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Round table 1

Migration and rural employment

Governing Council — Thirtieth Session
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For: **Information**

Note to Governors

This document is submitted for the information of the Governing Council.

To make the best use of time available at Governing Council sessions, Governors are invited to contact the following focal point with any technical questions about this document before the session:

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Round table 1

Migration and rural employment

Introduction

1. During the last few decades, there has been a significant increase in rural outmigration to urban areas and to other countries, with women joining the flow in ever-greater numbers.
2. Wide disparities in terms of job and income opportunities, and access to superior services in urban areas and in more developed countries are the obvious factors explaining the rapid increase in migration. And, migration in turn is having a significant impact on rural areas. Global remittances, for example, are growing quickly and steadily. In some locations, they have overtaken agriculture as the main source of income for rural households.

Effects of migration

3. The effects of migration on rural employment are highly contextual. A wide range of variables interact and influence the cross-effects of workforce loss, financial transfers, investments, asset acquisitions and demographic changes. In densely populated regions, outmigration may be a way to alleviate underemployment in agriculture and protect the livelihoods of the farmers who remain behind. Seasonal migration allows for a better deployment of labour, since those who are underemployed during the agricultural lean season can find work in towns or in other areas, thereby increasing their incomes. On the other hand, more lasting outmigration can deprive rural areas of critical agricultural labour during farming seasons. To an extent, remittances can compensate for the negative impact of outmigration by allowing hired labour to replace the labour force lost. Outmigration can also cause the drain of skills and the loss of innovative community members from rural areas.
4. Outmigration is seen by most households as a survival strategy rather than an accumulation strategy. It is, however, important to recognize the potential and actual contribution of migrants and their networks to supporting agricultural activities and opening up new non-farm employment opportunities. Additional income from remittances enables households to invest in farm and off-farm activities and entrepreneurial endeavours. This may in turn create employment opportunities for other villagers.
5. Migrants also have other ways of contributing to the development of their place of origin – through collective donations of time, business networks, investments and the transfer of skills, culture, knowledge and experience. For instance, migrant networks (either transnational or rural-urban) can form a bridgehead for local products or for enterprises seeking to market goods and services. These networks can also facilitate migrants' investments in their communities of origin. Through hometown associations, for instance, migrants often provide collective financial support, skills and knowledge to local development projects. Migrant groups have supported health clinics, built schools, repaired roads and more recently started investing in income- and employment-generating projects in their home communities.
6. The success of migrants in accumulating capital and skills does not necessarily lead to investing productively in their place of origin. Other factors come into play – the migrant's educational level; the living conditions at destination; the migrant's intention of returning; the characteristics of the migrant's household and her or his access to local assets; and the social, economic and ecological contexts in the home area.

The new rural landscape

7. The significant increase in migration and the manifold impacts it has on the rural society have changed the rural landscape, both socially and demographically. The new rural space is characterized by the growth of small towns and medium-size cities with strong economic ties to the rural inhabitants who stay behind. In many countries, the economic activities generated by this new “rurality” provide the engine for the creation of rural non-agricultural employment, which has brought certain aspects of the urban quality of life closer to rural inhabitants.
8. However, this is not to suggest that migration and remittances automatically generate development. In some contexts, the strong household ties with other labour markets may create a greater dependency on remittances. Furthermore, migration may maintain or increase inequality between households that receive remittances and those that do not. Thus migration implies both a cost and an opportunity for rural societies. Given the widening rural landscape, the space for policy interventions has also expanded considerably. The development community needs to discuss issues in their specific contexts in order to suggest ways to minimize the costs of migration and maximize its benefits.

Indicative questions to guide the round-table discussion

- Should differentiated strategies and instruments be used for addressing the lack of productive activities in rural areas and for reducing rural outmigration?
- What policies and interventions can enhance the potential positive effects of migration and support migrants and their organizations in rural development and job creation activities?
- How can the situation of women be effectively addressed given their growing participation in migration and in the labour force?
- What can IFAD’s specific focus and role be in addressing issues in rural areas related to migration?

Chairperson/moderator

Mr Aziz Khan, Professor Emeritus of Development Economics, University of California, and Adjunct Professor of International and Public Affairs, School of International and Public Affairs, Columbia University

Panellists

Ms Cecilia Tacoli, Senior Researcher, Human Settlements, International Institute for Environment and Development

Mr Frédéric Sandron, Chargé de recherche, Institut de recherche pour le développement

Mr Benjamin Davies, Economist, Agricultural and Development Economics Division, Food and Agriculture Organization of the United Nations

(Migrant representatives engaged in activities that promote rural employment will be invited as special guests to the round table)

