. By 2006 there were about 460 nursing colleges in the Philippines – up from 170 in 1990 – with a total of 20 000 nurses graduating each year (Esposo-Ramirez, 2001; Lorenzo et al., 2007). Given the number of emigrants who leave the Philippines each year, the prospects of emigration may have increased the number of nurses in the Philippines, although no study has investigated whether that has indeed been the case. However, despite the prospects of an increase in enrolment in nursing programmes in the Philippines, Chapter 3 described how the country suffers from a shortage in the health sector in rural areas. For such reasons, the World Health Organisation adopted the *Global Code of Practice on the International Recruitment of Health* Personnel (WHO, 2010), at their 63rd World Health Assembly in 2010, which promotes principles and practices for the ethical international recruitment of health personnel.

Language skills also greatly improve people's chances of emigrating, yet not all those learning a language will manage to emigrate – their skills can therefore be of benefit in their home country. The IPPMD data on language skills confirm that individuals who intend to emigrate are more likely to be able to speak a foreign language (Figure 8.7). The difference in language skills between people intending to emigrate and others was most notable in Armenia (for English), Costa Rica (English), Haiti (English and Spanish) and Georgia (English). An even larger difference is found between non-migrants and emigrants (not shown), although current emigrants may have learned a foreign language in their host country, and therefore after emigrating. Even if individuals do emigrate after upgrading their skills, they may return or become a committed member of the diaspora. Emigrants who learn a foreign language, for instance, may become conduits for stronger links between countries, including for trade (Genç, 2014).

Figure 8.7. **Individuals planning to emigrate are more likely to have learned a foreign language**

Share of individuals who speak a language other than those commonly spoken in the home country (%)



Note: Statistical significance calculated using a chi-squared test is indicated as follows: ***: 99%, **: 95%, *: 90%. Countries are ordered according to the ratio between the share of individuals not planning to emigrate over those planning to do so. Common languages spoken in the country were defined as follows: Armenia (Armenian, Kurdish, Russian), Burkina Faso (general West African languages, French), Cambodia (Khmer, Cham), Costa Rica (Spanish, indigenous languages), Côte d'Ivoire (general West African languages, French), the Dominican Republic (Creole, French, Spanish), Haiti (Creole, French), Georgia (Georgian, Mingrelian, Russian, Svan), Morocco (Arabic, Berber languages, French), the Philippines (Tagalog, regional languages). The figure does not include return migrants and immigrants.

Source: Authors' own work based on IPPMD data.

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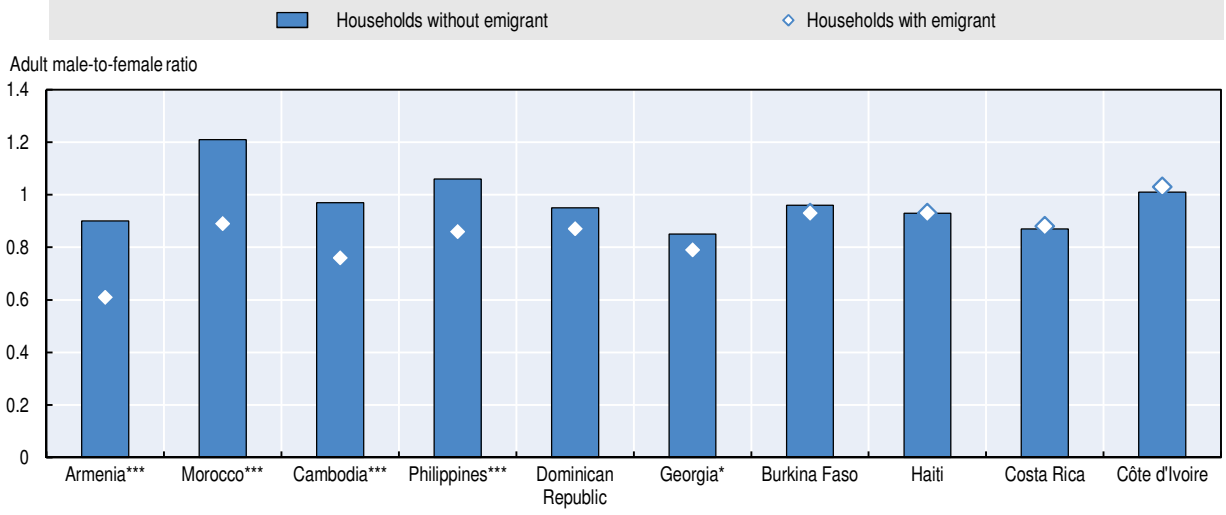
Emigration can increase women's economic independence

Emigrants are more commonly men than women. Among the IPPMD countries, emigrants were only more likely to be women in the Dominican Republic, Georgia and the Philippines. In addition, the rate of female emigrants from agricultural households is even lower for countries where the female emigration rate is low in general: Armenia, Burkina Faso, Costa Rica and Morocco. This highlights the potential consequences for farming in these countries, as well as the burden placed on women. In rural areas the gender of the emigrant may have an impact on the household's organisation, given that agricultural households typically have set gender-based tasks (Wouterse, 2010). The consequences can run deep, since women face stronger constraints than men in rural and especially agricultural markets (FAO, 2011). Women, for instance, have difficulties accessing financial services in rural areas (Fletschner and Kenney, 2011), which are key to a successful rural development strategy.

In some IPPMD countries, adult male-to-female ratios in households also suggest that men emigrate more than women. In four of the countries in the project (Armenia, Cambodia, Morocco and the Philippines), the ratio is statistically and significantly lower in emigrant households, providing more evidence that men leave in greater proportions than women (Figure 8.8). While this can have social consequences as well, particularly for children who are separated from their fathers, or who are not sufficiently surrounded by adults in their households, the IPPMD data suggest that in most cases, the adult-to-child ratio is highest in emigrant households, and not the other way around (not shown). In fact, it suggests that individuals living in households with higher adult-to-child ratios are more likely to emigrate in the first place, that is, having more adults in the household is a determinant of emigration.

Figure 8.8. **Emigrant households have fewer adult men than women**

Average household adult male-to-female ratio (15+)



Note: The adult male-to-female ratio is calculated by taking the total of male adults in a household and dividing it by the total of female adults in the household. A ratio of 1 would indicate that there are as many adult men as there are women; a ratio higher than 1 would indicate that there are more adult men than adult women; while a ratio less than one would indicate the opposite. Statistical significance calculated using a t-test is indicated as follows: ***: 99%, **: 95%, *: 90%. Countries are ranked based on the ratio of non-migrant households (blue bars) over emigrant households (white diamonds).

Source: Authors' own work based on IPPMD data.

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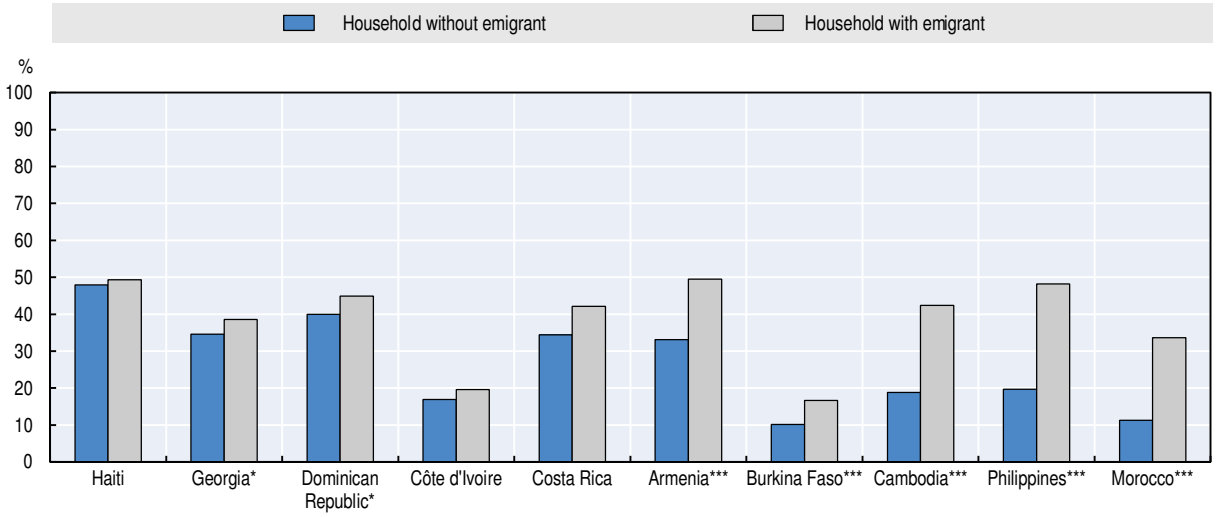
Emigration can also open opportunities for women, when men leave and they take on more household financial and managerial responsibility (Bauer et al., 2012; DFID, 2007; Hughes, 2011; Desai and Banerji, 2008). Moreover, the change in responsibility, independence and respect for women may persist once the men return (Yakibu et al., 2010). The IPPMD data show that emigrant households are more likely to have women as the household head, and this is particularly striking in Armenia, Cambodia, Morocco and the Philippines (Figure 8.9). Interviewed stakeholders in these countries confirmed the redistribution of roles between males and females in migrant households.

Figure 8.9. **Emigrant households are more likely to be headed by women**

Share of households headed by women (%)



Note: Statistical significance calculated using a chi-squared test is indicated as follows: ***: 99%, **: 95%, *: 90%. The comparison group of households without emigrants does not include households with only return migrants or immigrants.

Source: Authors' own work based on IPPMD data.

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The decision to emigrate depends on a combination of sectoral policies

The way policies affect emigration is not always straightforward. As highlighted in the previous chapters, 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 decision to emigrate, depending on the objective of the policy. These interactions between such public policies need to be taken into account when drawing up development strategies for the country. This section presents results on how public policies in the sectors analysed in Chapters 3 to 6 can affect the decision to emigrate. The public policies that have so far been discussed can be classified into four categories:

1. policies that strengthen market mechanisms
2. policies that relieve financial constraints
3. policies that help develop skills
4. policies that lower risk.

Policies that strengthen market mechanisms tend to reduce emigration

Many developing countries face a number of inefficiencies in their markets, which can lead to more emigration. A key inefficiency is linked to the functioning of labour markets. Jobs may be available, but employers and potential employees do not always find each other. This is particularly striking in the poorest and most remote areas. Since individuals often leave because they cannot find a (good) job which offers physical, social and financial security (Mansoor and Quilling, 2007), by providing information on the labour market needs, government employment agencies may contribute to reducing emigration. The IPPMD data, for instance, suggest that individuals who found their job through a government employment agency, which aims to match employers with job seekers, are more likely to come from a household without a migrant.

The roots of the problem should be tackled coherently. While emigration may aggravate the shortage of skilled workers in some sectors, it may not be the fundamental reason for shortages in the first place. Structural issues affecting wages and working conditions in the sector may be making the sector unattractive to prospective workers (Sriskandarajah, 2005). In Burkina Faso, for instance, several stakeholders pointed out that agricultural policies are too focused on large agro- and mining businesses, while most of the population runs small backyard and subsistence-level agricultural operations. The government is banking on economic spillovers from big business, but this may take too long, and in the meantime poverty levels and frustration among small farmers is pushing many to leave. The biggest group affected is young people, whose loss can have a devastating effect on the future of the country.

Policies that relieve financial constraints decrease emigration when transfers are conditional

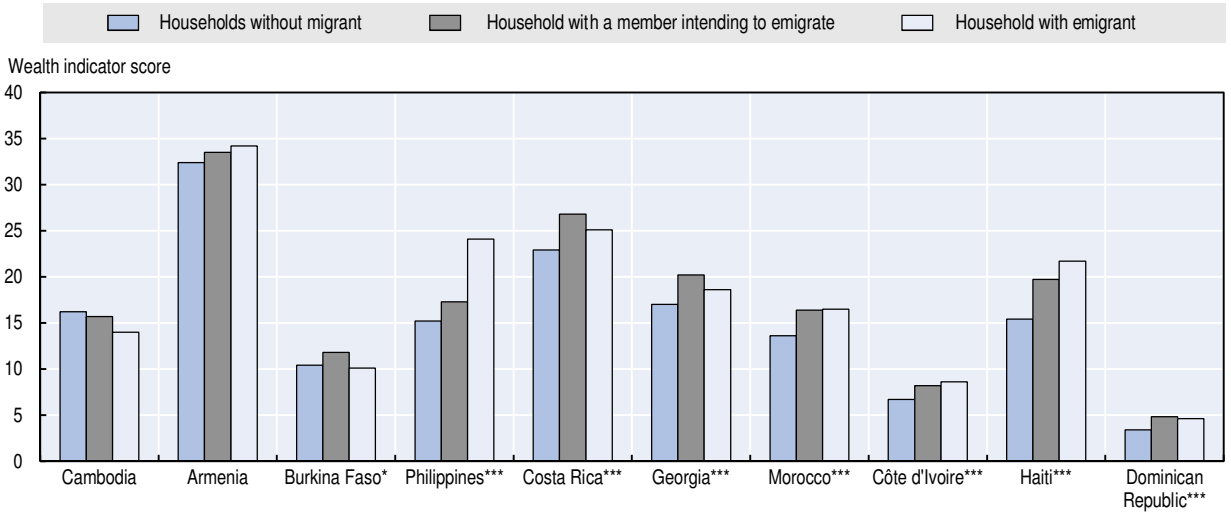
Another market failure is related to the way the financial system, and in particular access to credit, works in many developing countries. Formal financial institutions rarely want to take the risk of lending money to low-income households. Yet stakeholders in Armenia and Cambodia pointed out that a better investment climate in the country would facilitate investment and job creation, which could prevent people from emigrating in the first place.[9] Such market failure explains the success of microfinance, even though microfinance is by nature very limited and the interest rates it offers are usually higher than market rates. The difficulties in benefiting from credit and the high costs it entails implies that many households that are willing to invest in developing new activities might not be able to do so. Households may decide to send one or more members abroad to work and generate capital for investments they plan to undertake. Fostering competition between financial actors to reduce costs and promoting a broader access to the formal banking system can indirectly affect the decision to migrate.

At the same time, emigrant households are generally not the poorest in a country. In fact, on average they are wealthier than non-migrant households (Figure 8.10). It is difficult to pinpoint whether richer households emigrate, or whether they are richer because they receive remittances. However, households with a member planning to emigrate are also wealthier than non-migrant households, on average, which lends more support to the fact that emigrant households are wealthier. This reflects the fact that emigration is costly and only accessible to those households that can afford it. If credit access is relaxed or income increased generally in the country, emigration could increase for the households that could

not previously afford it. Indeed, this is what is found in research on Mexico, where poor households' entitlement to a temporary but guaranteed income stream increases emigration to the United States (Angelucci, 2015).

Figure 8.10. **Emigrant households are wealthier than non-migrant ones, on average**

Average household wealth, by emigrant background



Note: Household wealth is calculated using principal component analysis (PCA) based on household assets. The indicator was computed in a way which makes it comparable between groups within a country but not across countries. Countries are ranked by the ratio of non-migrant households without any member intending to emigrate (blue bars) to households with members planning to emigrate (grey bars). Statistical significance calculated using a chi-squared test is indicated as follows: ***: 99%, **: 95%, *: 90%. They reflect the difference in shares between non-migrant households and those with members planning to emigrate.

Source: Authors' own work based on IPPMD data.

StatLink http://dx.doi.org/10.1787/888933418356

Empirical evidence from the project does not necessarily confirm that financial transfers increase emigration, when transfers are conditional. Such transfers indeed seem to reduce emigration. That is because they are usually conditional on the fact that a child goes to school – for that to occur, parents must stay. On the other hand, when transfers are not conditional, their main effect is to relieve the financial constraint, thus leading to an increase in emigration. In this respect, agricultural subsidies often consist of lump-sum transfers or cheaper inputs, which reduce financial constraints but do not oblige farmers, or members of their households, to stay in the country. The evidence is that they do indeed increase emigration by the members of benefiting households in poor countries, primarily focused on agriculture. In addition, households may even forego investing public cash transfers into productive use, because the investment climate is simply not rewarding enough and investments amount to nothing. Therefore, financial dynamism and ease are clear determinants of staying in the country.

Policies that help develop skills increase emigration

Another reason why people might leave is a mismatch between skills demand and supply. One potential explanation is that the education system does not develop the skills required by the labour market. This happens not only because poor countries do not have adequate resources to invest in human capital, but also because of the lack of co-ordination between education institutions and employers, in particular from the private sector.

Investing in more and better skills and fostering co-ordination mechanisms between the different actors involved in education should therefore help reduce both skills mismatches and emigration pressures. Yet, at the individual level, improving one's skills and education level tends to increase the probability of leaving the country, presumably because being skilled increases employability. As shown in Chapter 5, emigration is correlated with higher levels of education. In fact, the previous chapters showed that in some countries, people benefitting from technical and vocational education and training and agricultural training programmes were more likely to plan to emigrate. For instance, public employment programmes with a positive spillover effect of transferring skills may increase emigration. This is particularly the case if job prospects are low once the programme ends (see labour market inefficiencies above) and if no social protection is afforded in the contract, increasing risk.

Policies that lower risk do not necessarily reduce emigration

Beyond labour market and financial constraints, risk may also push individuals to leave, even when they have jobs and money. This is because individuals can see beyond the short term, and envision an end to financial transfers and a return to a situation in which they are stuck, without the possibility of improving their situation. By providing short-term contracts, public employment programmes may reduce the risk that an individual stays unemployed for too long, which can either push him or her into poverty or to emigrate. But public employment programmes should be combined with other policies, as they are only short-term solutions to the lack of good jobs, those which provide financial and physical security. In fact, having a formal labour contract or an open-ended one reduces the need to emigrate, because it reduces the risk that a health shock or unemployment would push them into poverty. Individuals therefore do not have to look for a job elsewhere, perhaps by emigrating, to reduce that risk.

Globally, the intention to emigrate is indeed proportionally lower in countries that invest more in social protection. However, the data also suggest that social protection coverage is not necessarily linked with lower emigration rates. The previous chapters showed that insurance seems to be positively correlated with emigration flows in many cases, including agricultural insurance programmes and access to health insurance and labour unions. Reducing risk, therefore, does not always result in lower emigration. First, coverage by an insurance scheme is often afforded to higher-skilled and mobile individuals, who can exploit work opportunities in other countries. Second, those who do not have access to health facilities are often in marginalised regions, where emigration is already difficult. Third, agricultural insurance may simply be helping the transition towards a more diversified economy, which may explain why agricultural insurance schemes are correlated with emigration in Georgia.

Policy recommendations

Emigration is not a necessary condition for development. Costa Rica's economic evolution did not involve a period of high emigration, which suggests that migration does not always have to be part of the development equation. Yet, it can be part of the solution. In many countries emigration is a fact, and therefore should be leveraged for development. Although it may imply some costs, emigration can indirectly lead to better outcomes in the home country – for workers, by reducing pressure in an overcrowded labour market; for women, by increasing their social and economic independence; and for education levels, by providing an incentive and inspiration for others who may wish to emigrate.

Public policies have an influence on whether people emigrate or not. For instance, the intention to emigrate is proportionately lower in countries that spend more on social protection. Agricultural subsidies can lower emigration, but only in countries that are diversified and not substantially based on agriculture – likely because they are not conditional on any tangible outcome in the home country. In contrast, in countries where agriculture plays a significant role, agricultural subsidies can increase emigration. However, conditional cash transfers can lower emigration, particularly if they are conditional on school outcomes and parental presence. Training programmes seem to also increase emigration, likely because they are not answering the needs of the labour market. On the other hand, policies that contribute to matching needs with supply, such as governmental agencies, reduce emigration – as a lack of jobs are a major determinant of emigration.

Leveraging migration for development requires a combination of policies. For instance, government employment agencies may not solve all issues leading to emigration; providing the right skills that are in demand in the labour market are also important. Moreover, emigration can be good for labour market relief, but emigration should not become a strategy to solve issues of under- or unemployment. The point should not be to reduce emigration *per se*, but rather to shift away from a migration dynamic where individuals emigrate because issues in their home countries deny them opportunities they could find elsewhere.

The adoption of the 2030 Agenda for Sustainable Development, and the growing awareness of the importance of policies aiming at reducing poverty and improving social conditions (OECD, 2011), could trigger a shift in public policies oriented more towards social objectives and to help reduce economically forced migration outflows. As a complement to these policy shifts, however, the following policies will help ensure that when people do choose to emigrate, the process is as beneficial as possible (Table 8.3).

Table 8.3. **Policies to make the most of emigration**

	CROSS-CUTTING RECOMMENDATIONS
Labour market	● Adjust vocational training programmes to reflect demand in the local labour market and better match demand with supply. ● Expand the territorial coverage and awareness of governmental employment agencies, especially in rural areas, while working more closely with the private sector, to match needs with labour supply and ensure that households that lost labour to emigration can easily replace it if needed.
Agriculture	● Include, enforce and increase the conditionality of agricultural aid programmes, such as subsidies and agricultural training programmes, towards practices that are more sustainable and commercial, to reduce their use to enable emigration. ● Tie insurance mechanisms to in-kind benefits for the next harvest season rather than cash-based and contingent on agricultural output in quality and quantity, to ensure that they are not used to finance the emigration of a household member.
Education	● Map the education and training levels of emigrants to better forecast future human capital supply and potential skills shortages. ● Enforce conditionality measures in cash-transfer programmes to reduce their use to finance emigration and ensure that the programme objectives are fulfilled.
Investment and financial services	● Improve the investment climate to facilitate business creation, create jobs and reduce pressure to emigrate. ● Support women's access to financial and agricultural land markets, particularly in rural areas, to allow women to become more economically independent.
Social protection and health	● Strengthen compliance with labour regulations, such as requirements to provide employees with social protection benefits and to grant freedom of association, and facilitate the procedures for employers and employees to register formal labour contracts, in order to ensure decent working conditions thereby reducing the need to look for jobs elsewhere (through emigration). ● Ensure that new provisions in health facilities and social protection in marginalised or isolated regions are accompanied by adequate infrastructure and labour market mechanisms, in order to capitalise on improved human development and reduce the need to emigrate.
	TARGETED RECOMMENDATIONS
Migration and development	● Run campaigns on the risks of irregular migration, smuggling and human trafficking, so that migrants make well-informed decisions. ● Provide pre-departure courses on legal migration channels available to migrants, their rights as well as information work and living conditions in countries of destination. ● Regulate and formalise the international recruitment agency sector, to ensure emigration occurs through safe and formal channels.

Notes

1. There are three notable exceptions where this is not necessarily the case: Burkina Faso, Costa Rica and Haiti. For various reasons related to logistical and unexpected factors, it was not possible to hold the 50/50 split in Burkina Faso and Haiti (see Chapter 2 for details).
2. Note that this does not include the immigrant sample.
3. In Costa Rica, emigrants were difficult to track down and many refused interviews, so they are likely to be under-represented.
4. In the Dominican Republic, the sampling frame was constrained so that an equal amount of immigrant households on one side and emigrant or return migrant households on the other were slated to be sampled, even though slightly more immigrant households were interviewed in the event. No constraint was placed between emigrant and return migrant households, however.
5. Note that for Cambodia and Georgia, the coverage of the sampled population was nearly national, and therefore the numbers are closely reflective of the actual return rate relative to the emigration rate.
6. Many empirical studies provide evidence of this mechanism: Aydemir and Borjas, 2007; Borjas, 2008; Gagnon, 2011; Hanson, 2007; Mishra, 2005; Zaiceva, 2014.
7. Georgia is the only partner country where emigrants were more likely to be unemployed prior to leaving. In this case emigration would have helped to relieve an overcrowded labour market.
8. Evidence from a cross-section of countries shows that the brain gain theory holds for countries with low levels of emigration and education (Beine et al., 2008). It therefore may be the case in Burkina Faso, Cambodia and Côte d'Ivoire – all of which have relatively low rates of emigration and education.
9. Note that Chapter 6 points to the fact that both of these countries score well on the World Bank's Doing Business index.

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