Chapter 1

Assessment and policy recommendations

Migration's positive contribution to development is increasingly being recognised and targeted by policies designed to maximise its benefits in countries of origin and destination. But less clearly understood is (1) how migration affects a variety of key development sectors, including the labour market, agriculture, education, investment and financial services, and social protection and health; and (2) how a range of sectoral policies can enhance, or undermine, the development impact of migration. The project Interrelations between Public Policies, Migration and Development (IPPMD) was conducted between 2013 and 2017 in ten developing countries to explore these links, drawing on quantitative and qualitative analysis. This chapter provides an overview of the study's findings, highlighting the ways in which migration (comprising emigration, remittances, return migration and immigration) can boost development, and analysing the sectoral policies that will allow this to happen. It concludes with a call for a whole-of-government approach in which migration becomes an integral part of countries' development strategies and is also dealt with coherently on a bilateral and regional level.

While international migrants make up only 3% of the world's population, their significance in public debate has increased with the 2015-16 refugee crisis (OECD, 2016). In this regard, 2015 represents a turning point for the global migration agenda. On the one hand, massive refugee flows have exacerbated the discussions about the capacity of host communities to absorb and integrate immigrants, and have spurred a worldwide trend towards more restrictive immigration policies. On the other hand, the international development community, through the 2015 Addis Ababa Action Agenda (UN, 2015a) and the 2030 Agenda for Sustainable Development (UN, 2015b), acknowledged the positive contribution migrants make to sustainable development, both in their countries of origin and destination. The Sustainable Development Goals (SDGs) reflect the need to protect the rights of migrant workers, especially women (Target 8.8); adopt well-managed migration policies (Target 10.7); and reduce remittance transfer costs (Target 10.c) (UN, 2015b).

Within this context, the OECD Development Centre implemented the project Interrelations between Public Policies, Migration and Development (IPPMD), co-financed by the EU Thematic Programme on Migration and Asylum. This large and empirically based project was conducted between 2013 and 2017 in ten developing countries with significant emigration or immigration rates – Armenia, Burkina Faso, Cambodia, Costa Rica, Côte d'Ivoire, the Dominican Republic, Georgia, Haiti, Morocco and the Philippines. The project aimed to provide policy makers with evidence of the untapped development potential embodied in migration and the role of a range of sectoral policies in realising this potential. This chapter provides an overview of the findings from the ten countries and summarises the main policy recommendations.

An innovative conceptual and methodological framework explores the links between public policies, migration and development

While evidence abounds of the impacts – both positive and negative – of migration on development,[1] the reasons why policy makers should integrate migration into development planning still lack empirical foundations. The IPPMD project aimed to fill this knowledge gap by providing reliable evidence not only for the contribution of migration to development, but also for how this can be reinforced through policies in a range of sectors. To do so, the IPPMD team designed a conceptual framework that links four dimensions of migration (emigration, remittances, return migration and immigration) and five key policy sectors: the labour market, agriculture, education, investment and financial services, and social protection and health (Figure 1.1).[2]

The conceptual framework also linked policies within these five sectors to a variety of migration outcomes (Table 1.1).

Figure 1.1. **Migration and sectoral development policies: a two-way relationship**

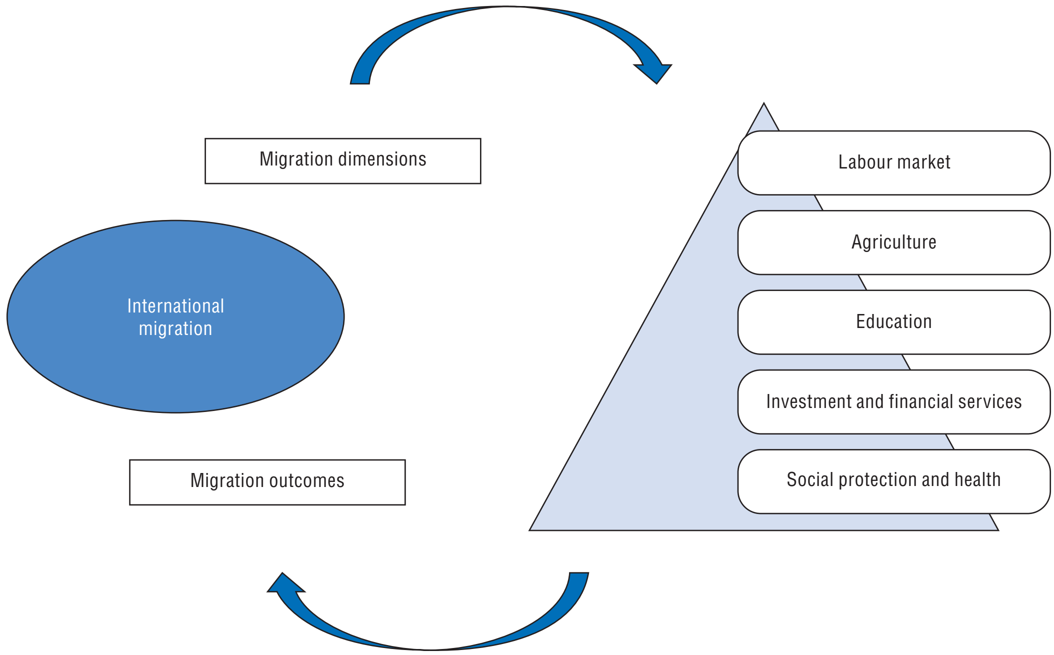


Table 1.1. **Migration dimensions and migration outcomes in the IPPMD study**

	Migration dimensions	Migration outcomes
Emigration	**Emigration** happens when people live outside of their countries of origin for at least three consecutive months.	● The **decision to emigrate** is an important outcome for the countries of origin, not only because it may lead to actual outflows of people in the short term, but also because it may increase the number of emigrants living abroad in the long term.
Remittances	**Remittances** are international transfers, mostly financial, that emigrants send to those left behind.	● The **sending and receiving of remittances** include the amount of remittances received and channels used to transfer money, which in turn affect the ability to make long-term investments. ● The **use of remittances** is often considered as a priority for policy makers, who would like to orientate remittances towards productive investment.
Return migration	**Return migration** occurs when international migrants decide to go back to and settle in, temporarily or permanently, their countries of origin.	● The **decision to return** is influenced by various factors including personal preferences towards home countries or circumstances in host countries. Return migration, either temporary or permanent, can be beneficial for countries of origin, especially when it involves highly-skilled people. ● The **sustainability of return** measures the success of return migration, whether voluntary or forced, for the migrants and their families, but also for the home country.
Immigration	**Immigration** occurs when individuals born in another country – regardless of their citizenship – stay in a country for at least three months.	● The **integration of immigrants** implies that they have better living conditions and contribute more to the development of their host and, by extension, home countries.

The methodological framework developed by the OECD Development Centre and the data collected by its local research partners together offer an opportunity to fill significant knowledge gaps in the field of international migration and development. Several aspects in particular make the IPPMD approach unique and important for shedding light on how the two-way relationship between migration and public policies affects development (Chapter 2 for details):

- The same survey tools were used in all countries over the same time period (2014-15), allowing for comparisons across countries.
- The surveys covered a variety of migration dimensions and outcomes (Table 1.1), thus providing a comprehensive overview of the migration cycle.

- The project examined a wide set of policy programmes across countries covering the five key sectors.
- Quantitative and qualitative tools were combined to collect a large new body of primary data on the ten partner countries:
  - A **household survey** covered on average around 2 000 households in each country, both migrant and non-migrant households. Overall, more than 20 500 households were interviewed for the project.
  - A **community survey** reached a total of 590 local authorities and community leaders in the communities where the household questionnaire was administered.
  - **Qualitative in-depth stakeholder interviews** were held with key stakeholders representing national and local authorities, academia, international organisations, civil society and the private sector. In total, 375 interviews were carried out across the ten countries.
- The data were analysed using both descriptive and regression techniques. The former identifies broad patterns and correlations between key variables concerning migration and public policies, while the latter deepens the empirical understanding of these interrelations by also controlling for other factors (Chapter 2).

The results of the IPPMD empirical work confirm that migration can contribute to development in both origin and destination countries, but the full potential of migration remains to be exploited in most partner countries (Table 1.2). Even though migration can have adverse effects on the economic and social fabric of migrant-sending and receiving countries, in the long run it offers many opportunities for developing countries.

Table 1.2. **The impact of migration on five key policy sectors**

	Labour market	Agriculture	Education	Investment and financial services	Social protection and health
Emigration	Emigration can generate labour shortages in certain sectors and skills groups, but also alleviate pressure in the labour market. Emigration tends to reduce household labour supply.	Emigration revitalises the agricultural labour market, as emigrants are replaced by workers from outside the emigrant's household.	Emigration of highly educated people can negatively affect human capital, at least in the short term. Low-skilled emigration can in some cases encourage young people to drop out of school.		
Remittances	Remittances can contribute to reducing household labour supply, but also help stimulate self-employment.	Remittances increase investment in agricultural activities.	Remittance-receiving households often invest more in education and increase the demand for quality education.	Remittances support business ownership in urban areas and stimulate investment in real estate.	Remittances are not often used for social expenditures generally, but are used for specific expenditures on and use of health facilities.
Return migration	Return migration can help encourage self-employment. Return migration helps enrich the skills sets in the home country.	Return migration increases investment in agricultural activities, but also in other types of activities in agricultural households, creating opportunities for diversification.	Even though only a limited share of the highly skilled return, they help raise the stock of human capital in origin countries.	Households with return migrants are more likely to run businesses than non-migrant households.	Return migrants are less likely to benefit from government transfers than non-migrants.
Immigration	Immigration provides an ample supply of labour for the economy and can fill labour shortages in certain sectors.	Agricultural households with immigrants are more likely than other agricultural households to hire-in labour and sell their produce.	Immigrant children are less likely to attend school than native-born children.	Households with immigrants are more likely to own a non-agricultural business than households without immigrants.	Immigrants are less likely to receive government transfers, but also to pay taxes because of their concentration in the informal sector.

The IPPMD quantitative and qualitative findings also show that sectoral policies have repercussions for several migration outcomes, including the decision to emigrate, the use and volume of remittances, the sustainability of return and the integration of immigrants. However, the effects of sectoral policies sometimes differ from what might be expected (Table 1.3). This is related to the way policies are designed and implemented. The length and coverage of a specific programme may partly explain the differences between expected and actual outcomes. In many cases, the number of individuals or households covered by specific public policies, e.g. public employment programmes, agricultural subsidies or conditional cash transfers, is rather limited and, when they are, it is generally under strict conditions or for a short period. The objective, design and implementation sectoral policies may also differ across countries and depend on country context. As a result, similar policies can have different effects in different countries. This is why the diversity of countries included in the IPPMD project is helpful for understanding under which conditions sectoral policies affect migration, and in what way.

Table 1.3. **The impact of sectoral policies on migration**

	Emigration	Remittances	Return migration	Immigration
Labour market	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. The coverage of most public employment programmes is too small to have a significant impact on emigration.		Return migrants' lack of access to government employment agencies may mean that self-employment is the only option.	Immigrants who have formal labour contracts are more likely to invest in the host country than native-born individuals.
Agriculture	While agricultural subsidies tend to lower emigration in middle-income countries, they increase it in low-income countries. Agricultural training and risk-reducing programmes have little influence on migration outcomes.	Agricultural subsidies are positively correlated with the level of remittances in certain countries.	The share of return migrants is higher in countries where a large proportion of households benefit from agricultural subsidies.	
Education	Cash-based educational programmes help deter emigration when conditions are binding.	Conditional cash transfer programmes are linked to the probability of receiving remittances, but not to the amount of remittances received.		Broadening access to education contributes to immigrants' integration and human capital gains.
Investment and financial services		A poor investment climate negatively affects households' abilities to invest remittances and accumulate savings. Financial inclusion translates into more formally sent remittances. Lack of financial training represents a missed opportunity to channel remittances towards more productive investment.		
Social protection and health	Public investment in social protection tends to curb emigration.	Increased social protection coverage reduces the probability of receiving remittances.	Social protection increases the likelihood of migrants returning home permanently.	Having better access to social protection reduces the likelihood of immigrants returning to their home countries. Access to social protection and health services fosters the integration of immigrants.

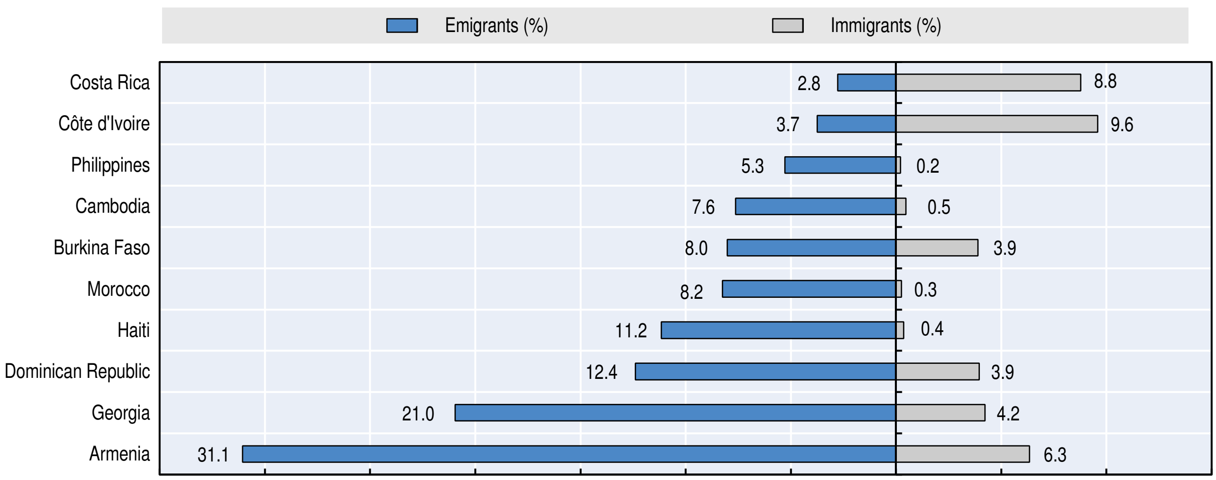
The next four sections explore the development potential of the four migration dimensions under study and the influences of sectoral policies on that potential.

Emigration represents a strong, but underexploited asset, for development

Emigration represents an important asset for the development of the migrants themselves and the families they left behind, as well as for their home communities and countries. This is the case for most countries involved in the IPPMD project, where emigration rates vary from 2.8% in Costa Rica to 31.1% in Armenia (Figure 1.2).

Figure 1.2. **Partner countries cover a range of migration contexts**

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



Note: Data come from national censuses, labour force surveys, and population registers.

Source: UNDESA, *International Migration Stock: The 2015 Revision* (database), *www.un.org/en/development/desa/population/migration/data/estimates2/estimates15.shtml*.

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Emigration has the potential to relieve labour markets, upgrade skills and boost women's autonomy

While emigration can negatively affect households through loss of labour, the negative consequences for households are likely to only be short term, and possibly minimal.

Despite short-term labour losses, the long-term effect of emigration can be positive

Losing household labour to emigration can have a significant impact on household members, especially as migrants are often in the most productive years of their lives. Emigrants in the IPPMD sample leave on average between the ages of 25 and 36, and are usually younger than other adults in their household. The average rate of employment among emigrants prior to leaving is higher than for non-migrants. However, according to the survey, more than two-thirds of emigrants leave to seek better work opportunities. If they are successful, the remittances sent back would be able to pay off any debt incurred to finance emigration as well as the opportunity cost of losing a productive household member.

Emigration can relieve underemployment

Some sectors pay a higher price from emigration than others. Although the agricultural sector suffers a bigger loss in terms of human capital than the construction and education sectors, the 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 diversified economy. In fact, the analysis found that agricultural households with emigrants are more likely to hire in workers from outside the household to work on the farm (Chapter 4). This provides some evidence that emigration is reducing the pressure on the low-productive jobs in sectors affected by labour surplus and underemployment.

Emigration may provide an incentive for skills upgrading

Emigration can cause skills shortages in some sectors and occupations more than others. The cost is particularly high when emigrants are tertiary educated. The IPPMD data suggest that in some countries, emigrants tend to be the most highly skilled and that better educated individuals are more likely to plan to emigrate. However, emigration can also be a catalyst for improvement, as it can push individuals to improve their skills to be able to emigrate. The success of health professionals emigrating, for example, may inspire future cohorts to become doctors and nurses. This does not mean that all of them will eventually leave the country. In fact, the stock of health professionals is likely to increase in countries with high emigration rates of doctors and nurses, such as in the Philippines.

Emigration can increase women's economic independence

Emigrants are more usually men than women. The IPPMD data show that emigrant households are more likely to have women as the household head. This is particularly striking in Armenia, Cambodia, Morocco and the Philippines. Stakeholders interviewed in these countries confirmed the redistribution of roles between males and females in migrant households. As heads of households, women take responsibility for economic decisions and market transactions, thereby increasing their economic independence. The emigration of men can therefore increase the responsibilities and autonomy of women left behind.

How do sectoral policies influence emigration and development?

Despite the positive opportunities emigration brings to origin countries, its contribution to development remains somewhat limited. This is either because the households left behind do not have the tools to overcome the negative short-term effects associated with the departure of one or several members of the household, or because the country lacks adequate mechanisms to harness the development potential of emigration. In addition, public policies may play a limited role in enhancing the positive contribution of emigration to development.

Inefficient labour markets and skills mismatches drive people to emigrate

A key emigration push factor is the inefficient functioning of labour markets in developing countries. 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. Individuals often leave because they cannot find a (good) job – one that offers physical, social and financial security. Active labour market policies, especially government employment agencies, may help reduce emigration by improving access to information on labour market needs.

The IPPMD data show that in most countries, the share of people who have no plans to emigrate is higher for those who found jobs through government employment agencies than those who did not. Many of them are highly educated and on average, 77% of those who found jobs through such agencies are employed in the public sector

(90% in Burkina Faso), which is often considered a secure type of employment. All IPPMD countries except Haiti have government employment agencies, though they differ in their size, geographic area covered, platforms used to exchange the information, effectiveness and public awareness.

Policies that relieve financial constraints do not always reduce emigration

Since most people migrate because they want to improve their living conditions, one would expect that policies that relieve household financial constraints – such as subsidies, cash transfers and other types of financial aid – would help dissuade people from emigrating. However, because it can be expensive to emigrate, households with emigrants are generally not the poorest in a country. If credit access is improved or national income levels increased generally, emigration might in fact increase for those households that could not afford it previously.

Empirical evidence from the IPPMD project finds that the effect depends on the kind of policy involved. For example, conditional cash transfers are usually made on the condition that a child goes to school, and sometimes also tied to other conditions such as regular health check-ups of household members, which may imply that parents must stay. Such transfers indeed seem to reduce emigration (Chapter 5). On the other hand, agricultural subsidies often consist of lump-sum transfers or cheaper inputs, which reduce financial constraints but do not oblige farmers to stay in the country. The findings show that they indeed increase emigration by members of beneficiary households in poor countries.

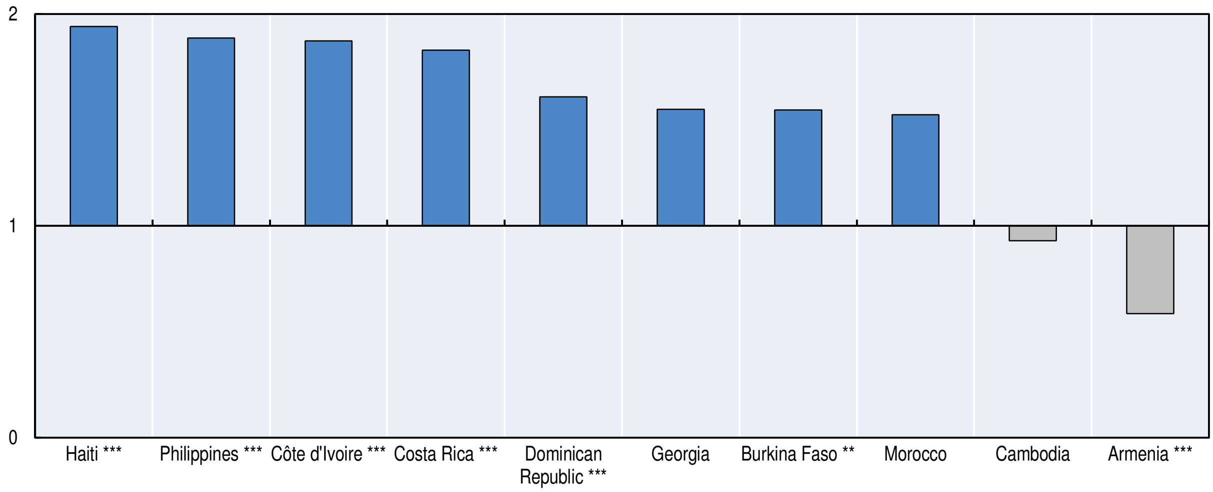
Policies to develop skills increase emigration if suitable jobs are not available

A mismatch between skills demand and supply can be a push factor for emigration. This can occur when the education and training system fails to develop the skills required by the labour market. This happens not only because poor countries lack adequate resources to invest in human capital, but also because of the lack of co-ordination between education institutions and employers, in particular the private sector. Investing in more and better skills and fostering co-ordination among the various actors involved in education and training should therefore help reduce both skills mismatches and emigration pressures.

How vocational training affects migration decisions depends on the labour market outcome. By enhancing their skills, people may find better jobs in the domestic labour market, thereby reducing the incentive to emigrate. But if training does not lead to the right job or a higher income, this may increase the incentive to withdraw from the domestic labour market and search for jobs abroad. Figure 1.3 compares the migration intentions of employed and unemployed people who participated in vocational training with those who did not. In most countries, the share of people planning to migrate appears to be higher for those who had participated in a vocational training programme than for those who did not. It is also possible that people participate in vocational training programmes to find jobs abroad. The exceptions are Armenia and Cambodia where the propensity to emigrate is higher among low-skilled occupational groups than high-skilled groups (Chapter 3). In this context, vocational training may contribute to upward labour mobility and reduce the incentives to look for other jobs abroad.

Figure 1.3. **Plans to migrate are correlated with participation in vocational training programmes**

Ratio of the share of individuals planning to emigrate among participants of vocational training programmes over that of non-participants



Note: If the ratio is above 1, the share of people who plan to emigrate is higher among the group who participated in vocational training programmes than those who did not; the opposite is true for a ratio below 1. Statistical significance calculated using a chi-squared test is indicated as follows: ***: 99%, **: 95%, *: 90%.

Source: Authors' own work based on IPPMD data.

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Policies that lower risk can help, but do not always reduce emigration

Beyond labour market and financial constraints, risk may also push individuals to leave, even when they have jobs and money. For example, people with a formal fixed-term or permanent labour contract, with access to social protection, may be less likely to emigrate than those without a contract. More formal contracts provide the worker with income stability and oblige employers and the government to uphold certain safety and social protection standards. Workers therefore do not have to look for a more secure job elsewhere to reduce that risk. Creating income streams for the household across one or more countries by emigrating can also reduce the risk that an economic downturn leads to a total loss of household income, hence reducing the probability of people planning to emigrate.

The IPPMD research found that generally the higher a country's total social expenditures, the lower the share of people planning to emigrate (Chapter 7). Conversely, the higher the share of people with informal labour contracts, the higher the share who plan to emigrate.

However, other types of insurance mechanisms do not seem to reduce emigration. Emigration is more likely from households that benefit from agricultural insurance programmes, access to health insurance and labour unions. Reducing risk, therefore, does not always result in lower emigration. Three main factors could explain this paradox:

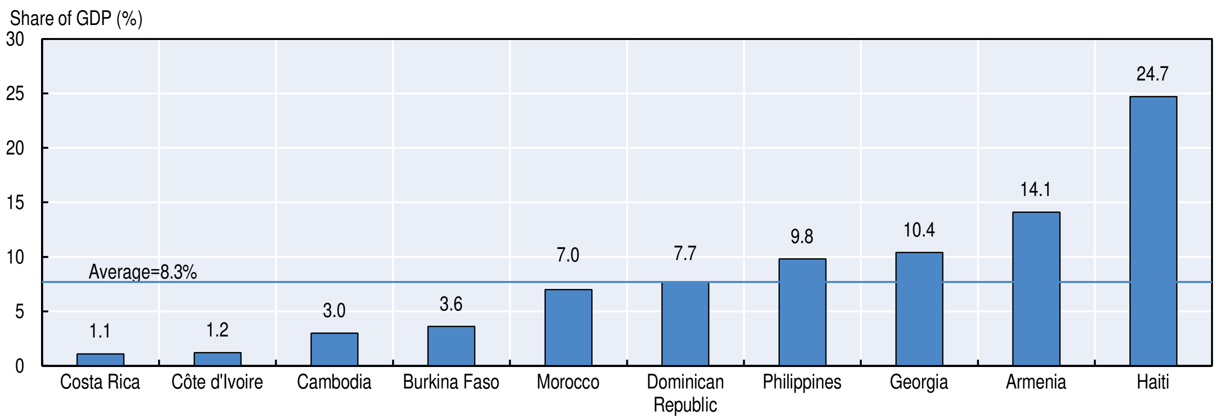
- Insurance coverage is often mostly afforded to higher skilled and mobile individuals, who can exploit work opportunities in other countries.
- Those who do not have access to insurance mechanisms are often in marginalised regions where emigration is already rather difficult; they may be too poor to afford to emigrate.
- Insurance may simply accelerate the move away from agriculture in economies transiting from agriculture to industry, which explains why agricultural insurance seems to increase emigration in countries like Cambodia and Georgia.

Remittances can build financial and human capital with the right policies in place

Remittances represent an important source of foreign funds for many developing countries, both in terms of absolute numbers and as a share of gross domestic product (GDP). Among the IPPMD countries, remittances are particularly important for the economies of Haiti (25% of GDP), Armenia (14%) and Georgia (10%) (Figure 1.4).

Figure 1.4. **The contribution of remittances to GDP varies across the IPPMD countries**

Remittances as a share of GDP (%), 2015



Source: World Bank, Annual remittances data (inflows), *World Bank Migration and Remittances Data http://www.worldbank.org/en/topic/migrationremittancesdiasporaissues/brief/migration-remittances-data*.

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Remittances are not only used for consumption, but also for investment

Even though households receiving remittances, especially the poorest, tend to use the money to increase their consumption of basic goods, this additional source of income is also used to make productive investments.

Remittances can remove credit constraints and allow households to invest

The IPPMD data show that remittance-receiving households, especially urban households, tend to have a higher share of self-employed members (Chapter 3) and a higher probability of running a business (Chapter 6). The findings also reveal that remittance-receiving households are more likely to own real estate. Agricultural households receiving remittances are more likely to spend on agricultural assets, especially in countries where asset ownership is generally low, such as Burkina Faso (Chapter 4). However, many households finance emigration by debt, which can contribute to the absence or delay of productive remittance investments.

Remittances enable households to invest in human capital

Remittances are linked to higher household expenditures on education in most partner countries, and remittance-receiving households are more likely to have children in private schools than households without remittances. However, remittances are not linked to higher school attendance in most countries, except Burkina Faso, which has the lowest primary school enrolment rates in the sample. Thus, when access to education is ensured, remittances can be spent on other areas.

Remittances are often managed by women, but discrimination can undermine their productive use

In most partner countries, business ownership is more common among male-headed households. This is especially the case in countries where male migration is more common (Burkina Faso, Costa Rica, Côte d'Ivoire and Cambodia). Male-dominated migration alters households' gender composition and gender dynamics, which in turn can have implications for the use of remittances. In a context where a majority of emigrants are men, women left in the household play a key role as recipients and managers of remittances. As discussed above, emigration may shift economic decision making towards women and thereby increase their economic independence. However, productive activities by women may be impeded by their limited access to land and credit markets.

How do sectoral policies influence remittance use?

Sectoral policies can influence indirectly the behaviour of remittance recipients by affecting individual and household characteristics as well as institutions and infrastructure. However, these policies, probably because they have broader objectives than just remittances, tend to have a lower impact than expected or unintentional side-effects.

Policies that relieve financial constraints do not seem to influence the amount of remittances received

Conditional cash transfer (CCT) programmes are a good example of a policy programme that could affect remittance patterns. Data from four partner countries with large-scale CCT programmes – Costa Rica, the Dominican Republic, Haiti and the Philippines – reveal a mixed association between CCTs and remittances. In Haiti, benefiting from CCTs seems to be linked to the probability of receiving remittances, while in the Philippines and the Dominican Republic being a beneficiary of CCTs is negatively linked to receiving remittances. This is likely related to emigration patterns, as CCT programmes are correlated with higher emigration rates in Haiti, where programme conditionality seems less binding, but with lower emigration in the other countries.

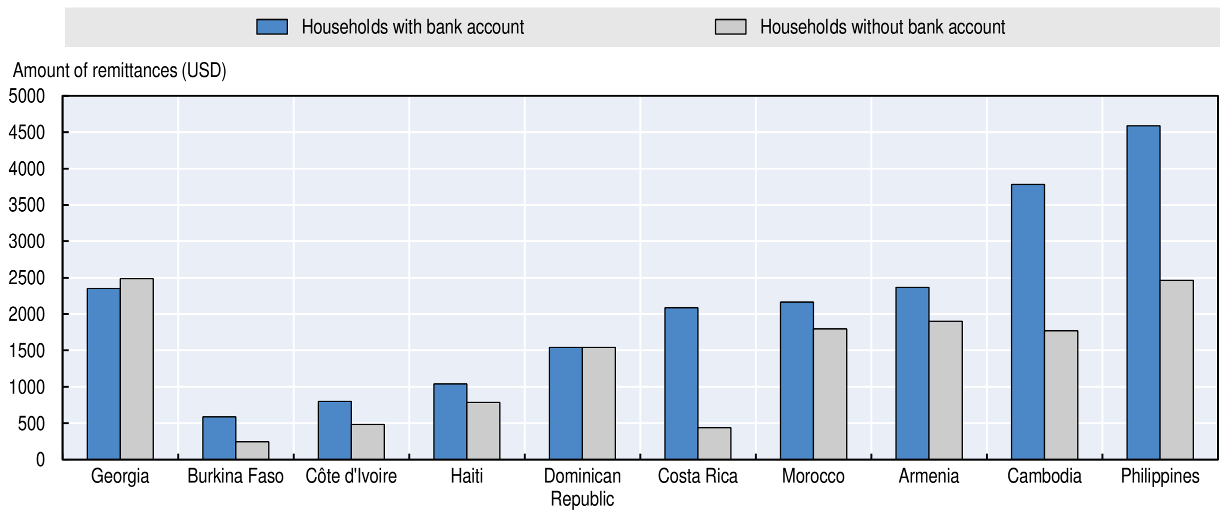
Policies that facilitate market access can generate more formal remittances and spur investments

The financial market plays a crucial role in turning remittances into productive investment. As in many developing countries, financial systems in several of the IPPMD partner countries often serve only a limited proportion of the population. Policies that make the financial sector more accessible to more people can encourage more remittances to be sent through the formal financial system, which is more secure for senders and receivers. The inflow of remittances into the formal financial sector can also generate multiplier effects in the economy by boosting local demand and increasing the capital available for credit.

Evidence from the IPPMD project shows that households without a bank account are more likely to receive remittances through informal channels (Chapter 6). Figure 1.5 compares the total amount of remittances received for households with and without bank accounts. Households with bank accounts receive on average more remittances in all countries but Georgia.

Figure 1.5. **Remittance-receiving households with bank accounts receive more remittances on average**

Amount of remittances received (in USD) in past 12 months, by whether the households have a bank account



Note: Remittances are defined as the average amount of money (in USD) received by the households from anyone living abroad in the 12 months prior to the survey. The sample only includes households that receive remittances.

Source: Authors' own work based on IPPMD data.

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Return migration is an underexploited resource

The human capital, financial means and social norms acquired by return migrants constitute an important source of development for many countries. The development potential of return migrants is a poorly researched area, but strongly depends on the economic, social and institutional environment back home. The IPPMD data suggest that return patterns differ significantly across the partner countries. While Armenia is the country with the largest absolute number of return migrants in the sample (707), the share of return migrants in the sum of returnees and emigrants varies from 9% in the Dominican Republic to 55% in Costa Rica. At the household level, the Dominican Republic has the lowest share of migrant households with return migrants (13%), while Burkina Faso has the highest (65%). This can be explained by the 2010-11 political crisis in Côte d'Ivoire, which spurred a sudden exodus of immigrants back to their homes in neighbouring countries.

Return migrants can bring financial capital, skills and knowledge

Understanding why migrants decide to return home is key for understanding the impact of return migration. Return migrants in the IPPMD household survey stated that the main reasons for coming back home were related to personal preferences, such as being closer to family, but also the failure to obtain legal status for work or residency in destination countries and the difficulties integrating economically and socially. Only a minority considered employment and investment opportunities at home as a motive for return.

Return migrants can invest financial capital in business start-ups and self-employment

The IPPMD data confirm that return migrants are usually more likely than non-migrants to run a business or to be self-employed. This may be because savings accumulated abroad are used to set up a business; for some, these activities may be the only option, especially for those who were forced to return or whose skills do not match the country's labour market needs. Return migration can therefore be a driver of economic diversification for the country, as agricultural households with return migrants are more likely to own a non-agricultural business than those without any return migrants.

Most businesses identified in the survey, however, tend to only employ family members or close relatives. This implies return migrants' contribution to the economy through job creations remain limited. Financial constraints are one of the key factors determining the scale of business; lack of access to credit can prevent return migrants from scaling up their businesses.

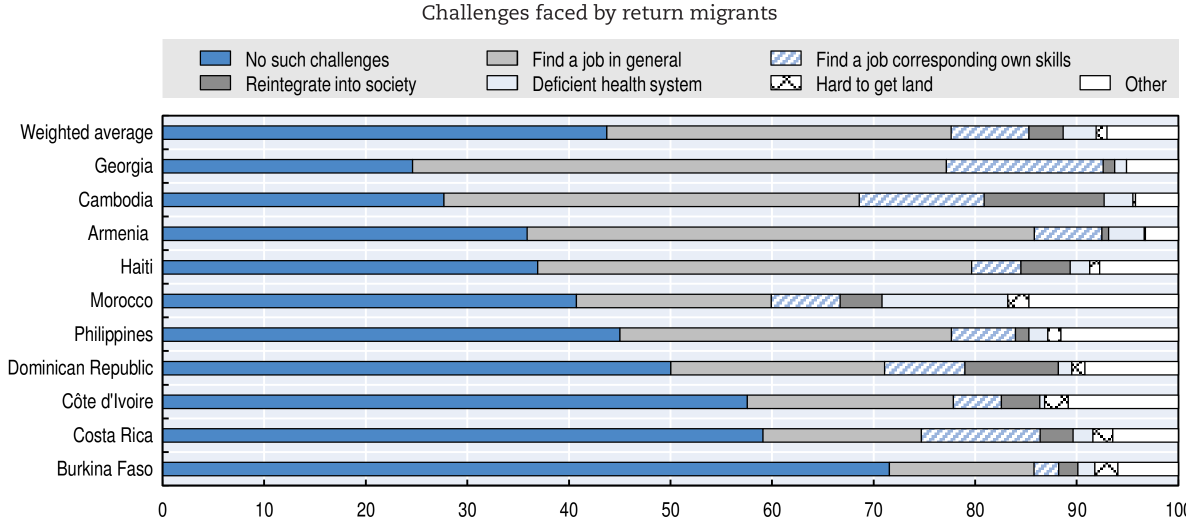
Return migrants could potentially transfer more skills and knowledge

Returning professionals with technological, managerial, marketing or scientific competencies often create new companies, transfer knowledge and increase the human capital stock in their country of origin. Return migrants in the IPPMD study tend to be better educated than non-migrants, with the exception of Burkina Faso, Cambodia and Morocco, where overall education levels are significantly lower than in the other countries. Return migrants' higher educational levels might be explained by the fact that more educated individuals are more likely to emigrate, or by their receiving further education or training abroad, or a combination of both.

Despite their higher educational levels, returnees may find it hard to reintegrate into economic, social and political life in their origin countries. The IPPMD data indicate that more than half of the returnees faced some sort of difficulty after their return (Figure 1.6). Integration into the local labour market is the biggest concern, with many returnees having difficulties finding a job of any kind. Finding a job that corresponds to returnees' skills is challenging for some. Compared to non-migrants, in many countries a higher share of return migrants is overqualified for their jobs. The underemployment of return migrants' skills could be an obstacle to their full participation in the labour market, and hence their contribution to development in their home countries.

Figure 1.6. **Finding a job is the biggest challenge facing return migrants**

Challenges faced by return migrants



Source: Authors' own work based on IPPMD data.

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How do sectoral policies influence return migration?

The IPPMD research finds that sectoral policies play a key role not only in attracting citizens back home, but also in aiding their long-lasting reintegration into society and realising the potential they have to contribute to their country's development. For example, policies which relieve financial constraints at home and which reduce risk can attract migrants home, while those that strengthen skills and facilitate job matching can encourage them to stay.

Policies that relieve financial constraints at home may attract return migrants

Relieving households' financial constraints at home can encourage emigrants to return. The IPPMD data show that the share of return migration is higher in countries where a large share of agricultural households benefit from direct financial transfers, implying that such policies might help attract return migrants. One potential explanation is that financial transfers received by the household have helped pay for the costs of return.

Policies that reduce risk can attract migrants home and encourage them to stay

Household vulnerability is a key push factor for migration. If these vulnerabilities remain over time, migrants will not be willing to return home. Due to insufficient pension portability schemes, return migrants are less likely than non-migrants to benefit from a public pension system, which may discourage emigrants from returning. Not only can policies that reduce risk provide more incentives to emigrants to come back, but they can help make their return sustainable. Higher spending on social protection is positively correlated with a higher share of return migrants and with the share of return migrants who plan to stay permanently in home countries (Chapter 10). Economic and political stability in the home country also makes return migration more attractive. More stable countries may have more resources to spend on public social welfare, for example.

Immigrants could contribute much more given supportive policies

Immigration is a key component to consider when analysing the impact of migration on development, especially in the countries where immigrants represent a significant share of the population. Many of the IPPMD partner countries have a significant share of immigrants (Figure 1.2). Costa Rica (8.8%) and Côte d'Ivoire (9.6%), in particular, register relatively high immigration rates, relative to their populations. Even though immigrants contribute to the economy in many ways, policy makers often neglect to support their economic and social integration. This is particularly the case in a number of developing countries. However, migrant rights and integration matter – making immigrants feel part of the country's social fabric can reinforce social cohesion and promote higher productivity. This is why the Sustainable Development Goals (SDGs) emphasise immigration and integration as key components of development.

Immigrants' full economic potential is still untapped

There are several ways in which immigrants contribute to their host economies; though with more supportive policies this contribution could be still greater.

Immigrants contribute labour

Immigrants bring valuable human capital to the host country and are more likely than native-born individuals to be in their most productive years and to be working. The IPPMD data show that immigrants have a higher employment rate than native-born workers, especially in Costa Rica, Côte d'Ivoire and the Dominican Republic. They contribute to three sectors in particular: agriculture, construction and activities related to motor vehicles. In Côte d'Ivoire and the Dominican Republic, around 60% of immigrants are men. This is because many immigrants work in the agricultural sector, which is dominated by men in general. Agriculture also happens to be the sector in these countries most affected by the departure of emigrants. Immigrants are therefore filling a gap.

However, in terms of job matching, while immigrants in Costa Rica and the Dominican Republic are less likely to be overqualified than native-born individuals, in Burkina Faso, immigrants are more likely to be overqualified. The country is therefore missing an opportunity to use these skills. This may not be surprising given that Burkina Faso is primarily an agrarian and informally driven economy. Reducing underemployment would in any case allow for a better allocation of skills – while sending a positive signal to future waves of potential immigrants.

Immigrants invest and pay taxes in the host country

Immigrants contribute more than just their labour; they also invest in their host country. On average, 20% of immigrants across all countries have invested in some way. Côte d'Ivoire stands out as the country with the highest rate. About half of the immigrants have invested in the agricultural sector (both in farming and livestock activities), while in the other countries they have mainly invested in real estate. Immigrant households who run their own agricultural activities, such as farming and animal rearing, are more likely than non-immigrant households to hire workers from outside the household, especially in Burkina Faso, and to bring their produce to the market (e.g. in the Dominican Republic), thereby benefitting the wider economy (Chapter 4).

Besides their labour and economic contributions, immigrants do not seem to have a negative impact on the public budget, contrary to common belief. The IPPMD data found that immigrants are less likely than native-born citizens to receive government transfers and use health facilities in the host country. However, the fact that immigrants are less likely to have a non-agricultural formal labour contract than native-born workers implies that they are less likely to pay taxes. It is also detrimental to their integration and the protection of their basic human rights, and potentially also lowers their productivity. When immigrant households do pay taxes, they actually contribute as much as native-born households. Because they also receive fewer social benefits than the native born population, immigrants could have a net positive effect on the fiscal balance of their host country, particularly if they have access to formal labour contracts.

Immigrants' lower education levels undermine their contribution

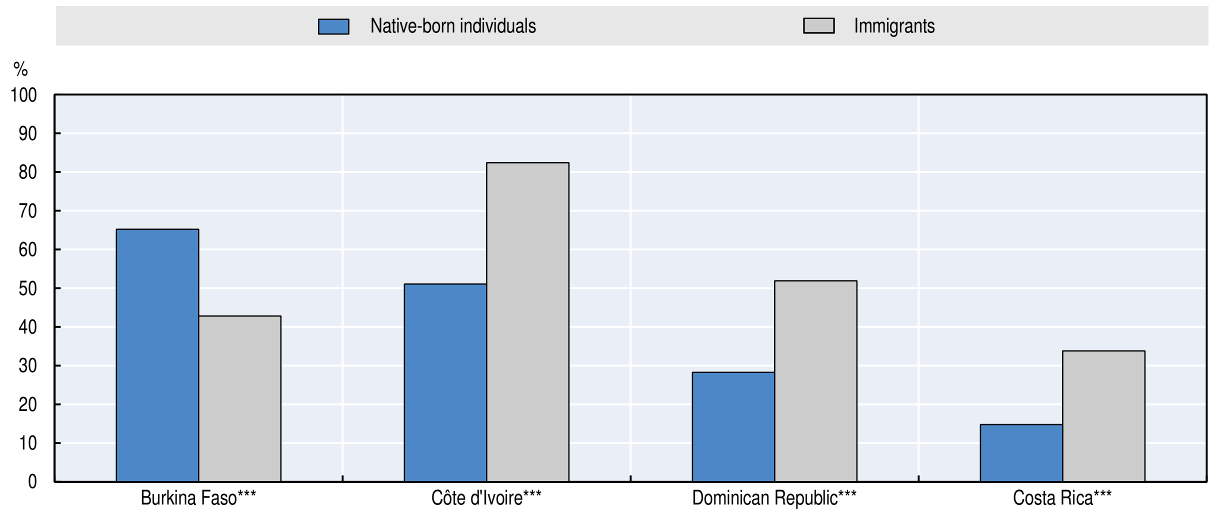
Among the sample, immigrants are on average less educated than the native-born population. The high numbers of immigrants in the IPPMD sample without any formal education are striking (Figure 1.7). This reflects the fact that the better-educated emigrants tend to go to wealthier countries.

How do sectoral policies influence immigration and development?

Despite their positive contributions to the economy, immigrants fall behind in a number of key development indicators; this is not only a missed opportunity for them, but also for the host country. Gaps in public policies play a large role in undermining immigrants' full contribution.

Figure 1.7. **Immigrants are more likely to lack formal education**

Share of individuals with no formal education (%)



Note: Statistical significance calculated using a chi-squared test is indicated as follows: ***: 99%, **: 95%, *: 90%. Formal education is defined as education occurring in a *structured environment* whose explicit purpose is teaching students.

Source: Authors' own work based on IPPMD data.

StatLink http://dx.doi.org/10.1787/888933418629

The lack of access to public services undermines immigrants' successful integration

The integration of immigrants is crucial for maintaining social cohesion and obtaining the best outcomes from immigration. Education is a fundamental tool for the social integration of immigrants and their households, as it helps them learn the local language, as well as to understand the context and history of the country, and to build social networks. It is thus in the interest of the host country to provide education to immigrants and their children, as it will increase their productivity and future earning capacity. The IPPMD data also show that immigrants who are educated in the host country are more likely to stay (Chapter 5). Yet immigrant children and children of immigrants born in the host country are less likely to go to school. Immigrant households also have less access to educational support programmes, such as conditional cash transfers.

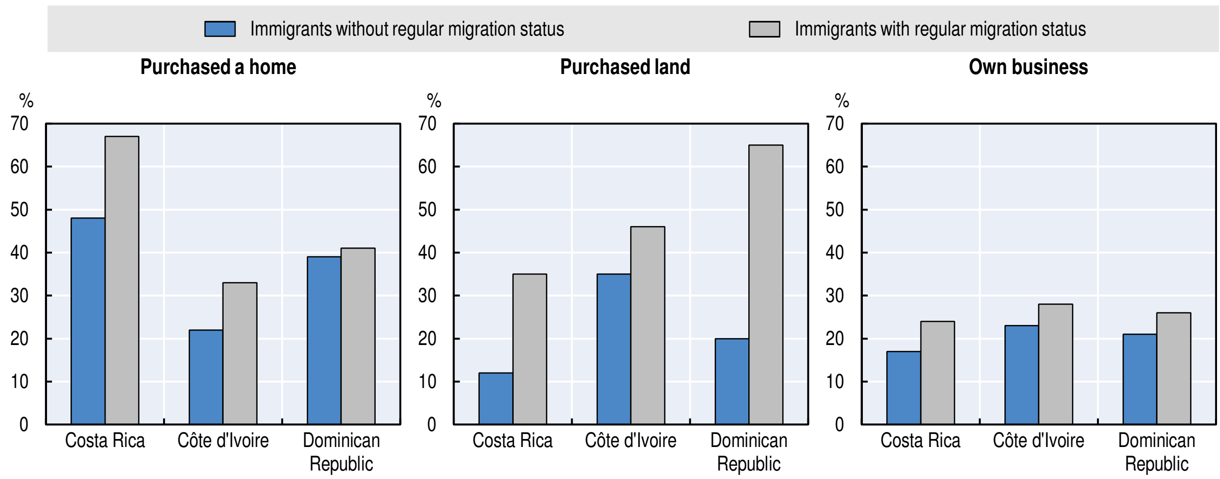
Lack of aid and social protection reduces investment opportunities

Investment can be a key vector for successful integration. In this respect, policy makers should ensure that conditions enable immigrants to invest, especially in sectors in need of a boost. Although many immigrants work in the agricultural sector, immigrant households are less likely to run their own farming businesses than native-born households and, perhaps consequently, make fewer investments in the sector (Chapter 7).

One key to unlocking the investment potential of immigrants would be to create more flexible migration policies. Immigrant household heads with regular migration status are more likely to own a home, land or a non-agricultural business (e.g. in Costa Rica, Côte d'Ivoire and the Dominican Republic; Figure 1.8). Yet many immigrants lack regular migration status – they may have entered the country through irregular channels, or they may have overstayed their visa. This is the case in the Dominican Republic, where nearly 90% of surveyed immigrants lack the required documents to live and work in the country.

Figure 1.8. **Immigrants with regular migration status are more likely to invest in the host country**

Share of immigrant household heads who have invested in the host country (%)



Note: Irregular immigrants lack the official documents required to live or work in the host country. Official documents include residency or work permits. Immigrants with host country nationality are considered to have regular status. All immigrants are included in the sample.

Source: Authors' own work based on IPPMD data.

StatLink http://dx.doi.org/10.1787/888933418676

A coherent policy agenda can realise the development potential of migration

The IPPMD project has found that migration in the dimensions under study (emigration, remittances, return migration and immigration) can contribute to development in origin and destination countries alike (and many countries are both). However, it is clear that this development potential is not being fully realised. This study has shed light on how this potential can be better exploited by examining the intentional or unintentional role of sectoral policies – especially those governing the labour market, agriculture, education, investment and financial services, and social protection and health – in people's decisions to emigrate or return home, in how they send and use remittances, and in how well immigrants integrate into and contribute to their host countries.

The study concludes that harnessing the development impact of migration requires a coherent policy framework. While most countries studied do have a wide range of migration-specific policies,[3] very few have implemented policies in other sectors for enhancing the development potential of migration. Ministries 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 migration.

What would a more coherent policy framework look like? It implies the need to:

- do more to integrate migration into development strategies
- improve co-ordination mechanisms
- strengthen international co-operation.

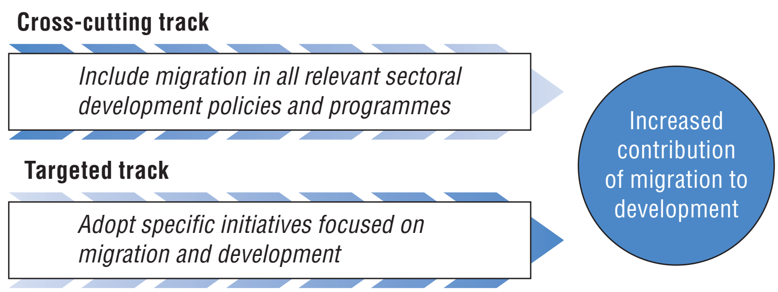
Do more to integrate migration into development strategies

To enhance the contribution of migration to development, public authorities in countries of both origin and destination need a twin-track approach as follows (Figure 1.9):

1. Cross-cutting track: consider migration in the design, implementation, monitoring and evaluation of relevant sectoral development policies

2. Targeted track: adopt specific migration and development actions, programmes and policies aimed to minimise the costs of migration and maximise its benefits.

Figure 1.9. **Enhancing the contribution of migration to development: a twin-track approach**



Sectoral policies can affect migration decisions by improving market efficiency, relieving financial constraints, helping develop relevant skills and reducing risk. The way sectoral policies affect migration is not always straightforward, however. Similar programmes can generate a variety of effects according to the countries in which they are implemented. Vocational training programmes, for instance, tend to increase emigration in some countries, but reduce it in others (Chapter 3). Despite the differences in the way specific sectoral policies or programmes affect migration, it is the combination of policies that is more likely to influence the impacts of migration. The interactions among public policies therefore also need to be taken into account when drawing up development strategies for a country.

With this approach in mind, the following sections and the tables that accompany them provide a summary of the main policy recommendations suggested in this report.

Making the most of emigration: policy recommendations

When crafting policies to maximise the development potential of migration, it is important to be clear about the goals. Countries differ in their views on emigration: some might be concerned by the loss of a significant share of skilled individuals, while others view emigration as a way of relieving oversupply in the labour market. Yet, increasing or reducing emigration per se should not be a policy objective. People are free to make their own decisions and leave their countries if they want to do so. Policy makers should therefore try to focus on establishing the conditions under which people can freely decide if they want to leave or stay and under which emigration can be a force for good, not harm. In other words, the role of public policies should be to create an environment where people migrate by choice, not by force.

When countries of origin try to build a migration and development strategy, they usually focus on the positive effects of emigration, but tend to forget the negatives, such as family disintegration and the loss of labour, especially in the agricultural sector. Policy makers in origin countries need to understand which categories of people are particularly affected by emigration and adjust their policies accordingly in order to minimise the potential costs. Countries of origin also need to adopt policies that help increase the benefits of emigration. The emigration-relevant policies emerging from the study and presented in this report (Chapters 3-8) are summarised in Table 1.4.

Table 1.4. **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 alleviate the pressure 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.

Making the most of remittances: policy recommendations

Policy makers can play an important role in enhancing the positive impacts of remittances by making these transactions less costly and help channel them towards more productive uses. A number of policies, such as tax exemptions for remittance income, diaspora bonds and matching grant schemes, have these as their goals.

Although remittances are private sources of funding, and policy makers cannot decide how individuals or households spend their money, public policies can play an important role in channelling remittances towards more productive investments. The remittance-relevant policies emerging from the study and presented in this report (Chapters 3-7 and 9) are summarised in Table 1.5.

Making the most of return migration: policy recommendations

An increasing number of countries have introduced policies targeted at return migration. Armenia, for instance, relies on its strong ties with diaspora networks to organise job fairs in the main countries of destination in order to encourage people to return. Offering financial and non-financial benefits to return migrants also increases the incentives to return. These range from tax and duty exemptions for transporting personal belongings, to salary subsidies or capital to start up micro businesses. Targeted programmes, such as providing return migrants with requalification training or creating environments that better harness their competencies, can also help return migrants reintegrate into their home countries.

Table 1.5. **Policies to make the most of remittances**

	CROSS-CUTTING RECOMMENDATIONS
Agriculture	● Support the investment of remittances in agricultural expansion and small-scale agri-businesses by developing household financial and entrepreneurial skills to enable more informed investment decisions. ● Ensure that there are adequate credit markets and money transfer operators in rural areas by supporting agricultural cooperatives and rural credit unions, to enable remittances to be channelled easily to agricultural activities. ● Build appropriate agricultural infrastructure, such as irrigation and facilitate access to land and markets to make the sector more attractive for investors.
Education	● Invest in educational infrastructure and trained teachers to meet the demand for education services from remittance inflows, while ensuring that remittance-driven demand does not affect universal access to education. ● Enforce and ensure quality in educational institutions when faced with higher demand for private schools due to remittances. ● Collect migration and remittance information in conditional cash transfer programme data to monitor remittance income changes over time and better understand the full impact of the programme.
Investment and financial services	● Support the start-up and operation of small-scale businesses through providing small business loans and business management training to encourage remittance investments. ● Expand financial service provision, especially in rural areas, by increasing competition among service providers and adapting the regulatory framework. ● Increase financial literacy and entrepreneurial skills among households in communities with high emigration rates, and especially among women in countries with a high share of male migration. ● Address gender discrimination in land and credit markets by changes in the regulatory framework to ensure that women have equal access.
Social protection and health	● Develop and provide health-related services to meet demand by remittance recipients. To make them more accessible, such services could be coupled with microfinance institutions or other financial institutions.
	TARGETED RECOMMENDATIONS
Migration and development	● Reduce remittance transfer costs by avoiding restrictions or taxes on remittance inflows as well as any kind of exclusive partnership with money transfer operators. ● Create incentives to attract diaspora investments, for instance through savings accounts in foreign currency and diaspora bonds.

Sectoral policies also play a key role in making return migration attractive and sustainable. The return migration-relevant policies emerging from the study and presented in this report (Chapters 3-7 and 10) are summarised in Table 1.6.

Table 1.6. **Policies to make the most of return migration**

	CROSS-CUTTING RECOMMENDATIONS
Labour market	● Expand government employment agencies' activities to reach out to emigrants overseas. They should also target return migrants so that they have a greater chance of finding a formal job. ● Ensure vocational training programmes match domestic labour needs to foster the inclusion of return migrants in the labour market.
Education	● Facilitate and improve the recognition of qualifications acquired abroad to help return migrants validate their skills. ● Offer training and refresher courses to potential return migrants, especially those with an education diploma, to facilitate their reintegration into the labour market in the country of origin.
Investment and financial services	● Strengthen return migrants' access to information on financial tools and opportunities to allow potential entrepreneurs to create and scale up their businesses and create more jobs, including in rural areas and the agricultural sector. ● Avoid taxes on repatriated capital used to start new businesses. ● Provide information about local investment opportunities to return migrants through tailored investment networks and websites.
Social protection and health	● Ensure that return migrants find it easy to register for social protection and health facilities when they return, to reduce the need to emigrate again. ● Invest in bilateral agreements with main destination countries to ensure portability of pension funds and other social benefits.
	TARGETED RECOMMENDATIONS
Migration and development	● Create an official information portal, such as a website, to provide comprehensive information to potential return migrants. ● Organise diaspora fairs in the main countries of destination to offer employment and investment opportunities to would-be return migrants. ● Provide financial incentives, such as duty exemptions for the transport of personal belongings, and subsidies for the salaries of highly skilled return migrants.

Making the most of immigration: policy recommendations

Public policies can help maximise the impact of immigration on the economy of the host country and ease the integration process. Poor integration does not only raise challenges in terms of social cohesion; it also means that immigrants contribute less to the development of their host societies. Policy makers should therefore aim to protect immigrants' rights, regardless of their migratory status; fight against discrimination; and promote the inclusion of immigrants in society, starting with the labour market and the education system.

Successful integration does not always rely on specific integration policies: just as powerful can be universal and non-discriminatory coverage of education, social protection and health services to include immigrants, regardless of status. Likewise, if the conditions for access to credit and investment are the same for native and immigrant populations, specific policies targeting immigrants are not always required, even though policy makers need to make sure that equal conditions on paper are actually applied in the country. The immigration-relevant policies emerging from the study and presented in this report (Chapters 3-7 and 11) are summarised in Table 1.7.

Table 1.7. **Policies to make the most of immigration**

	CROSS-CUTTING RECOMMENDATIONS
Labour market	• Develop better information systems, through an extended network of employment agencies, to help immigrants as well as native-born workers find the jobs that best correspond to their skills. • Increase training opportunities to upgrade general skills levels and ensure that immigrant job seekers do not have any legal barriers to the labour market.
Agriculture, investment and financial services	• Reduce de facto barriers to investment by immigrants in the agricultural sector, such as lack of access to land and markets; as well as in the non-agricultural sector, such as lack of building and land rights. • Use websites and investment one-stop shops to encourage potential immigrants to invest in the host country. • Make agricultural aid, such as subsidies and training, accessible to settled immigrants through residential registration permits for instance, to encourage their productivity and investment.
Education	• Provide equal access to education in general, and to immigrant students in particular, for example by implementing targeted policy programmes, such as cash transfers and scholarships for vulnerable groups, including immigrants. • Invest in educational infrastructure in areas with increased education demand from immigration to ensure universal access, good quality schooling and social integration and cohesion.
Social protection and health	• Increase de jure and de facto access to social protection, such as pension plans, medical benefits, access to labour unions and the provisions covered by formal labour contracts. • Adjust investments in health facilities in neighbourhoods where there are high levels of immigration.
	TARGETED RECOMMENDATIONS
Migration and development	• Facilitate and mainstream the channels for immigrating and registering formally in the host country. • Adopt measures to fight discrimination against immigrants and ensure they are enforced.

Improve co-ordination mechanisms

Besides the twin-track approach outlined above, a coherent policy agenda also requires that policy makers improve co-ordination mechanisms at three levels: across national authorities; between national, regional and local authorities; and between public authorities and non-state actors.

Improve co-ordination across national government authorities

In most countries, the migration dossier is concentrated in the hands of a few ministries and other central agencies: the Ministries of Interior and Labour usually deal with immigration issues; the Ministry of Foreign Affairs, and in some cases a specific entity in charge of diasporas, are usually responsible for emigrants abroad; while the Central Bank deals with remittances. Very few other sectoral ministries are involved in migration decisions and in some cases, migration is not even part of their competency area. Yet, as shown in this report, migration has repercussions for a variety of policy sectors, and sectoral policies affect migration too. A greater cross-section of national government authorities should therefore be involved in the migration and development policy agenda.

One way to achieve this is through creating co-ordination bodies to gather the various entities together and decide on the key migration and development issues. Such interagency committees or bodies, which sometimes also involve multilateral and civil society organisations, already operate in Armenia, Georgia and the Philippines (Chapter 2).

Improve co-ordination among national and local government authorities

While most decisions related to migration and development are usually conceived by national governments, local and regional authorities (LRAs) deal directly with a number of migration issues, including support to families left behind, especially children; reintegration of return migrants into local communities; protection of immigrants' rights; and their access to labour market, schools and health services. Policies that rely on the experience of LRAs and involve them in the decision process are therefore more likely to enhance the contribution of migration to development (EC-UN JMDI, 2010).

LRAs thus need to develop their own migration and development agenda, especially in territories with high emigration or immigration rates. Local authorities should in particular expand local programmes and services to immigrants, and establish redress mechanisms that provide immigrants with support, especially legal aid, information about rights and procedures, and assistance in reporting abuse. They can also play an active role in promoting language learning by hiring local teachers and developing courses for foreigners. National authorities can help local actors deal better with migration issues by allocating specific economic and human resources and investing in capacity building.

Improve co-ordination with non-state actors

Non-state actors, such as civil society organisations, trade unions, employers' associations, academic institutions and the media, contribute significantly to the success of migration, both in origin and destination countries. They can, for instance, provide useful information to migrants and help change perceptions. They can also protect the rights of migrants and their families, as well as the interests of non-migrant households. Yet, many migration decisions are taken without involving them.

A coherent policy framework should include consultation mechanisms as well as partnerships with a variety of non-state actors. Besides specific issues directly related with migration, such as integration programmes, co-ordination mechanisms could include sectoral areas that have an impact on or are affected by migration. In this respect, strengthened co-operation among the ministries in charge of labour, education and skills, education institutions and employers could help design vocational and training programmes better oriented towards the needs of the domestic labour market. Likewise, better co-ordination among the various actors in the financial system – the Central Bank, financial institutions, money transfer operators and microfinance institutions – could help promote financial inclusion and investments in remittance-receiving areas.

Strengthen international co-operation

By definition, international migration involves at least two countries: the country of origin and the country of destination. To enhance the contribution of migration to development, host and home countries therefore need to develop co-operation instruments, both at the bilateral and regional levels.

Bilateral agreements

Bilateral co-operation often relies on bilateral labour agreements (BLAs) between countries of origin and destination to promote regular migration and guarantee the protection of migrants' rights. BLAs tend to favour temporary movements, as a way to prevent immigrants from settling in. They usually cover issues such as basic rights, working conditions and wages. Circular migration, which gives migrants the possibility to spend part of the year in the host country and part of the year in the home country, has also become more common in BLAs. Circular migration schemes generate benefits for the host country, since immigrants come when the labour demand is high and are more prone to return to their home countries than with other migration programmes. They also benefit countries of origin, as migrants can still contribute to local activities. The skills and savings circular migrants accumulate over the years also help them better contribute to their home countries and develop productive projects there (OECD, 2011).

Some issues still remain to be covered by bilateral agreements to facilitate the mobility process, help migrants integrate better in their host countries or reintegrate in the country of origin, and harness the full development potential of migration. Bilateral agreements should in particular address family reunification, which has become a sensitive issue in many countries, but should be a basic right for all migrants. The signature of agreements on social protection and pension portability between countries of origin and destination is also a way to promote the rights of migrants to a decent pension and to ease return migration (Holzmann, 2016).

Regional agreements

Regional co-operation can facilitate labour movements between neighbouring countries and increase the development impact of migration. Regional mobility allows for a better allocation of the skills available in the region and helps countries adjust to economic shocks, thus reducing the social cost of economic recessions. In this respect, regional agreements should not only include free mobility, but also mechanisms to guarantee that people can really move from one country to another. Policy makers should in particular:

- create regional employment agencies so that workers from each country can have information about available jobs in other countries in the region
- remove discrimination and other barriers to work to facilitate the inclusion of workers from the region in domestic labour markets, including the public sector, and provide full access to labour rights
- promote co-operation among education institutions to foster student mobility and facilitate the recognition of degrees and skills
- increase the regional integration of financial markets to reduce remittance transfer costs and spur investment
- harmonise social protection and pensions systems and promote the portability of rights to encourage regional mobility.

Roadmap to the report

The rest of the report is organised as follows.

Chapter 2 sets the scene by explaining the conceptual and methodological frameworks for the project. It presents the quantitative and qualitative tools and discusses the analytical approach and data limitations.

The rest of the report is divided into two parts. **Part I**, consisting of Chapters 3 to 7, investigates how migration affects the five sectors under study: the labour market, agriculture, education, investment and financial services, and social protection and health in the IPPMD partner countries. The analyses are presented according to the sectors. The five sectoral chapters discuss how different dimensions of migration (emigration, remittances, return migration and immigration) affect the sectors, and in turn, how policies can influence migration outcomes. In **Part II**, consisting of Chapters 8 to 11, the focus is squarely on various dimensions of migration: emigration, remittances, return migration and immigration. It revisits the interrelations between migration and public policies presented in Part I from the perspectives of migration.

Notes

1. Another project carried out by the European Commission, the International Labour Organization and the OECD Development Centre is seeking to arrive at a reliable and evidence-based understanding of how immigration affects the economies of ten developing countries across Asia, Africa and Latin America. It considers, in particular, the contribution of immigrants to GDP and growth as well as their impact on the labour market, and on public finances and social services (*www.oecd.org/dev/migration-development/eclm.htm*).
2. The dimensions of migration and the sectors studied are not comprehensive or reflective of the whole picture of the links between migration and development. For instance, the role of the diaspora – which often actively contribute to development in its country of origin through hometown associations and professional or interest networks – is not analysed in this report, due to the lack of data on this issue. Moreover, besides financial transfers, remittances also include *social remittances* – i.e. the ideas, values and social capital transferred by migrants. Even though social remittances represent an important aspect of the migration-development nexus, they go beyond the scope of this project and are also not discussed in this report. In addition, the five sectors under study in this report were considered as being the most relevant to the migration and development agenda. That does not mean that other sectoral policies do not interact with migration. Trade policies, for instance, are an important sector for development that have significant effects on migration flows and can be affected by migrant networks. Likewise, environmental policies can alter the decision to migrate, while migration flows can have repercussions on the environment in both origin and destination countries.
3. Such as providing social and legal support to emigrants through consulates, lowering the costs of remittances and channelling them towards more productive investment, encouraging the members of the diaspora to engage in development projects in their origin communities and encouraging emigrants to return.

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