Making the most of migration for rural development: What role for public policies?

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International Fund for Agricultural Development

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Joint project

January 2013 – July 2017

Overall objective

Enhance the capacity of partner countries to incorporate migration into the design and implementation of their development strategies.
Interrelations between public policies, migration and development

I. Conceptual and methodological framework
II. Main findings
III. Policy recommendations
Interrelations between public policies, migration and development

I. Conceptual and methodological framework
Migration and sectoral policies: a two-way relationship
Ten partner countries
Partner countries cover a range of migration contexts

Emigrant and immigrant stocks as a percentage of the population (2015)

Methodological framework

FIELD WORK
3 primary sources

Household surveys
Community surveys
Stakeholder interviews
Methodological framework

Household surveys

- Around 2000 (migrant and non-migrant) households per country
- 11 modules
Overview of the modules

Socio-economic characteristics
- Household roster (individual level)
- Expenditures, assets and income (household level)

Sector-related information
- Education (individual level)
- Labour market (individual level)
- Agriculture (household level)
- Investments and financial services (household level)
- Health and social protection (individual level)

Migration dimensions
- Current emigrants (individual level)
- Remittances (household level)
- Return migration (individual level)
- Immigrants (individual level)
Methodological framework

Household surveys

- Around 2000 (migrant and non-migrant) households per country
- 11 modules
- Policy-oriented questions
Main public policies explored in the IPPMD surveys

Government employment agencies
Vocational training
Public employment programmes

Agricultural subsidies
Training programmes
Insurance-based programmes

In-kind distribution programmes

Government subsidies / Tax exemptions
Access to bank accounts
Financial training programmes

Formal labour contracts
Medical insurance / Pensions
Access to health facilities
Methodological framework

- **Household surveys**
  - Around 2000 (migrant and non-migrant) households per country
  - 11 modules
  - Policy-oriented questions
  - Adjustments to country context
Methodological framework

- 15-110 enumeration areas (EA)
- 80 questions
  - Socio-economic context
  - Policy-oriented questions
- Asked to local authorities in each EA (village chiefs or community representatives)
- Adapted to national context
Methodological framework

- Semi-structured in-depth interviews
- 30/50 key stakeholders operating in the country

Household surveys
Community surveys
Stakeholder interviews

- Ministries and other public institutions: 43%
- Civil society organisations: 26%
- Trade unions and private companies: 15%
- Academia: 13%
- International organisations: 3%
Methodological framework

- Semi-structured in-depth interviews
- 30/50 key stakeholders operating in the country
- Policy-oriented questions
  - Awareness and perception
  - Policies directly and indirectly affecting migration
  - Policy co-ordination

**Household surveys**

**Community surveys**

**Stakeholder interviews**
IPPMD builds on a large and diverse dataset

<table>
<thead>
<tr>
<th>Country</th>
<th>Household surveys</th>
<th>Community surveys</th>
<th>Stakeholder interviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>Armenia</td>
<td>2 000</td>
<td>79</td>
<td>47</td>
</tr>
<tr>
<td>Burkina Faso</td>
<td>2 200</td>
<td>99</td>
<td>48</td>
</tr>
<tr>
<td>Cambodia</td>
<td>2 000</td>
<td>100</td>
<td>28</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>2 236</td>
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<td>50</td>
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<td>Côte d’Ivoire</td>
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<td>Dominican Republic</td>
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<td>Haiti</td>
<td>1 241</td>
<td>-</td>
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<tr>
<td>Morocco</td>
<td>2 231</td>
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<td>30</td>
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<tr>
<td>Philippines</td>
<td>1 999</td>
<td>37</td>
<td>40</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>20 549</strong></td>
<td><strong>590</strong></td>
<td><strong>375</strong></td>
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</tbody>
</table>
II. Main findings
How does migration impact rural development?

- The **agricultural sector** is one of the most affected by emigration
Agriculture is one of the sectors most affected by migration across countries.

Rate of emigration, compared to workers staying back in the country of origin

<table>
<thead>
<tr>
<th>Country</th>
<th>Agriculture</th>
<th>Construction</th>
<th>Education</th>
<th>Health</th>
</tr>
</thead>
<tbody>
<tr>
<td>Armenia</td>
<td>13</td>
<td>12</td>
<td>1</td>
<td>6</td>
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<tr>
<td>Burkina Faso</td>
<td>13</td>
<td>2</td>
<td>1</td>
<td>0</td>
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<tr>
<td>Cambodia</td>
<td>29</td>
<td>20</td>
<td>7</td>
<td>0</td>
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<tr>
<td>Costa Rica</td>
<td>8</td>
<td>4</td>
<td>3</td>
<td>6</td>
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<tr>
<td>Dominican Republic</td>
<td>10</td>
<td>11</td>
<td>10</td>
<td>14</td>
</tr>
<tr>
<td>Georgia</td>
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<td>9</td>
<td>11</td>
<td>16</td>
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<tr>
<td>Haiti</td>
<td>17</td>
<td>6</td>
<td>11</td>
<td>6</td>
</tr>
<tr>
<td>Philippines</td>
<td>6</td>
<td>22</td>
<td>21</td>
<td>69</td>
</tr>
</tbody>
</table>
How does migration affect rural development?

- The agricultural sector is one of the most affected by emigration.
- Labour in households are affected differently in rural areas than in urban areas.
Households are affected differently in rural areas than in urban areas

Share of household members aged 15-64 in Côte d’Ivoire, who are working

- Tous ménages
- Ménage sans migrant
- Ménage avec un émigré ne recevant pas de transferts de fonds
- Ménage avec un émigré recevant des transferts de fonds
Households are affected differently in rural areas than in urban areas

Share of household members aged 15-64 in Haiti, who are working
Few agricultural households with emigrants draw on more **household** labour

**Average number of household members working in agricultural activities, by whether the household has an emigrant**

<table>
<thead>
<tr>
<th></th>
<th>Households without emigrant</th>
<th>Households with emigrant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Morocco**</td>
<td>2.0</td>
<td>3.2</td>
</tr>
<tr>
<td>Burkina Faso***</td>
<td>4.1</td>
<td>5.0</td>
</tr>
<tr>
<td>Côte d'Ivoire</td>
<td>2.6</td>
<td>3.3</td>
</tr>
<tr>
<td>Cambodia</td>
<td>2.1</td>
<td>2.7</td>
</tr>
<tr>
<td>Haiti</td>
<td>1.9</td>
<td>2.2</td>
</tr>
<tr>
<td>Georgia***</td>
<td>2.3</td>
<td>2.5</td>
</tr>
<tr>
<td>Armenia**</td>
<td>2.7</td>
<td>3.2</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>1.2</td>
<td>1.5</td>
</tr>
<tr>
<td>Philippines**</td>
<td>1.0</td>
<td>1.3</td>
</tr>
</tbody>
</table>

**Average number of household workers**
But households with emigrants are generally more likely to hire external agricultural labour.

Share of households hiring external agricultural labour (%), by whether they have an emigrant.
How does migration affect rural development?

- The agricultural sector is one of the most affected by emigration
- Labour in households are affected differently in rural areas than in urban areas
- **Remittances** fuel investment in rural areas
…and invest their remittances into agricultural assets

Share of households with agricultural asset expenditures in the past 12 months (%), by whether they receive remittances
How does migration impact rural development?

- The agricultural sector is one of the most affected by emigration.
- Labour in households are affected differently in rural areas than in urban areas.
- Remittances fuel investment in rural areas.

...and return migration allows households to diversify out of agricultural activities.
In some countries, agricultural households with return migrants are more likely to own a non-agricultural business

Share of agricultural households operating a non-agricultural business (%), by whether they have a return migrant

- Households without migrant
- Households with return migrant

<table>
<thead>
<tr>
<th>Country</th>
<th>Households without migrant</th>
<th>Households with return migrant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Georgia***</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Costa Rica*</td>
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<td>Philippines</td>
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<td>Burkina Faso</td>
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<td>Côte d'Ivoire</td>
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<td>Haiti</td>
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<tr>
<td>Cambodia**</td>
<td></td>
<td></td>
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<tr>
<td>Armenia</td>
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</tr>
</tbody>
</table>
While agricultural subsidies tend to lower emigration in middle-income countries, they increase it in low-income countries.
The influence of agricultural subsidies depends on the role of agriculture in the country.

Share of households with an emigrant (%), by subsidy receipts.
Public policies influence migration in rural areas

- While agricultural subsidies tend to lower emigration in middle-income countries, they increase it in low-income countries.
- A poor investment climate negatively affects households’ abilities to invest remittances and accumulate savings.
Urban communities are better covered by financial service institutions

Share of communities with financial institutions (%)

<table>
<thead>
<tr>
<th></th>
<th>Urban Armenia</th>
<th>Rural Armenia</th>
<th>Urban Burkina Faso</th>
<th>Rural Burkina Faso</th>
<th>Urban Cambodia</th>
<th>Rural Cambodia</th>
<th>Urban Côte d’Ivoire</th>
<th>Rural Côte d’Ivoire</th>
<th>Urban Dominican Republic</th>
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<th>Rural Georgia</th>
<th>Urban Philippines</th>
<th>Rural Philippines</th>
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</thead>
<tbody>
<tr>
<td><strong>Microcredit organisations</strong></td>
<td>90</td>
<td>10</td>
<td>80</td>
<td>20</td>
<td>70</td>
<td>30</td>
<td>60</td>
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<td>10</td>
<td>80</td>
<td>20</td>
<td>70</td>
<td>30</td>
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<tr>
<td><strong>Money transfer operators</strong></td>
<td>80</td>
<td>20</td>
<td>70</td>
<td>30</td>
<td>60</td>
<td>40</td>
<td>90</td>
<td>10</td>
<td>80</td>
<td>20</td>
<td>70</td>
<td>30</td>
<td>60</td>
<td>40</td>
</tr>
<tr>
<td><strong>Banks</strong></td>
<td>70</td>
<td>30</td>
<td>60</td>
<td>40</td>
<td>90</td>
<td>10</td>
<td>80</td>
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<td>70</td>
<td>30</td>
<td>60</td>
<td>40</td>
<td>90</td>
<td>10</td>
</tr>
</tbody>
</table>

Source: OECD Development Centre
Other sectoral policies are also likely to affect migration

- By providing better information on job opportunities at home, **government employment agencies** tend to curb emigration flows.

- When **vocational training programmes** do not meet the needs of the domestic labour markets, they foster emigration.

- Lack of **financial training** represents a missed opportunity to channel remittances towards more productive investment.

- **Cash-based educational programmes** help deter emigration when conditions are binding.
Household participation in financial training programmes is very low

Share of communities which offer financial training and share of households participating in financial training programmes in Armenia
III. Policy recommendations

Interrelations between public policies, migration and development
Summary of the findings

Migration contributes to the development of countries of origin & destination.

However, the potential of migration is not yet fully exploited.

Policy makers do not sufficiently take migration into account in their respective policy areas.

But the overall impact remains limited.

Sectoral policies affect different migration outcomes:
- Labour market
- Agriculture
- Education
- Investment and financial services
- Social protection and health
A coherent policy agenda can realise the development potential of migration

Do more to integrate migration into development strategies

Improve co-ordination mechanisms

Strengthen international co-operation
Some policy recommendations

- Ensure that there are adequate credit markets and money transfer operators in rural areas.
- Support the investment of remittances in agricultural expansion and small-scale agri-businesses.
- Provide financial incentives for return migrants seeking to invest in agriculture.
- Ensure labour market mechanisms such as job centres are extended to rural areas.
- Include, enforce and increase the conditionality of agricultural aid programmes.
Thank you

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