

Does Development Assistance Reduce International Migration?

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A “master plan” to manage migration ...



... with a focus on countries of origin

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Key feature: Training, job creation at points of origin

Maßnahmen

1. **Verringerung der Fluchtursachen:** Durch die Ausweitung der Maßnahmen der entwicklungspolitischen Zusammenarbeit wie beispielsweise den Aufbau von Infrastruktur und **Investitionen in Bildung und Beschäftigung.**
2. Temporäre Beschäftigung sichern: Wer ein Auskommen hat, flieht nicht aus seiner Heimatregion. Die „Beschäftigungsoffensive Nahost“ wird verstetigt und ausgeweitet. Damit werden die Maßnahmen für die Rückkehr von Millionen von Binnenflüchtlingen in den Fluchtländern verstärkt.
3. Schulbesuch in den Herkunftsregionen gewährleisten: Familien ziehen weiter, wenn ein Schulbesuch ihrer Kinder nicht mehr möglich ist. Umgekehrt gilt: Familien werden zögern in ihre Heimat zurückzukehren, wenn keine Ausbildung für ihre Kinder möglich ist. Daher wird das Engagement im Bildungsbereich weiter ausgebaut.
4. **Dauerhaft Arbeitsplätze schaffen:** Mit der Sonderinitiative „**Ausbildung und Beschäftigung**“ wird auf eine neue gezielte und vernetzte Zusammenarbeit von und mit Unternehmen gesetzt. Der Schwerpunkt liegt auf der Region des Maghreb und den afrikanischen Reformpartnerländern.

So what happened?

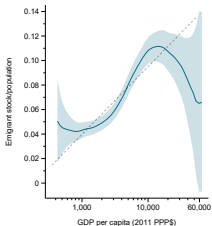
- Remarkably, BMZ **funded independent randomized controlled trials**, conducted by our team at GIGA/RWI
- Initial tentative results suggest **limited effects** of training and productivity interventions on migration-related outcomes
- But first, let's step back:
 - How do economic conditions relate to migration?
 - And how does development assistance affect migration patterns?

Economic development and migration

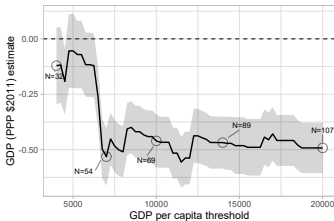
- Migration can be a **strategy of adaptation** in the face of hardship
- But it can also be an **investment** in good times, requiring disposable income
- Economic development affects individuals' migration calculus in any number of ways:
 - **Education** can improve options at home, or fuel migration aspirations and enable departures
 - **Links to networks** abroad can create opportunities for migration, or alleviate the need for it
 - **Savings and slackened credit constraints** permit investment, into emigration or local opportunities

So which effects dominate?

- Likely **depends on prior conditions** and why they are changing
- Historically and descriptively, observe a **“migration hump”** for emigrant stocks and GDP per capita (OECD 2017)



Source: Clemens (2020)

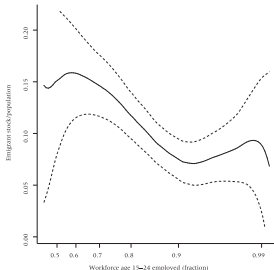


Source: Benček & Schneiderheinze (2020)

- But **short- and medium-term shocks** have economies and out-migration move in tandem (Benček & Schneiderheinze 2020)

But what about more intervention-ready indicators?

- Youth unemployment and migration are correlated, again descriptively



Source: Clemens & Postel (2018)

- So could training youths and placing them into jobs lower their probability to migrate, all else equal?

Alas, not so fast

- **Mixed evidence for efficacy** at best for skills trainings, with employment or earnings effects in 1/3 of (published!) programs
(Kluve et al. 2017, 2019)
- Despite perhaps US\$1B in WB-facilitated annual spending alone (Blattman & Ralston 2015)

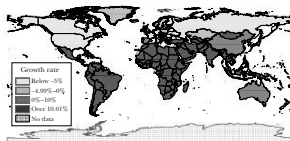
One challenge: Unclear market demand

- One explanation for these findings: **Market demand** belongs in the theory of change
- Need effective skills transfer, but also **need a market for upskilled labor**
- And programs **need to anticipate market needs**
- No easy task, especially in data-poor LMICs (Blattman & Ralston 2015), and an **explanation for negative effects** (Cho et al. 2013, Novella et al. 2018)
- Particularly **difficult in sub-Saharan Africa**, where well-identified studies have been relatively rare
- But **market specificity** an SI objective

What about other types of development assistance?

- For example, development assistance probably supported drastic **decline in child mortality rates** (Kotsadam et al. 2018)
- But **fertility rates have not fallen in SSA** (and tend to fall at higher GDP), so labor market pressures have increased—a structural reason for high exit rates

A: Population Growth 1970–1980



B: Projected Population Growth 2040–2050



Note: Growth for ages 1–14,

UN WPP, via Hanson & McIntosh (2016)

Overall effects of aid on migration contentious

- Some suggest positive association for low-income countries (Berthélemy et al. 2009), later analysis finds overall negative association (Lanati & Thiele (2017))
- New, more granular analysis at project level shows aid dampening both migration aspirations and flows, but in (higher-income) Latin America, not in sub-Saharan Africa (Fuchs et al. 2023)
- In general, very little micro-level experimental evidence

Back to Germany's initiatives in this space



- “Vital” objective that “Africa’s young people can see a future for themselves *in Africa*.”

Special Initiative “Decent Work for a Just Transition”

- **BMZ funding vehicle:** Formerly known as Special Initiative on Training and Job Creation, branded as Invest for Jobs
- **Volume:** 230 million euro budgeted in 2019, 155 million in 2023
- **Aim:** Improve working conditions and overall employment
- **Key characteristics:**
 - KPIs to measure employment as well as job quality
 - Integration with private sector
 - Work closely with local stakeholders
 - Rigorous impact evaluations

Our overall approach



- Randomized controlled trials
- Funded separately from implementers
- Registered analysis plans
- Baseline data collection in 2020/2021, interventions from mid-2021, endline enumeration from late spring until the end of 2022, follow-up data to be collected this summer
- Separate GIGA-implemented work package on foreign investment, greenfield projects with German financing

Professionalization of Artisans (ProfArts)



Country: Ghana

Target group: Artisans in the Ghanaian construction sector

Recruited subjects: 5,400 from Accra, Kumasi, Takoradi, Tamale

Components: Top-up training, discounted access to tools, certification and licensing

Partner: GIZ, GhIE, AAG, Bosch, Vodafone, CBG, uvex, training providers

Fashion-sector trainings for young women (N4G)



Country: Ghana

Target group: Disadvantaged young women, without prior occupational training

Recruited subjects: 1,500 from Accra, Kumasi, Tamale

Components: Technical training in dressmaking, beauty therapy, or hairdressing

Partner: GIZ, SEHP, training providers

Productivity support for MSMEs (PAP-PME)



Country: Côte d'Ivoire

Target group: Established MSMEs with employees

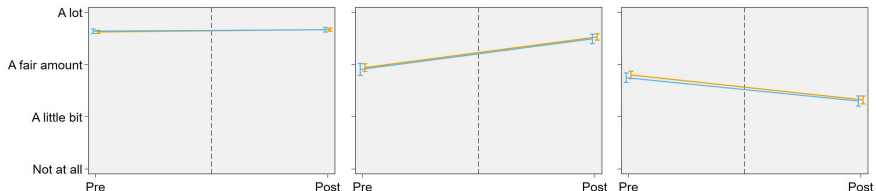
Recruited subjects: 500 firms, 2,000 employees

Components: Six months of consulting support, plus webinar series, with a focus on financial and HR management

Partner: GIZ, CIPME

No effects on migration aspirations

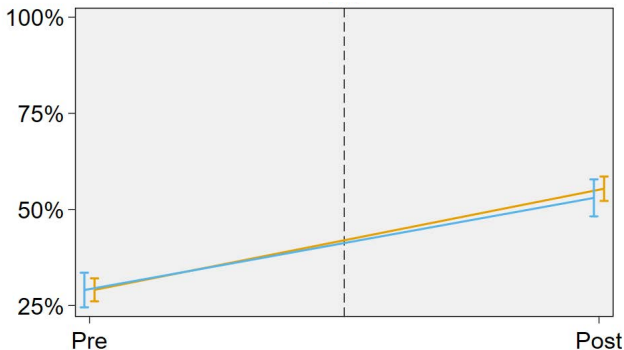
- Results for ProfArts, N4G, PAP-PME
- Treatment groups in orange, control in blue



- No causal effects on preference for living in a different country
- Basic pre-post comparisons would enable three different stories

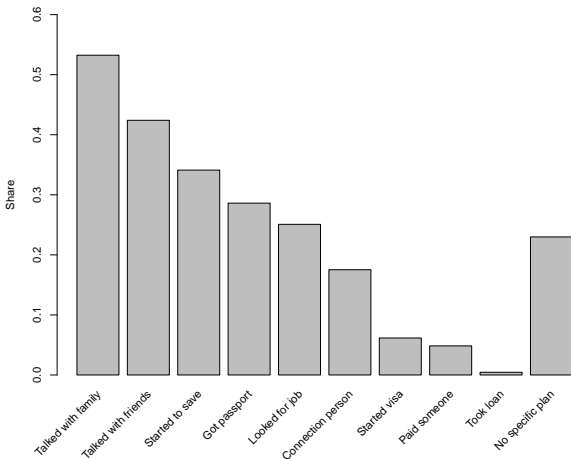
No effects on migration preparations

- Here, share that has taken any preparatory steps, for N4G
- Again, treatment group in orange, control in blue



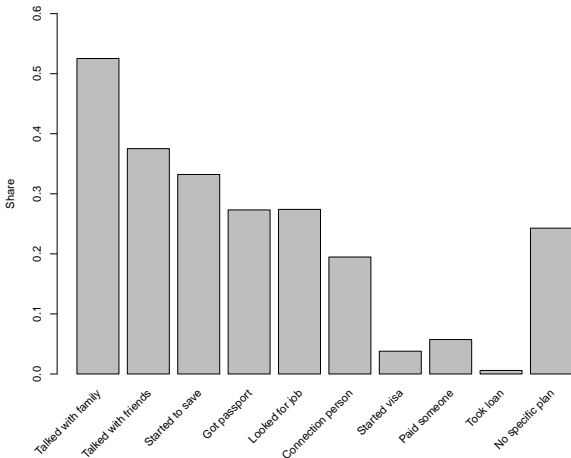
No effects on specific preparatory actions

- For ProfArts, let's show individual actions, first for **treatment**



No effects on specific preparatory actions

- For ProfArts, let's show individual actions, now for **control**



Conclusion

- Analyses of **migration behavior to come**, from follow-up data
- But already clear that **effects, if any, likely small**
- In part due to effects on economic outcomes in some regions/trades only, but also no unambiguous impacts on aspirations/preparations in those areas
- Even if we observe relevant effect heterogeneity going forward, it's **difficult to see interventions like these being part of a “migration master plan”**
- Caveat: These are important SI programs, but do not represent SI or BMZ activities as a whole
- Still, more likely than not, **development assistance of this variety has its place, but is unlikely to reduce international migration from sub-Saharan Africa**