Center for Global Development

CGD BRIEF
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Can Development Assistance Deter Emigration?

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KEY TAKEAWAYS

1. **Economic development in low-income countries typically *raises* migration.** Evidence suggests that greater youth employment may deter migration in the short term for countries that remain poor. But such deterrence is overwhelmed when sustained overall development shapes income, education, aspirations, and demographic structure in ways that encourage emigration.

2. **This will continue for generations.** Emigration tends to slow and then fall as countries develop past middle-income. But most of today's low-income countries will not approach that point for several decades at any plausible rate of growth.

3. **Aid has an important role in positively shaping migration flows. Realizing that potential requires massive innovation.** Because successful development goes hand in hand with greater migration, aid agencies seeking to affect migration must move beyond deterrence. They must invest in new tools to change the terms on which migration happens.

As waves of migrants have crossed the Mediterranean and the US Southwest border, development agencies have received a de facto mandate: to deter migration from poor countries. The European Union, for example, has pledged €3 billion in development assistance to address the "root causes" of migration from Africa. The United States has made deterring migration a centerpiece of its development assistance to Central America.

Will it work? Here we review the evidence on whether foreign aid has been directed toward these "root causes" in the past, whether it has deterred migration from poor countries, and whether it can do so. Development aid can only deter migration if it causes specific large changes in the countries migrants come from, and those changes must cause fewer people to move.

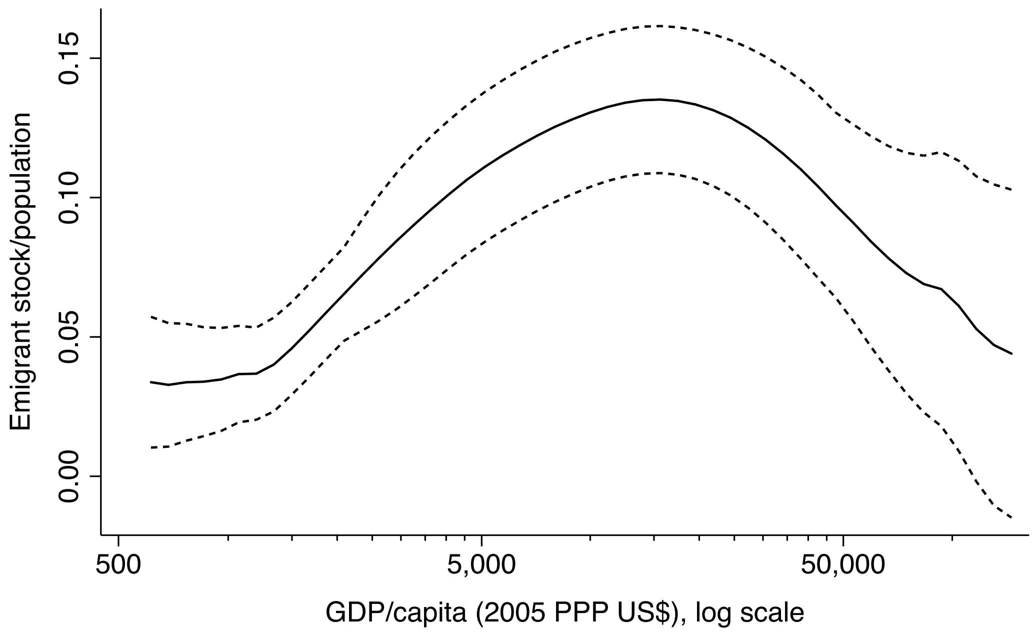
WHAT ARE "ROOT CAUSES" AND IS AID DISBURSED ACCORDINGLY?

It is not always clear what "root causes" of migration targeted by aid are. The EU Trust Fund for Africa, for

This brief is based on a CGD policy paper, "Deterring Emigration with Foreign Aid: An Overview of Evidence from Low-Income Countries," available at https://www.cgdev.org/publication/deterring-emigration-foreign-aid-overview-evidence-low-income-countries.

example, identifies four key policy areas: employment creation, basic local service provision, migration management, and governance—including conflict prevention and border management. Yet few details are published on key project mandates under these broad umbrellas; specific targeting of so-called migration drivers is even less clear.

FIGURE 1. Level of emigrant stock vs. level of real income, all countries 2013



GDP per capita is adjusted for price differences between countries. Emigration rate is the fraction of people born in each country that live in another country. The solid line is a moving average across countries at a similar income level; the dotted lines show a 95 percent confidence interval for that average.

It is therefore difficult to assess whether aid is actually disbursed in line with "root causes" rhetoric. A small literature finds that overall aid increases with growing migrant populations, but there is no evidence of increased targeting to specific migration-relevant sectors. An index of migration-relevant aid, including commonly identified "root causes" interventions, yields no clear evidence that aid systematically targets "root causes" of migration. That is, migration-relevant sectors do not seem to receive more funding in major migrant-origin countries than the average aid recipient. A worldwide wave of new "root causes" aid is unlikely.

HOW DEVELOPMENT AID SHAPES "ROOT CAUSES"

It is not enough for aid to target development outcomes that could shape migration in principle. Aid must also affect these migration-relevant development outcomes *to a sufficient extent* to deter emigration.

Migration-relevant aid programming often seeks to achieve long-run economic growth, increased youth employment, conflict reduction, and improved human rights. Starting with economic growth, first assume that aid can jump-start a poor country's economy. At its historical rate of growth, it would take until the year 2198 for this country to reach a development level where emigration typically begins to fall with greater development (approximately $8,000–10,000 in income per capita, adjusted for price differences between countries). If the growth rate tripled, this process would still take until 2067. It is far from clear that such growth is feasible.

It is similarly unclear that foreign aid can meaningfully increase youth employment. Job creation programs are often less effective than expected, and there is no indication that aid can improve these outcomes. Though occasionally intensive job training has reduced youth unemployment, there is scant evidence that such programs can be scaled up to achieve national impacts.

The evidence on aid's effect on violence prevention and human rights is mixed. In fact, the evidence indicates that aid in conflict zones is more likely to exacerbate than to temper violence. This is true for multiple types of aid-funded interventions—including conditional cash transfers, humanitarian assistance, and employment promotion. Aid can have small short-term effects on human rights, but the scale and sustainability of these efforts is far from guaranteed.

This is not to say that aid cannot affect conditions in major migrant-origin countries in the future. But aid would need to act in unprecedented ways, at much higher levels of funding and over generations, to sufficiently affect drivers of migration.

HOW MIGRANTS RESPOND TO LONG-TERM CHANGES IN THE "ROOT CAUSES"

Even if aid could affect migration-relevant development outcomes in principle, we would still need to know that these changing conditions drive migration in practice. We therefore need to understand the two major ways people in poor countries use migration to improve their economic lives: investment and insurance.

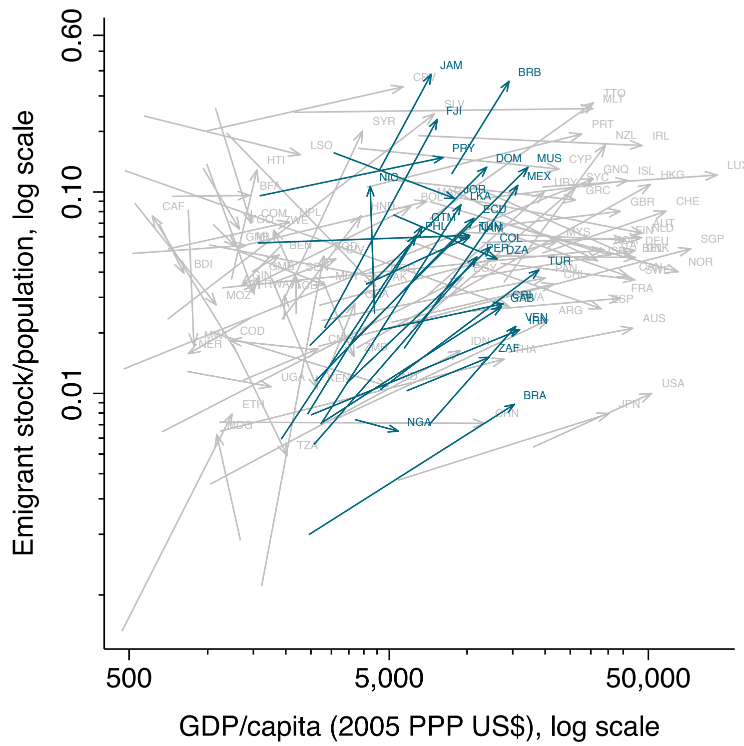
As an investment, families exchange up-front costs for large but delayed income gains from overseas work. This suggests a complex relationship between migration and economic development. Greater economic opportunity at home may decrease the incentive to invest in working abroad, but may also make such an investment more feasible. Emigration from middle-income countries is typically much higher than from poor countries; countries earning $8,000-10,000 per capita annually have three times more migrants as countries earning $2,000 or less (figure 1).

This suggests that development does more to encourage migration in the poorest contexts than to stem it. This is true both for a snapshot of all countries at one point in time and for individual countries' paths over time. Emigration from countries that remain poor is low; in contrast, emigration rose from 67 of the 71 countries that grew to middle-income status over the past 50 years (figure 2).

What about the long-term relationship with noneconomic development indicators? Improved health outcomes and increased urbanization could also plausibly substitute for emigration; however, the data show little relationship between these trends. Therefore, there is little reason to believe that changes in such indicators will systematically deter emigration.

Poor families may also use migration as insurance to diversify capital and income against future shocks such as job loss or illness. The relationship between development and migration is again complex in this setting. More stable economies can reduce the need to insure against shocks, but as aspirations rise, so can the need

FIGURE 2. Almost all poor countries that successfully developed (teal) have seen large rises in emigration



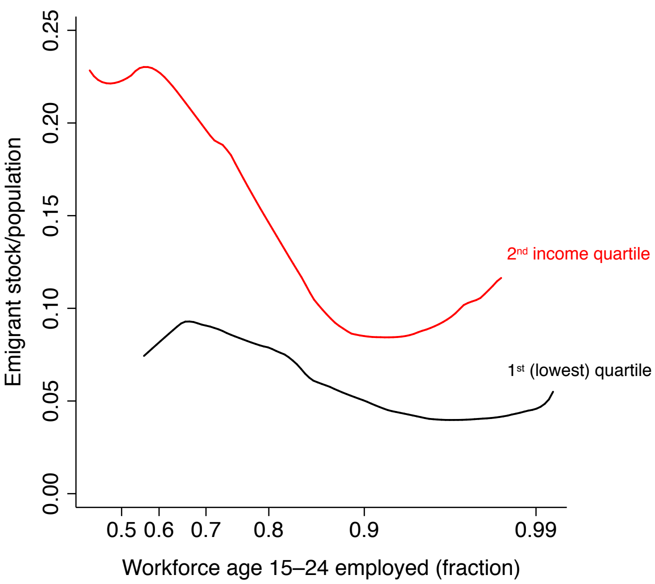
The figure shows the change in emigration rate that each country experienced between 1960 and 2013, compared to the change in real income per capita during the same period. Each country's starting point in 1960 is the base of the arrow; the pointed tip of the arrow is where it finished in 2013.

for insurance. Here we use the youth employment rate as a general guide to the probability that any given young person can supplement household income through wage work.

There is an unmistakable negative relationship between youth employment and emigration. The emigration rate in countries with youth employment over 90 percent is half that seen in countries where only 70 percent of youth are employed. However, emigration is much higher for relatively richer countries at *any given level* of youth employment (figure 3).

The graph shows that countries in the richer quartile with 90 percent youth employment have similar emigration rates to countries in the poorer quartile with 60 percent youth employment. This suggests that increased employment may substantially reduce migration rates in poor countries that remain poor. But it is unlikely to reduce migration in robustly growing and diversifying economies.

FIGURE 3. Emigration rates vs. youth employment, in the poorest and second-poorest quarters of countries



Average relationship between the emigration rate and the youth employment rate. "Youth employment" omits youths not in the labor force.

LESSONS FOR AID OFFICIALS TASKED WITH "DOING SOMETHING" ABOUT MIGRATION

The evidence that aid can substantially and sustainably deter emigration is weak at best. There is little sign that aid has systematically targeted the most migration-relevant sectors or locations. The ability of aid to cause large, short-term changes in national income, employment, or security is not independently demonstrated. And overall development—better incomes, health, and education—is in fact strongly associated with rising emigration. It is therefore unsurprising that the few cross-country studies testing the overall relationship of aid on migration imply that aid may have actually encouraged migration rather than deterring it.

These conclusions suggest four key lessons for policymakers:

First, *youth employment programs in poor countries can modestly reduce emigration spikes in the short-term*. But the record of such programs is checkered and expectations should be modest. In countries where job creation goes hand in hand with sustained overall economic development, emigration is likely to rise.

Second, we need more information on "root causes" aid. Without improved transparency and reporting on relevant aid programming, it is impossible to understand these projects' on-the-ground impact. *A simple first step would be to follow the precedent set by the OECD Creditor Monitoring System reporting of aid projects targeting environmental and gender inequality.*

Third, *this field needs rigorous experimentation and evaluation*. Carefully evaluating the impact of new aid efforts on international migration requires—at a minimum—a control group and the ability to track affected families who have moved abroad. Research facilities created under the EU Africa Trust Fund are well-placed to take advantage of this unexplored opportunity; other aid agencies could do the same.

Fourth, *aid efforts aimed at shaping migration must look beyond deterrence*. Demographic realities imply that large-scale migration will continue for the foreseeable future; traditional aid and interdiction are unlikely to deter the majority of these flows. Aid agencies should therefore focus on cooperation with migrant-origin countries to shape *how* migration occurs.

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