

Migration and Development Research Is Moving Far beyond Remittances

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Abstract

Research on migration and development has recently changed, in two ways. First, it has grown sharply in volume, emerging as a proper subfield. Second, while it once embraced principally rural-urban migration and international remittances, migration and development research has broadened to consider a range of international development processes. These include human capital investment, global diaspora networks, circular or temporary migration, and the transfer of technology and cultural norms. For this special issue of *World Development*, we present a selection of frontier migrant-and-development research that instantiates these trends.

JEL Codes: F6, F22, O15

Keywords: migration, development, poverty, mobility, brain drain, skill, education, remittances, labor, overseas

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The definitive version of this paper is forthcoming in *World Development*. The authors are grateful to the Agence Française de Développement (AFD), the World Bank, and the John D. and Catherine T. MacArthur Foundation for their support of the Migration and Development Conference. Clemens acknowledges generous support from Good Ventures. The views expressed herein are those of the authors alone and do not necessarily represent the views of the Center for Global Development, AFD, the World Bank, their boards, or their funders.

CGD is grateful for contributions from Good Ventures in support of this work.

Michael A Clemens, Çağlar Özden, and Hillel Rapoport. 2014. "Migration and Development Research Is Moving Far beyond Remittances." CGD Working Paper 365. Washington, DC: Center for Global Development.
<http://www.cgdev.org/publication/migration-and-development-research-moving-far-beyond-remittances-working-paper-365>

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Most migrants search for a better life. They must often overcome tremendous geographic, cultural, and legal barriers. And they have countless stories: *migration* means an Afghan refugee crossing the ocean from Java to Christmas Island, a Mexican nanny crossing the Rio Grande into Texas, a Mumbai computer scientist flying business class to Dubai. Each story implies a very different effect of migration on migrants, people back home, and people at the destination. Each story is caused by, and in turn affects, the development process. These causes and effects are increasingly important but poorly understood.

But that is changing. Recently, economic research on migration and development has undergone two shifts: in quantity and in focus. First, development researchers devote increasing attention to migration, and migration researchers devote increasing attention to development. Second, that research has expanded greatly in scope. Early research focused on rural-urban migration, and the limited work on international migration tended to focus on remittances. Recent research stresses global migration flows and the complex links between migration and the broader development process, far beyond cash sent home. Development policymakers and analysts all over the world are likewise paying more attention to migration and its complex links with development.

A simple bibliometric exercise reveals researchers' rapidly growing interest in migration and development. We counted the number of journal articles with certain title keywords in the RePEc IDEAS database of economic literature, 1970–2013. Figure 1 shows, in black dots, the fraction of articles with development-related keywords that also contain migration-related keywords. The white dots show the fraction of articles with migration-related keywords that also contain development-related keywords.¹

The figure shows that economists of the early 1970s were quite interested in migration and development. The most influential work, however, was not on international migration but on domestic, rural-urban mobility (e.g. Harris and Todaro 1970; Fields 1975). An exception

¹ We searched RePEc IDEAS on April 30, 2014. We first searched the articles that had a migration related word in its title (migration, emigration, immigration, migrant, migrants, immigrant, immigrants, emigrant, emigrants, remittance, remittances, brain drain, brain gain, brain waste, refugee or refugees) and call the resulting number of database records N_m . Next, we searched for development related articles (development, poverty, growth, democracy, crime, inequality, fertility, data, gender, education, human capital or schooling) and call the resulting number of database records N_d . For articles on migration and development, we search the intersection of the above two sets and call the resulting number of database records N_{md} . For some years the database allows only sexennial year-ranges inclusive of endpoints (e.g. 1970–1975 inclusive, 1975–1980 inclusive, etc.), so we maintain that period structure throughout. Each dot is placed at the horizontal coordinate of the center of its year range, including the final quadrennium 2010–2013. Next we calculated “fraction of migration related papers that include development” given by N_{md}/N_m and fraction of development papers that includes migration given by N_{md}/N_d .

to this domestic focus is the seminal theoretical work during this period on the development effects of high-skill international migration (e.g. Bhagwati and Hamada 1974). This interest waned somewhat in the 1980s. It bounced back in the late 1990s, led by theoretical work suggesting that skilled migration could induce human capital investment at the origin (Mountford 1997, Stark et al. 1997).

Since the early 1990s, research on migration and development has risen steadily. The fraction of development papers studying migration has more than doubled; the fraction of migration papers studying development has almost doubled. A key to this surge has been the availability of new datasets on macro-level migration stocks and flows (Docquier and Marfouk 2006, Parsons et al. 2005, Dumont and Lemaître 2005, Özden et al. 2011) and the rising inclusion of migration questions on censuses and household surveys worldwide (Santo Tomas, Summers, and Clemens 2009). These have allowed empirical tests, for the first time, of earlier theoretical work.

This renewed interest, especially the possibility of more rigorous empirical analysis, has coincided with the initiation of the World Bank Research Group's Research Program on International Migration and Development in 2004. Its main objective was to improve our knowledge on migration and strengthen evidence-based policymaking. Many of the databases cited above (such as those by Docquier, Marfouk, Özden and Parsons) were products of this program. In addition to these numerous databases, books, academic papers and policy notes, one of the main outputs of this program has been the organization of the Annual Migration and Development Conference, jointly with the Agence Française de Développement (AFD). For the last three years, Center for Global Development (CGD) in Washington, DC, joined the group. The papers presented in this special issue were presented at the 5th Conference held at AFD Headquarters in Paris in 2012. This conference was preceded by the 2011 conference at Harvard University, United States and followed by the 2013 Conference at Al Akhawayn University in Ifrane, Morocco. The 7th migration and Development Conference is scheduled for Oxford University, United Kingdom in July 2014.

In a short time, these conferences became one of the most important venues for the presentation of the leading research at the intersection of the migration and development literature. A very large portion of the widely cited and influential papers have been presented

in these conferences, and subsequently published in the special issues that came out in various academic journals.²

The papers presented at the various conferences have subtly shifted over time. In the earlier years, there were many more papers on remittances, their determinants and impact on the families left behind—especially with regard to typical development concerns such as poverty, education and entrepreneurship. There were also quite a few more papers on high-skill migration from developing to developed countries (sometimes called “brain drain”), using the newly available databases. In recent years, as these questions were being answered, the focus has shifted to more nuanced issues such as the role of networks or diasporas, linkages between cultural norms and migration, and different types of migration flows such as temporary, circular or transit migration. These issues are closely related to the “new economics of migration” where the complex social and cultural roles of variables are explored in explaining the determinants of migration as well as its impact. Researchers are using data from a variety of sources, including those from surveys designed for the specific migration questions that they would like to answer.

Figure 2 shows some of these topical shifts in the same RePEc data analyzed for Figure 1. Each line shows the fraction of all articles with development-related title keywords that also have migration keywords *and* a second subject area, such as “education” or “gender”. Since the early 1990s, and continuing during the period of the Migration and Development Conferences, a rising fraction of migration-and-development research considers subtopics related to broader processes of development.

The papers in this issue were selected from among two dozen submissions, all presented at the 2012 Conference, and went through the regular refereeing process. You will see this changing focus in the academic literature in this special issue as well. While one paper explores global migration patterns and their determinants, the rest highlight the cultural, personal, and social dimension of migration.

Global patterns of skilled migration

Any discourse on migration starts with the numbers. How many people have moved from country A to country B at a given point in time? This simple-sounding question turns out to be quite difficult to answer due to data availability, definitional complexities, changing

² A 2010 special issue was published in the *Regional Science and Urban Economics*, a 2011 issue was in the *Journal of Development Economics* and a 2013 issue will be in the *Scandinavian Journal of Economics*.

borders, and several other problems as discussed in Özden et al. (2011). These problems are more complex for skilled migration, a key strand of the migration and development literature. For example, many destination countries do not collect or publish data on their immigrants by skill level. In many other cases, census dates, skill or education definitions are inconsistent across countries and over time.

The paper in this issue by Artuç et al. (2014) addresses these challenges in multiple ways. First, they collect the existing immigrant stock data from 100 destination countries for 2000 and 61 countries in 1990, by gender and education level. Then they develop a gravity-based model to estimate migrant stocks, again by gender and education level, for the missing countries. The gravity model enables them to assess the relative importance of key determinants of bilateral migration such as common language, border, distance, colonial relationships, and diaspora links. The resulting migration matrix enables them, for the first time, to present a global overview of human capital mobility. The bilateral nature of the data allows many different types of analysis, especially on net migration levels by skill categories. They show that half of global migrants go to non-OECD destinations, but a large portion of the high-skilled migrants choose OECD countries. Moreover, four countries, the US, the UK, Canada, and Australia are the destinations for over 2/3 of high skilled migration in the world. As in Docquier and Marfouk (2006) and Özden et al. (2011), the constructed databases and the methodologies developed are likely to be widely used by other researchers and policymakers.

Gender and migration

One of the edited volumes to emerge from the World Bank Research program on Migration and Development was on gender. It was titled *International Migration of Women* (Morrison, Schiff and Sjöblom 2008) and explored a range of issues on female migration ranging from determinants of labor market performance to household expenditures. These papers inserted a gender dimension in the more standard issues of the overall migration literature. The three papers in this special issue explore social and cultural aspects of the gender dimension, highlighting the changing academic focus.

Bertoli and Marchetta (2014) use Egyptian household data to explore the transfer of fertility norms. Most Egyptian migrants are men, and they get to Persian Gulf countries on temporary visas, mostly to perform relatively unskilled or semi-skilled tasks. These destination countries tend to be more culturally conservative and typical families have large numbers of children. Influenced by the earlier work of Fargues (2007) and Beine, Docquier,

and Schiff (2014), this paper shows that Egyptian families where the husband has migration experience in another Arab country have a larger number of children. This offers more evidence of transmission of cultural norms via migration.

The second paper with a gender focus (Kudo 2014) looks at the linkages between migration and marriage decisions using internal migration data from Tanzania. As is well known, large portion of rural migration in many low-income countries, ranging from India to Brazil, is for marriage reasons. Using longitudinal household panel data, Kudo looks at the impact of a land reform that changed land inheritance rules. This event provides a natural experiment. Using a difference-in-difference approach, the paper shows that removal of restrictions on female inheritance increases the marriage rates, especially with migrant women from other villages. It shows how traditional institutions and their evolution can impact socio-economic outcomes such as rural migration and marriage.

Finally, Cortés (2014) focuses on the migration of women with children who remain behind. She asks what happens to the well-being of children when the mother migrates. Using data from the Philippines, she uses children with migrant fathers as a comparison group to isolate the effects of remittances from the effects of parental absence. She finds that children with absent mothers lag behind in school, and remittances do not compensate for this loss. This suggests that some of the costs and benefits of migration are invisible in the most easily-accessible data.

Migration and well-being

Achievement of happiness and satisfaction is one of the main objectives in any human activity, certainly including migration. Yet, until recently there has been almost no work directly on this issue. Stillman et al. (2014) investigate the effects of migration on migrants' subjective and objective well-being. They use an uncommon natural experiment—a random lottery of visas to New Zealand distributed in Tonga—to isolate the causal relationship between mobility and the “sorrow, melancholy, and despair” that some observational studies attribute to migration. Do migrants sacrifice feeling happy or feeling respected in order to reap the economic benefits of living overseas? They find that migration has mixed effects: migration improves migrants' subjective mental health and income adequacy, reduces feelings of happiness and social respect, and does not alter self-rated overall welfare. These complex effects contrast with uniformly large improvements in *objective* measures like income, but are also incompatible with the idea that migration generally harms subjective

well-being. Many of the experimentally-measured effects are quite different from migrants' retrospective impressions of the effect.

Financial transfers beyond traditional remittances

A common presumption in the academic and policy literatures is that the main transfers from migrants to their home countries take place through remittances. Transfers of cultural norms and knowledge recently emerged as another key development-related transfer in the migration literature. Yet there is another type of monetary transfer that has been almost completely ignored: donations. Licuanan, Mahmoud, and Steinmayr (2014) provide some of the first economic research on the determinants of remittances sent to community charity projects rather than to private households. They study the universe of donations sent to the Philippines by overseas migrants through the LINKAPIL program of the national Commission on Filipinos Overseas. What are the traits of destination countries whose Filipino migrants send more donations, and what are the traits of regions in the Philippines that receive more donations? What do these patterns tell us about migrants' motives for sending donations? They find that migrants' donations rise with incomes among the diaspora, consistent with a pure altruism model of donations, but also rise with destination-country xenophobia. The latter, if it means migrants are less likely to assimilate at the destination, might suggest that migrants also send donations to enhance status at home ahead of future return. The provinces of the Philippines that receive more migrant destinations are those with high levels of migration and relatively high levels of income—inconsistent with pure altruism—but donations respond altruistically to natural disasters at home.

Djajić and Vinogradova (2014) advance the economic theory of how households' temporary migration decisions interact with their saving decisions. Earlier research has elaborated two broad classes of theory. In one class, households engage in temporary migration until they earn enough for some savings target, such as a real estate purchase. In the other class, households allocate their time between the destination country and the origin country in order to maximize lifetime utility. The models are incompatible: higher earnings at the destination, for example, would reduce migration time in the former class but extend migration time in the latter class. Growing evidence suggests that migrant behavior reflects both considerations, and this paper sets out to reconcile the contrasting models. They explore a novel model in which migrants both have a clear saving target and choose migration duration to maximize lifetime utility. They derive conditions under which migrants

might overshoot or undershoot the saving target, opening research avenues regarding the relationship between temporary migration and financial or real estate markets at the origin.

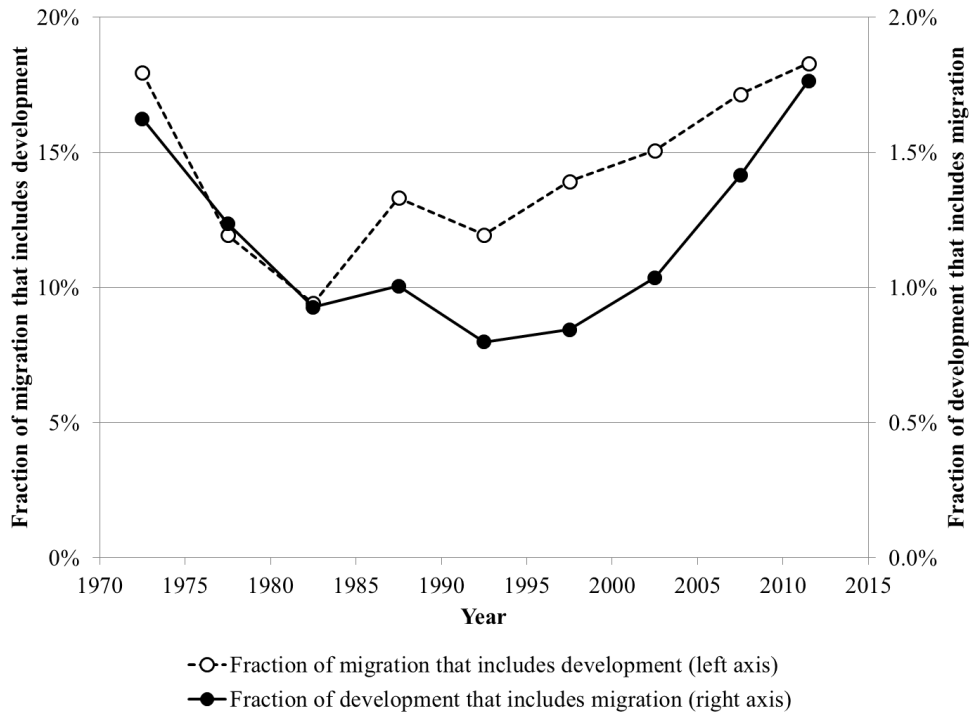
The papers in this special issue are just a sampling of a new and growing literature. Migration and development is now a recognizable subfield, and we expect research interest in migration and development to grow. An international and high-quality research community is coalescing around this theme, there have been large improvements in data quality (and more will come), and increasing migration flows and pressures around the world are likely to claim still-rising interest from policymakers. This policy interest is being institutionalized around the world, such as in newly-created ministries of diaspora affairs or in Europe's Center for Mediterranean Integration.

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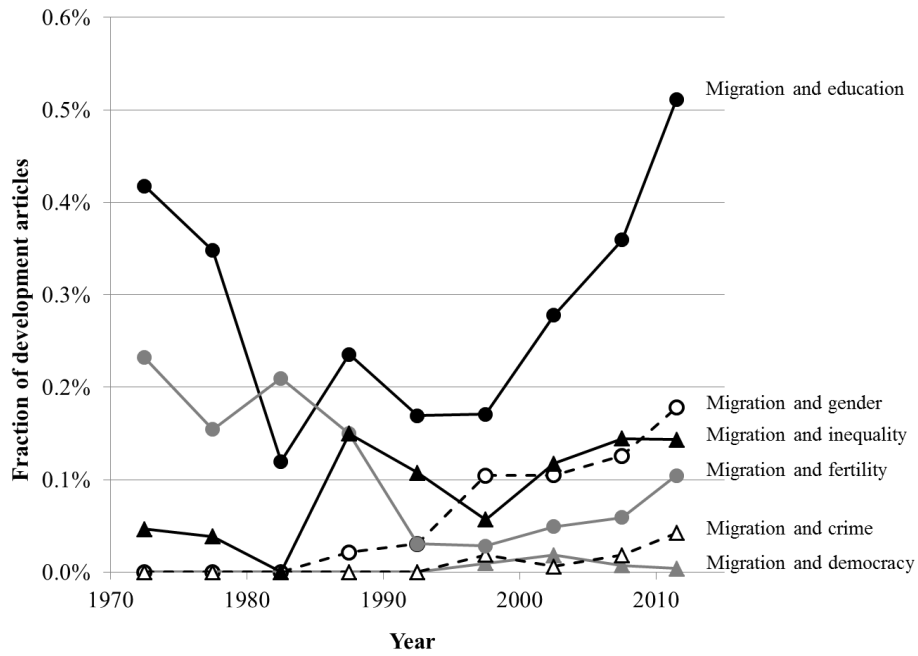
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Figure 1: Two waves of economic research on migration and development



Source: Numbers of published economics journal articles in the RePEc IDEAS database, accessed April 30, 2014. ‘Development’ papers include one or more development-related terms in the title; ‘migration’ papers include one or more migration-related terms in the title. Sexennial averages (due to IDEAS search interface) inclusive of endpoint years (e.g. 1970–1975, 1975–1980, etc.) except final period, which covers 2010–2013 inclusive.

Figure 2: Migration and development articles cover a growing range of human development topics



Source: Numbers of published economics journal articles in the RePEc IDEAS database, accessed April 30, 2014. ‘Development’ papers include one or more development-related terms in the title; ‘migration’ papers include one or more migration-related terms in the title. Sexennial averages (due to IDEAS search interface) inclusive of endpoint years (e.g. 1970–1975, 1975–1980, etc.) except final period, which covers 2010–2013 inclusive.