

Evidence Brief

What Works in Addressing Global Poverty – Migration and Refugees

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Key Points

1. People are on the move around the globe. While migration can be overwhelming to many host communities, it also represents an untapped opportunity to promote development and economic growth.
2. Some policymakers have responded to recent increases in migration with deterrence strategies, including aid to increase opportunities in developing countries, heightened security measures, and information campaigns on the perils of migration. These approaches have been largely ineffective.
3. Another approach is to promote safe and orderly migration. This may include official programs to manage temporary and permanent immigration, as well as evidence-based procedures to integrate newcomers into the workforce and local communities.

The Problem

People are on the move. Around the world, an estimated 270 million people live in a country other than where they were born.

Most migrants leave their homes voluntarily, but some 70 million people have been forcibly displaced, pushed out of their place of origin usually by violence or persecution. Many of them remain in their home countries and move to urban areas or resettlement camps. But about 26 million are refugees, who flee their home country to escape war, ethnic violence, or other catastrophes.

How governments view and categorize migrants can have a profound effect on the obstacles and opportunities migrants find before them. Migrants can find themselves categorized along two dimensions: those who are

documented versus those without authorization to be in a particular country, and those who move voluntarily versus those forced from their homes. Designing policies to manage the large number of migrants humanely and efficiently is difficult, especially given how frequently governments erect barriers to movement and integration based on these migrant categories. At the same time, sound, evidence-based policies can provide tools for promoting development and supporting all migrants. Four characteristics of migration in the 21st century frame both the challenge and opportunity around migration:

- **Migration is inevitable.** The factors prompting people to pick up stakes are widespread, deeply rooted, and increasing in scope. For example, the population of sub-Saharan Africa is projected to double by 2050. It currently has one of the world's lowest cross-border immigration rates (Gagnon, 2018), but if its population

rises as we expect, the number of people leaving their homeland will multiply.

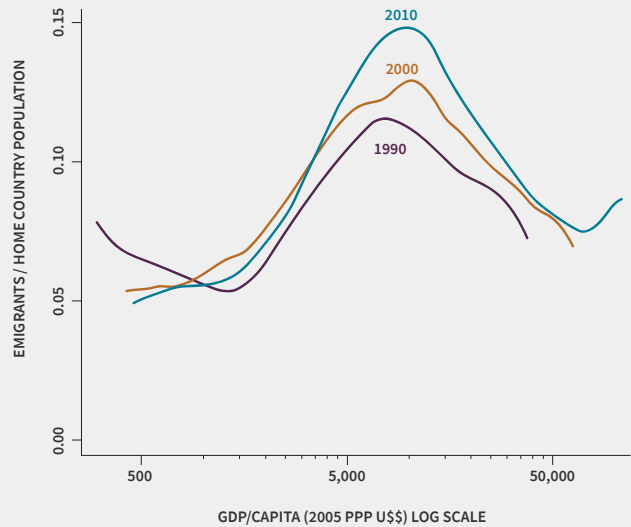
- **Migration is persistent.** Violent conflicts have lasted in some countries for years and decades, accounting for a large proportion of the worldwide refugee flow. These stubborn conflicts are unlikely to diminish.
- **Migration can be overwhelming.** Policymakers and citizens in some countries feel overwhelmed by the influx of people from other places. Approximately two thirds of all migrants live in 20 countries, and developing countries are home to over 80 percent of the world's refugees (Costa & Martin, 2018; UNHCR, 2017). The concentration of migrants and refugees in a few countries can cause social and political conflict.
- **Migration is an economic driver.** The remittances migrants sent to low- and middle-income countries exceeded \$500 billion in 2018 (KNOMAD, 2019). In driving the movement of both labor and capital, migration is contributing to economic development, and it has the potential to contribute even further.

What We've Learned

In the current policy environment, receiving countries feel unable to manage migrant flows. To date, many countries have emphasized stopping people from coming. Policymakers have relied on three strategies to deter migration: money, security, and information. But evidence suggests that these three deterrence strategies are ineffective.

Money. Foreign aid is thought to slow immigration by promoting development and economic opportunity in the home country, thereby giving potential migrants the

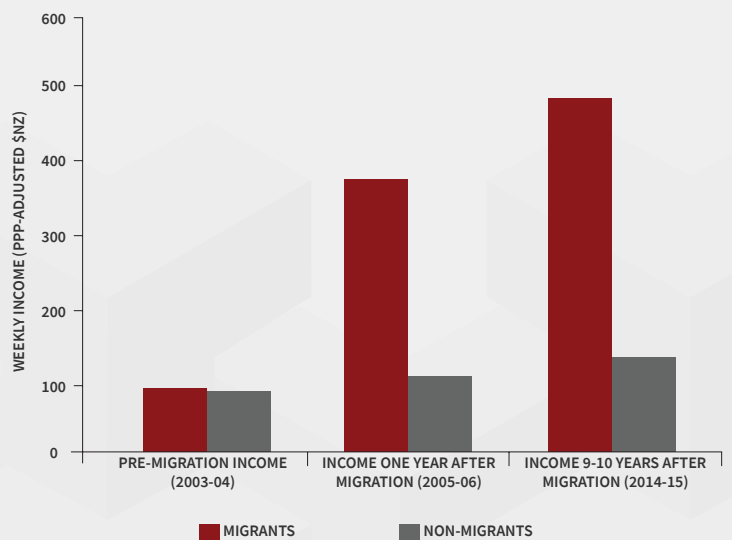
Middle-Income Countries Experience More Out-Migration than Low or High-Income Countries



Source: Clemens, "Does Development Reduce Migration?" (2014)

High Economic Returns To Migration

WAGE GAINS OF TONGAN MIGRANTS TO NEW ZEALAND ARE LARGE AND PERMANENT



Source: McKenzie, Stillman, & Gibson, "How Important is Selection? Experimental vs. Non-Experimental Measures of the Income Gains from Migration" (2010)

incentive to stay. However, as per capita income increases, migration rates rise. The reason is that migration is costly. The more education and resources people have, the more they have the motivation and the means to leave their homeland. This effect is apparent until per capita GDP reaches approximately \$7,000 (Clemens, 2014).

Additionally, foreign aid programs don't change the fact that migration is often a high-return investment for residents of low- and moderate-income countries. For example, a study of Tongans who moved to New Zealand found that their wages increased six-fold after relocating, and the gap with those who remained in Tonga expanded over time (Gibson et al., 2018; McKenzie et al., 2010).

Security. Authorities commonly try to curb migration through heightened border control and police activity. But security strategies don't address the underlying reasons people leave their places of origin. As a result, such measures tend to encourage smuggling and drive migration underground or shift it to places where barriers are lower.

A recent study of the expansion of the border fence between the U.S. and Mexico from 2007 to 2010 found only limited benefits to U.S. workers. Fence construction cost an average of \$7 per person in the U.S., while providing low-skill U.S. workers gains equivalent to about \$0.28 per person (Allen et al., 2018).

Information. Many policymakers believe that migrants decide to move without understanding the grave risks and uncertain rewards involved. For example, the thinking goes, West Africans heading to Europe may not know that they are likely to end up in a Libyan detention center. This view has spawned a series of initiatives to inform people of the perils

of migration. But interviews suggest that most migrants are aware of these dangers (Kuschminder & Dubow, 2019). They decide to migrate only after weighing the risks against potential benefits and the situation they must contend with if they remain where they are.

Alternative Policies: Departure

If these deterrence strategies don't work as intended, and the motivation to move there persists, receiving countries can shift focus to promoting safe and orderly migration. This approach aims to make sure that receiving countries and migrants alike experience the economic benefits of migration.

One barrier to safe and orderly migration may be the upfront cost of migrating—namely, transport. In Bangladesh, an experimental program called No Lean Season encouraged internal migration from farming communities to urban areas where work and other opportunities to earn income were more widely available. Farmers were given subsidies for transporting a family member to a place where he or she could earn money until crops were ready for harvest.

The program significantly boosted migration, and with it the incomes and food consumption of the sending families (Bryan et al., 2014). But the results were not duplicated when No Lean Season scaled up, primarily because it was hard to ensure that people getting the subsidy were those who needed it most (Evidence for Action, 2019). Nevertheless, the program identified a potential avenue to explore and test how similar encouragements could be used to increase economically productive international migration.

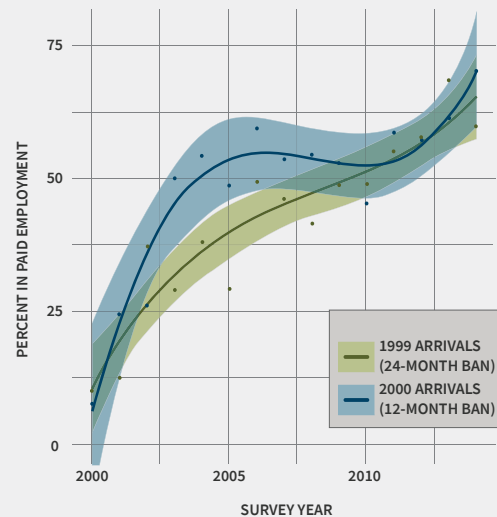
Alternative Policies: Arrival

In responding to the arrival of immigrants, policymakers can facilitate or create obstacles to integration. Germany offers a lesson on the importance of granting early access to labor markets. In the late 1990s, a German court shortened the time newly arrived asylum seekers had to wait to work from as long as 24 months to 12 months. Those who came to Germany when the briefer waiting period was in effect found jobs more quickly than the others. The employment rates of the earlier arrivals, who had to wait longer to enter the labor market, didn't catch up until almost 10 years later (Marbach et al., 2018).

Similarly, decisions about where to settle refugees significantly influence whether they will find work and successfully integrate. The Immigration Policy Lab developed a tool to help place refugees and asylum seekers. Historical data on refugees is used to build an algorithm that predicts an individual's chance of success in different resettlement locations and recommends the best match (Bansak et al., 2018). The tool is being tested in pilot programs in Switzerland and the U.S.

These examples don't apply everywhere, however. In Colombia, rapid issuance of work permits to Venezuelan migrants is unlikely to work, because the number of jobs in the formal sector is limited. And location matching isn't practical in a place like Jordan, where Syrian refugees represent roughly 10 percent of the population. But the above approaches offer important lessons in how policy can help unlock the economic potential of migrants.

For Asylum-Seekers, Early Employment Bans Suppress Long-Term Employment Rates



Source: Marbach, Hainmueller, & Hangartner, "The long-term impact of employment bans on the economic integration of refugees" (2018)

Recommendations

The challenges raised by people leaving their native countries, especially when they are pushed out by violence and persecution, should be addressed by promoting safe and orderly migration. In receiving countries, policy should focus on effective integration, which means in particular ensuring that newcomers become economically productive members of their communities.

Several strategies are needed to respond more effectively to the issues raised by mass departures and the integration of large numbers of migrants.

1. *Develop durable solutions to large-scale refugee crises.* When massive numbers of people are forced from their homes, they may never have the option of returning to their places of origin. Immigration policy should focus on finding new homes for them so that they don't become long-term residents of refugee camps. This is a daunting task given the numbers of people involved and immigration fatigue in many receiving countries. Nevertheless, this must be a priority of immigration policy.
2. *Reduce anti-migrant sentiment.* Active measures to counter immigration fatigue are essential. The goal of policy should be to foster tolerance. New arrivals should be seen as partners in building the economy, not as competitors for jobs and public services.
3. *Encourage appropriate temporary migration.* Well-conceived and managed internal and external temporary migration programs give people economic resources and generate income that supports development.
4. *Use technology to improve integration.* Artificial intelligence and big data can help determine the locations where immigrants are most likely to thrive. Ethically and equitably introducing new technology to support decision-making can improve outcomes for immigrants and reduce costs for governments.
5. *Take steps to move migrants into the workforce as soon as possible.* Migrants' long-term prospects are closely linked to how quickly they enter the formal labor market.

Fundamentally, research on effective policies to unlock migration as a driver of development is insufficient, and evidence is lacking on what strategies are likely to succeed. A wide-ranging research agenda is needed to fill in the gaps in our understanding.

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Duncan Lawrence is the executive director of the Stanford Immigration Policy Lab. He received his Ph.D. in political science from the University of Colorado Boulder. He is a two-time Fulbright recipient, first serving as a Fulbright English teaching assistant in Argentina

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