



When does migration lead to positive economic outcomes?

Remittances, strong transnational ties and return migration can lead to higher wealth and lower poverty levels in countries of origin. However, they need to be coupled with other factors to see such positive economic developments.

Remittances are an important path to higher wealth in a country of origin, but there must be low levels of inequality to see these positive impacts.

Regular contact is needed between migrants and their household members at home to see positive economic outcomes for those staying behind.

Return migration, when voluntary, can result in high wealth and low poverty levels in a country of origin.

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In São Nicolau, Cabo Verde, Emigrants have long helped to sustain a decent standard of living for most residents.

Source: Jørgen Carling for MIGNEX.

Migration can have developmental effects through at least three channels: 1) the absence of a person, 2) the receipt of remittances by households staying back and 3) return migration. Much research has investigated how these channels can positively contribute to development in migrants' areas of origin. But what is generally missing is an understanding of how these positive effects differ among varied types of household and community of origin, and to what extent the context of migration and the local conditions matter.

This policy brief provides insights into the circumstances when these three channels have positive effects on economic development. It draws on mixed-methods data across 26 research areas in Africa, Asia and the Middle East. The policy brief is based on research documented in three MIGNEX Background Papers: *QCA of the development impact of migration*, *Direct effects of migration on development* and *Development impacts of migration as reflected in focus groups*.¹

Remittances do boost wealth, but addressing inequality is key

Monetary remittances – that is, the money migrants send back to family and friends in their country of origin – significantly contribute to higher levels of wealth and land

ownership. People surveyed in MIGNEX research areas consistently highlighted the perceived importance and positive impacts of remittances on the livelihoods of recipients.

With money that people send back to their families, it will impact on the area positively because that money will be used for construction and flourishing of lives.²

At the same time, however, it is crucial to recognise that remittances do not automatically lead to lower levels of poverty in a community. The broader socio-economic context matters, in particular whether an area is thriving or stagnant and whether the policy environment is conducive, for instance whether there is a policy in place to enhance the impact of remittances.

Strong transnational ties are important for positive economic outcomes

Transnational ties³ are important in keeping a strong connection between a migrant abroad and their household and community back home. Migrants who stay connected can, for example, send social remittances (knowledge, norms and values that are transferred back)⁴ and invest in the community in their area of origin.

In MIGNEX focus group discussions, people underlined that only those migrants who stay in touch with their households and the

community have the potential to contribute to positive outcomes for those staying back. More concretely, among those who know an international migrant, being in touch with that migrant at least once a month is associated with positive economic outcomes like wealth and land ownership.

The community does not always benefit because some people migrate only for personal reasons and so they only have thoughts about their life. Some also remember the community they come from and so they tend to help the community in some ways.⁵

Additionally, when combined with other factors, strong transnational ties are associated with positive economic outcomes like higher levels of wealth and lower levels of poverty in communities of origin. For example, when strong transnational ties are combined with high levels of return migration, we see positive economic outcomes. And when strong transnational ties are coupled with widespread migrant investment, we also see higher levels of economic well-being.

Return that is voluntary, not forced, is important for both high wealth and low poverty

When it comes to return migration, the type of return matters for development.

This specifically refers to the distinction between returns by force (deportations) and those that are entirely voluntary. Voluntary returns are important in explaining high levels of wealth and low levels of poverty.

MIGNEX research also shows that it makes a difference which destination country the return migrant is coming from. Return from high-income countries more often has positive effects compared to return from other countries.

A mix of factors is needed to see positive economic developments

Migration is not a silver bullet to fostering development, and its effects vary depending on the broader socio-economic environment and policies.

Hence, it is important to put policies in place that enhance the positive effects while mitigating the negative effects, in both the country of origin as well as country of destination.

- To enhance their benefits, remittances should be seen in the broader context. This means that remittance-related policies should be implemented within an environment conducive to economic growth and poverty alleviation.

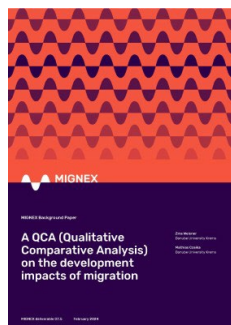


A remittance poster in Chot Dheeran, Pakistan, where international migration supports local development, yet the effects often reinforce socio-economic disparities.

Source: Marta Bivand-Erdal for MIGNEX.

- While return migration is often discussed as important for development, it is clear that return needs to be voluntary not forced or coerced to actually lead to development.
- Strong transnational ties allow for social remittances and investments to flow back to households and communities of origin. Therefore, enhancing diaspora engagement policies to strengthen ties between migrants and their communities of origin can effectively facilitate these flows. For example, by setting up platforms for exchange, governments and organisations can incentivise migrants to contribute more actively to the development of their places of origin. This can include financial investments, knowledge transfer, skills development and cultural exchange.

Further reading



Weisner Z. and Czaika M. (2024) A QCA (Qualitative Comparative Analysis) of the development impacts of migration. MIGNEX Background Paper.

mignex.org/d075



Kandilige L. and Marchand K. (2023) Development impacts of migration as reflected in focus groups. MIGNEX Background Paper.

mignex.org/d074

Notes

¹ See Kandilige L. and Marchand K. (2023) Development impacts of migration as reflected in focus groups. MIGNEX Background Paper. Oslo: Peace Research Institute Oslo; Marchand K., Hagen-Zanker J., Memon R., Rubio M. and Siegel M. (2023) Direct effects of migration on development. MIGNEX Background Paper. Oslo: Peace Research Institute Oslo; Weisner Z. and Czaika M. (2024) QCA of the development impacts of migration. MIGNEX Background Paper. Oslo: Peace Research Institute Oslo.

² Respondent in MIGNEX focus group discussion with men in Shahrake Jabrael, Afghanistan.

³ Transnational ties refer to the regular contact of individuals with migrants abroad. This is captured in the MIGNEX survey as item F8: 'Would you say that there is any of them that you have been in contact with every month?'.

⁴ On this point see: Memon R., Siegel M. and Hagen-Zanker J. (2024) How do social remittances affect development? MIGNEX Policy Brief. Oslo: Peace Research Institute Oslo. Available at <https://www.mignex.org/d076a>.

⁵ Respondent in MIGNEX focus group discussion with women in New Takoradi, Ghana.

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MIGNEX – Aligning Migration Management and the Migration-Development Nexus – is a five-year research project (2018–2023) with the core ambition of creating new knowledge on migration, development and policy. It is carried out by a consortium of nine partners: The Peace Research Institute Oslo (coordinator), Danube University Krems, the University of Ghana, Koç University, Lahore University of Management Sciences, Maastricht University, ODI, the University of Oxford and Samuel Hall.

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