

## GMG Issues Brief No. 3: Migration as an enabler for inclusive social development

### ANNEX

#### Full UNICEF Input to Section III

#### *Financial and social remittances and their impact on empowerment and inclusive social development, with a focus on health and education*

##### Key messages

- Migration, remittances and development are inextricably linked together. While remittances can have positive impacts on families' welfare, in some cases the primary effect of migration is not remittances but family separation. This may create psychosocial and socioeconomic vulnerabilities that may or may not be compensated by the positive effects of remittances.
- **The evidence of migration and remittances' impact on education and health is mixed and country-specific.** While there is positive evidence of the impact of remittances on these social dimensions at the household and community levels, **the existence and sustainability of such impacts varies according to several factors**, including country, gender and socioeconomic backgrounds of households, success of the migration process measured by the amount of remittances sent, and whether the migration is short or long term.
- While remittances may contribute to raise living standards of those in countries of origin, and represent a much needed source of foreign currency earnings for developing countries, **they are private money and not susceptible to all types of policy interventions.**
- **Remittances should not replace the obligations of States to fulfil the fundamental human rights of their citizens;** such as providing access to food, health, housing, education, and decent work, without discrimination.
- Governments can maximize the impact of remittances **by addressing, primarily through universal social policies, basic vulnerabilities that prevent populations from investing in health and education.** These vulnerabilities could be due to migration, to the structural socioeconomic condition of the household or to the inadequacies and inaccessibility of health care and education. **These can be disincentives for households to prioritizing these services for expenditures of remittance receipts.**
- Governments **could also promote the creation of more decent work opportunities which will create incentives to households to invest in education and have access to these opportunities.** Public-private partnerships with the private sector in origin countries, or the investments of members of the diaspora in their home countries are essential to create these structures of opportunities in particular and adolescents and youth.

***Financial and social remittances and their impact on empowerment and inclusive social development, with a focus on health and education***

Financial and social remittances (ideas, knowledge, values, practices and skills) that migrants bring home or that they send from abroad, can have an important impact in improving their lives and those of their families. Although financial remittances can correlate with an improvement in health outcomes for migrants' families, it is important to note that these remittances do not replace the obligations of States to fulfil the fundamental human rights of their citizens; such as providing access to food, health, housing, education, and decent work, without discrimination. Universality of these services is key to ensuring an equitable society. This will lead to better opportunities and outcomes for all, including those left behind, and to maximizing the impact of financial remittances when they are used for human development purposes. Remittances are private money, often earned at a high personal cost to the sending migrant, and there is little evidence that governments or international organizations are in a better position than the recipients of remittances to make sensible decisions about their use. They are not a substitute for effective national development strategies, and migrants should not be pushed to migrate merely in order to generate remittance flows.

Research shows that mobility is likely to benefit the migrants themselves by a raised standard of living as a result of moving from a poorer to a richer country. The country of origin will also usually benefit from asset transfers in the form of financial remittances usually to family members left behind.<sup>1</sup> The World Bank estimates that the total value of financial remittance flows to developing countries will reach \$414 billion this year and may rise to \$540 billion by 2016.<sup>2</sup> Migrants' asset transfers may also come in the form of knowledge, skills or ideas acquired abroad (social remittances) which can bring about cultural and social change in origin societies. Remittances are one of the strongest transnational ties between sending and receiving communities<sup>3</sup> and have been defined by scholars as "transnationalism from below."<sup>4</sup> These transfers are embedded in networks of solidarity and reciprocity among households in different countries. Debates on the migration-development nexus have therefore shifted from a narrow economic analysis of the impacts of financial remittances at the aggregate level to a wider consideration of the complex and possibly opposing effects of different types of transfers at the macro-level (countries), meso-level (communities) and micro-levels (households and individuals).<sup>5</sup>

---

<sup>1</sup> Carling (2004) distinguishes four types of monetary transfers, that have different potentials for development and are susceptible to different types of policy: the intra-family transfers (usually associated with the label 'remittances'), the personal investment transfers (where the migrant usually controls the expenditure him/herself), the collective transfers (e.g. towards collective development projects) and the social security transfers (old age pensions and other benefits). While the first type seems to be the focus of this paper, other types may be mentioned, collective remittances in particular. See: Carling, J. (2004) Policy options for increasing the benefits of remittances, Workshop on *Remittances and Development: beyond increasing incomes* at the Ninth International Metropolis Conference, Geneva, 27/09—01/10 2004. [http://www.gdrc.org/icm/remittance/carling\\_benefits-remittances.pdf](http://www.gdrc.org/icm/remittance/carling_benefits-remittances.pdf) consulted on 01 November 2013.

<sup>2</sup> World Bank (2013). Migration and Remittance Flows: Recent Trends and Outlook 2013-2016. Migration and Development Brief 21, Migration and Remittances Team, Development Prospects Group. According to the World Bank (2013), worldwide, remittance flows may reach \$550 billion in 2013 and over \$700 billion by 2016.

<sup>3</sup> Basch, L, Glick Schiller, N and Szanton Blanc, C. (1994) Nations Unbound: Transnational Projects, Postcolonial Predicaments, and Deterritorialized Nation-States, Basel, Switzerland: Gordon and Breach; Levitt, P. and N. Nyberg-Sorensen. (2004) The Transnational Turn in Migration Studies, Global Migration Perspectives, no 6. Global Commission on International Migration, Geneva.

<sup>4</sup> See: Smith and L. E. Guarnizo (Eds.), (1998) Transnationalism from below. New Brunswick, NJ: Transaction Publishers; Portes, Alejandro, Luis Guarnizo y Patricia Landolt (2003) La globalización desde abajo: transnacionalismo inmigrante y desarrollo. La experiencia de Estados Unidos y América Latina. Ed. FLACSO. México.

<sup>5</sup> Cortina, J and Ochoa-Reza (Eds). (2013) New Perspectives on International Migration and Development, Columbia University Press: New York; Levitt, P. (1998) Local-Level Global Religion: The Case of U.S-Dominican Migration. Journal for the Scientific Study of Religion 37:74-89.

At the micro level, many empirical studies have highlighted the positive contribution of international remittances to household welfare<sup>6</sup>. Financial remittances reach the poorest, and help them to meet food, housing and healthcare needs, often through informal channels.<sup>7</sup> Remittances are also used for savings, financing education, purchasing consumer goods as well as services – although in the first instance they are likely to be used to pay off debts accrued in the migration process. According to Cortina and De la Garza (2004), in the cases of Mexico and El Salvador, almost 80 per cent of familial remittances are sent for family maintenance purposes, including subsistence needs<sup>8</sup>. It has also been shown in a Bank of Jamaica study of the usage of remittances, that some 14% of remittances to households was spent on education, and 7% on medical expenses.<sup>9</sup> However, it has been argued that since remittances are mixed with other sources of household income, it is generally not possible to tie migrant remittances to specific expenditures.<sup>10</sup>

There is wide recognition that remittances alleviate migrant households' poverty by lifting their liquidity constraints. This can be seen as a form of social protection because it diversifies risks and enhances livelihoods. However, the evidence of remittances' impact on education and health is more mixed and country-specific<sup>11</sup>, underscoring the need to improve impact evaluation methodologies and to produce better individual-level data, in particular longitudinal data.

Remittances can also benefit the larger community through their indirect effects, for instance by creating local employment opportunities. Collective remittances, such as those channelled through hometown associations, can also improve the provision of public goods and services and benefit everyone, including members of non-migrant households. With activities ranging from the construction of basic infrastructure, classrooms and health centres to the donation of school and medical supplies,<sup>12</sup> migrant associations can have positive impacts on health and educational outcomes in origin communities.<sup>13</sup> However, evidence from Mexico and El Salvador indicates that only a small proportion of those who send money home remit for community development purposes.<sup>14</sup>

Finally, social remittances (norms, practices, identities and social capital<sup>15</sup>) are an important asset to households and communities in countries of origin. While the effects of the know-how, norms, values, knowledge, behaviour, practices and skills that migrants bring with them or send back to their countries of origin are less tangible and harder to capture, social remittances influence perceptions on health, education and women's empowerment. They can challenge traditional gender roles, and

---

<sup>6</sup> De Haas 2007, Remittances and social development: a conceptual review of the literature, Geneva:UNRISD. Rappoport and Docquier 2005, 'The Economics of migrants' remittances' Institute for the Study of Labor (IZA), Bonn.

<sup>7</sup> "Analyses of remittance utilization patterns show that remittances are mostly used to purchase food, clothing and to cover other basic needs. In addition, recipient households are often obligated to use a substantial portion of the received funds to repay debts incurred to support or to initiate migration. Consequently, despite the dominating motivation to support children left behind and their caretakers, in actuality only a small portion of received remittances is spent explicitly on children." In De la Garza, R. (2010) Migration, Development and Children Left Behind: A Multidimensional Perspective, UNICEF, Policy, Advocacy and Knowledge Management, Division of Policy and Strategy, New York.

<sup>8</sup> Cortina, J and R, de la Garza. (2004) Immigrant Remitting Behavior and Its Developmental Consequences for Mexico and El Salvador, The Tomas Rivera Policy Institute: Los Angeles.

<sup>9</sup> C. Henry (2011) Remittances to Jamaica, Kingston: the Bank of Jamaica

<sup>10</sup> Taylor, E. (1999) The New Economics of Labour Migration and the role of remittances in the migration process, International Migration, vol. 37, No. 1, pp. 63-68.

<sup>11</sup> See, Bryant, J. (2005). "Children of International Migrants in Indonesia, Thailand, and the Philippines: A review of evidence and policies," Innocenti Working Papers inwopa05/32, UNICEF Innocenti Research Centre.

<sup>12</sup> Orozco, M. & Rouse, R. 2007, 'Migrant Hometown Associations and Opportunities for Development: A Global Perspective.' in Migration Information Source: Fresh Thought, Authoritative Data, Global Reach.

<sup>13</sup> Elizabeth Thomas-Hope et al (2009), Development on the Move: Measuring and Optimising Migration's Economic and Social Impacts, Institute of Public Policy Research (IPPR) London and Global Development Network (GDN) Delhi.

<sup>14</sup> Cortina, J and R, de la Garza. (2004) Immigrant Remitting Behavior and Its Developmental Consequences for Mexico and El Salvador, The Tomas Rivera Policy Institute: Los Angeles, p. 21

<sup>15</sup> Levitt, P. (2001). *The Transnational Villagers*. Berkeley and Los Angeles: University of California Press.

change attitudes to health care, reproductive health (fertility, antenatal care, breastfeeding) and education.<sup>16</sup> However, this kind of transfers does not always result in positive behavioural changes.<sup>17</sup>

The positive impacts of migration and remittances may be moderated by various factors. For instance locally, both migration and remittances may accentuate rather than mitigate income inequalities. International migration is a selective process from which the poorest households are often largely excluded, and therefore the ensuing remittances are also selective and not necessarily going to children in the poorest households. Migration in general and remittances in particular will have a much more positive effect when the right social and economic policies are in place.<sup>18</sup>

### *Why is the evidence mixed? The need to separate the impacts of remittances and migration*

Migration, remittances and development are inextricably linked together. When the migration experience is successful, migrants remit and this affects positively families left behind, particularly children (e.g. by lowering child mortality).<sup>19</sup> Successful migration depends not just on the regular flow of remittances and financial support, but also on the creation of strong affective and effective ties and communications links for between those who leave and those who stay. Without such ties, migrants may not be motivated to remit funds.<sup>20</sup> Policy interventions should therefore aim at facilitating such links.

However, except for those cases where a whole family migrates together, one of the effects of migration is not remittances but family separation. This can create similar vulnerabilities to those experienced by orphans or children of divorcees. Any similarities will depend, however, on various factors, particularly on how the dynamics change within the household following the departure of a parent.<sup>21</sup> It should be noted, however, that in some countries of origin the temporary separation of children from their biological parents is not seen as inherently problematic.<sup>22</sup>

The physical and mental health of family members, particularly children and adolescents, can be affected by long-term separation. Paradoxically, it seems that although many parents work abroad to

---

<sup>16</sup> Levitt and Lamba-Nieves. (2010) "It's Not Just About the Economy, Stupid"- Social Remittances Revisited, Migration Information Source, May 2010; Fargues, P. (2006) The demographic benefit of international migration: hypotheses and application to the Middle Eastern and North African Context, World Bank, Policy Research Working Paper 4050.

<sup>17</sup> Şule Akkoyunlu (2013), Migration-Induced Women's Empowerment: The Case of Turkey. RSCAS 2013/77. EUI Working Papers. Robert Schuman Centre for Advanced Studies. Migration Policy Centre. Available at: [http://cadmus.eui.eu/bitstream/handle/1814/28360/RSCAS\\_2013\\_77.pdf](http://cadmus.eui.eu/bitstream/handle/1814/28360/RSCAS_2013_77.pdf), 2-3. See also: Cortes, R. (2007a).

<sup>18</sup> Cortina, J and Ochoa-Reza (Eds). (2013) *New Perspectives on International Migration and Development*, Columbia University Press: New York

<sup>19</sup> Yabiku, S, et.al. "Labor Migration and Children Mortality in Mozambique", *Social Science & Medecine* 75 (2012) 2530-2538

<sup>20</sup> De la Garza, R. (2010) *Migration, Development and Children Left Behind: A Multidimensional Perspective*, UNICEF, Policy, Advocacy and Knowledge Management, Division of Policy and Strategy, New York.

<sup>21</sup> "Literature on the effects of divorce on children –to some extent, a comparable phenomenon in which one of the parents "migrates"– suggests that children whose parents have divorced have higher levels of externalizing behaviors (disruptive, hyperactive and aggressive behaviors) and internalizing problems (withdrawn, anxious, inhibited and depressed behaviors), lower academic achievement, and more problems in social relationships than do children whose parents have not divorced (Lansford 2009: 142). Migration, within this context, may share some similarities and may be different in other respects. The differences or similarities will depend on how the dynamics change within the household once the departure of a parent. For instance, in the case of circular migration, the effects of parental migration may be comparable to those of an amicable and civilized divorce; however is there's parental conflict during the divorce it may affect the life satisfaction of children and adolescents in different ways than that of circular migration." in Cortina, Jeronimo "Beyond the Money: The Impact of International Migration on Children's Life Satisfaction—Evidence from Ecuador and Albania" Under Review.

<sup>22</sup> Xiang, B., *The Impacts of Migration on Children Left Behind*. Presentation on behalf of UNICEF at Asia-Pacific Regional Preparatory Meeting for the General Assembly High-level Dialogue on International Migration and Development 2013, Bangkok, Thailand, 29-31 May 2013.

improve the lot of their children, in some cases the latter suffer emotional stress and physical health detriments as a result of these absences.

When the migration process results in reduced contact with the family or inability to find or retain (long-term) work in the destination country, the left-behind household experiences negative effects of family disintegration and loss of a breadwinner without the mitigation provided by remittances. The household structure may experience changes,<sup>23</sup> removing children's guardians and role models, and requiring older children to take on additional responsibilities. Adolescents are particularly affected due to the expectation either to become the new caregiver or the new breadwinner for the family after the migration of one or both of the parents. This can be problematic in rural areas with a shortage of labour, where children can be forced to drop out of school to engage in farming in order to support the family.<sup>24</sup>

In Tajikistan abandoned households – those where the (male) breadwinner had migrated and severed contact with his left-behind family – fared worse than both remittance-receiving households and non-migrant households in every measure in a recent survey<sup>25</sup>. In particular, abandoned households reported facing major difficulties in covering their health needs. While children left behind in Tajikistan by migrating parents had a tendency to become withdrawn, sad and depressed, this was particularly pronounced for children in abandoned households.

A study in South Africa<sup>26</sup> found that whereas children in remittance-receiving households were significantly more likely to be attending school when compared with those in non-migrant households, children in migrant households not receiving remittances were significantly less likely to be enrolled in school. Significant differences are also seen between successful migrants, i.e., those who regularly and substantially contribute to the welfare of their left-behind households, and unsuccessful migrants, whose remittances are meagre and/or irregular. A study in Mozambique<sup>27</sup>, where large numbers of men migrate to work in South Africa, found children of successful migrants have the lowest mortality, followed by children of non-migrant men, followed by children of unsuccessful migrants.

The phenomenon of non-remittance-receiving migrant households demonstrates that migrant families are by their nature vulnerable populations with specific needs and should be recognized as such in policy terms, including with regard to social protection. This is the case even though some will receive remittances which can mitigate or compensate for these vulnerabilities and even lead to the impression that they are a privileged group. Data collection needs to take into account the significant differences among migrant households.

### *Migration, gender dynamics and empowerment*

Understanding the impact of migration and remittances also requires considering the gendered dynamics and bargaining power in the transnational household. Studies have shown that the gender of

---

<sup>23</sup> Hanson, G.H. & Woodruff, C. (2003). Emigration and Educational Attainment in Mexico. University of California, San Diego in Mara, I, et.al., (2012) Analysis of literature on the effects of remittances on education and health of family members left behind, Regional Research Promotion Programme in the Western Balkans (RRPP), p. 10, see: [http://www.acser-albania.org/uploads/1/0/9/0/10902427/literaturereview\\_26032012\\_final.pdf](http://www.acser-albania.org/uploads/1/0/9/0/10902427/literaturereview_26032012_final.pdf) [consulted on 04 November 2013].

<sup>24</sup> Institute for Economy, Finance and Business 2007.

<sup>25</sup> UNICEF (2011) *Impact of Labour Migration on 'Children Left Behind' in Tajikistan*

<sup>26</sup> Lu, Yao, and Donald J. Treiman. 2007. "The Effect of Labor Migration and Remittances on Children's Education Among Blacks in South Africa." Revised version of a paper presented at the Annual Meeting of the Population Association of America, Los Angeles, 30 March-2 April. [Los Angeles: UCLA, California Center for Population Research, Population Working Paper PWP-CCPR-2007-001.]

<sup>27</sup> Yabiku, S T, et. al. "Labor Migration and Child Mortality in Mozambique", *Social Science & Medecine* 75 (2012) 2530-2538.

the remitter and recipient impacts on expenditure patterns in remittance-recipient households.<sup>28</sup> Influenced by the prevalent gendered social norms and expectations at origin and destination, male and female migrants tend to have different patterns concerning the amount of remittances sent and or their destination.<sup>29</sup> Various studies suggest that investments in schooling and housing, as well as health expenditures are among the primary goals of migrant women.<sup>30</sup> The gender of the migrant may also influence the propensity to remit or not, as well as the amounts remitted, since it impacts on other determinants pertaining to the migrants' situation in the country of destination, e.g. income (generally lower for women), educational attainment or migration status.<sup>31</sup> Remittances' effects on gender equality will be mediated by local cultural norms.<sup>32</sup>

Research suggests that given cultural and gender norms women tend to have spending behaviours that favour family welfare (with a few exceptions related to food expenditures), such as education, healthcare and housing, more than men.<sup>33</sup> Increases in the resources that women control have been associated with increased allocation towards education and improved child health and nutrition, as well as women's own wellbeing.<sup>34</sup> However, some studies suggest that the impact is not uniform across all school-age children

Migration has a profound and complex impact on gender relations, both at the household and community level. Migration can become an empowering experience for women and enhance their autonomy. Women who migrate from traditional to advanced industrial societies may be exposed to new gender dynamics and become familiar with new norms regarding women's rights and opportunities. Through migrant women, these new social or cultural values may be transmitted back to the sending country, leading to greater empowerment of women and girls, including political and parliamentary participation.<sup>35</sup>

If migrant women take outside employment, they may have access to financial resources that had never before compensated their labour. Even if their pay is pooled with other family members, this

---

<sup>28</sup> Pfeiffer L, Taylor JE (2008) Gender and the impacts of international migration: evidence from rural Mexico. In: Morrison AR, Schiff M, Sjöblom M (eds) *The International Migration of Women*. World Bank and Palgrave Macmillan, Washington, D.C. and New York, pp 9–124.

<sup>29</sup> Lucas, R. E. B., & Stark, O. (1985): Motivations to remit: Evidence from Botswana. *Journal of Political Economy*, 93(5), 901-18.

<sup>30</sup> Hoddinott, John (1994). "A Model of Migration and Remittances Applied to Western Kenya." *Oxford Economic Papers* 46 (3): 459–76.; de la Brière, Bénédicte, Alain de Janvry, Elisabeth Sadoulet, and Sylvie Lambert. (2002). "The Roles of Destination, Gender, and Household Composition in Explaining Remittances: An Analysis for the Dominican Sierra." *Journal of Development Economics* 68 (2): 309–28.; Guzman, J.C.; Morrison, A; and M, Sjöblom.(eds) (2008) *The International Migration of Women*, World Bank: Washington.

<sup>31</sup> Carling, J. 2008. The determinants of migrant remittances. *Oxf Rev Econ Policy*, 24, 581-598; Houle, R. & Schellenberg, G. 2008. Remittances by recent immigrants. *Perspectives on Labour and Income*, 9; MIOTTI, L., Mouhoud, E. M. & Oudinet, J. 2008. Migrations et déterminants des transferts de fonds vers les pays du Sud de la Méditerranée : Quand l'histoire compte ! Les enseignements de deux nouvelles enquêtes. *Congres de l'Association Francaise de Science Economique (AFSE)*.

<sup>32</sup> (Elbadawy, A and R, Roushdi. (2010) *Impact of International Migration and Remittances on Child Schooling and Child Work: The Case of Egypt*, The Economic Research Forum (ERF), Working Paper 545, cited in Isilda Mara et al, 2012)

<sup>33</sup> Ribas-Mateos, N. 2008. *Gender, Remittances and Development: The Case of Filipino Migration to Italy - Final Abbreviated Fieldwork Report*. INSTRAW.

<sup>34</sup> Quisumbing, A. R. 2003. What Have We Learned from Research on Intrahousehold Allocation? In: QUISUMBING, A. R. (ed.) *Household Decisions, Gender, and Development: A Synthesis of Recent Research*. Washington D.C.: International Food Policy Research Institute; Hallman, K. 2003. *Mother-Father Resources, Marriage Payments, and Girl-Boy Health in Rural Bangladesh*. In: Quisumbing, A. R. (ed.) (2010) *Household Decisions, Gender, and Development: A Synthesis of Recent Research*. Washington D.C.: International Food Policy Research Institute; Chant, S. 2006. *Poverty begins at home? Questioning some (mis)conceptions about children, poverty and privation in female-headed households*. Unicef Report on State of the World's Children 2007. UNICEF; SCHMEER, K. 2005. *Married Women's Resource Position and Household Food Expenditures in Cebu, Philippines*. *Journal of Marriage and Family*, 67, 399-409.

<sup>35</sup> Şule Akkoyunlu (2013).

new wage-earning capacity often gives women greater ability to direct household priorities.<sup>36</sup> However, migration can also reinforce traditional gender roles, be it because migrant women normally fill highly gendered occupations, because of barriers to integration at destination, increased family and generational tensions due to migration, etc.<sup>37</sup>

### *Education*

While there seems to be consensus that by increasing household income – primarily through remittances – migration has a positive impact on child school attendance and literacy, the results vary by country, gender and the socioeconomic backgrounds of households. Studies in the Philippines suggest that a 10 per cent increase in remittances relative to initial income increases school attendance by more than 10 per cent and reduces child labour by approximately three hours a week.<sup>38</sup> In Mexico remittances improve child literacy and school attendance rates,<sup>39</sup> in El Salvador remittances are correlated with a reduction in dropout rates,<sup>40</sup> in Ecuador remittances have enabled many migrant children to regularly attend school including more elite institutions,<sup>41</sup> while in Guatemala remittance-receiving households seem to spend more on education than on consumption.<sup>42</sup>

Improvements are evident in the Philippines, where remittances are used to send children to private schools, which are considered to be better than public schools.<sup>43</sup> Children of Overseas Filipino Worker (OFW) parents exhibit not only better academic performance, but also greater involvement and participation in academic organizations and extra-curricular activities.<sup>44</sup> A similar array of positive outcomes has been found in Albania and Moldova.<sup>45</sup> Remittances also contribute to narrowing the gender gap in terms of access to education, although, according to some qualitative studies, this seems to be limited to primary education only.<sup>46</sup>

Migration's effects on education are, however, moderated by a variety of factors, including age, gender, frequency of parental visits and the socioeconomic characteristics of migrant households.<sup>47</sup> Most of the studies gauging the impact of migration on education tend to focus on quantity rather than quality; they provide evidence of increases in spending on education but little on outcomes. It is still unknown, for instance, how remittances contribute to the quality of learning among children who have either one or both parents absent for extended periods of time.<sup>48</sup> Moreover, evidence regarding

---

<sup>36</sup> Martin, S. (2013), Adolescent and Young Women Migrants. Contribution to Joint GMG Thematic Report on *Adolescents, Youth and Migration: Challenges and Opportunities* (forthcoming), 7-8.

<sup>37</sup> *Ibid.*

<sup>38</sup> Yang, D. (2008) "International Migration, Remittances, and Household Investment: Evidence from Philippine Migrants' Exchange Rate Shocks." *The Economic Journal*, 118 (528), 591- 630

<sup>39</sup> Lopez-Cordova, E. (2005) "Globalization, Migration and Development: The Role of Mexican Migrant Remittances." *Economia* 6 (1): 217-256

<sup>40</sup> Edwards, A and Ureta, M. (2003)—International Migration, Remittances, and Schooling: Evidence from El Salvador. *Journal of Development Economics* 72(2): 429–61

<sup>41</sup> Camacho Z. ,Gloria and Katty Hernandez B. 2007. Children and Migration in Ecuador: Situation Diagnostic. Centre for Social Planning and Research. UNICEF.

<sup>42</sup> Adams, R. H., Cuecuecha, A., Page, J. (2008) "Remittances, Consumption and Investment in Ghana." World Bank Policy Research Working Paper 4515

<sup>43</sup> Bryant, J. (2005) "Children of international migrants in Indonesia, Thailand, and the Philippines: a review of evidence and policies," Innocenti Working Papers inwopa05/31, UNICEF Innocenti Research Centre

<sup>44</sup> Edillon Rosemarie G. "The Effects of Parents Migration on the Rights of Children Left Behind", Asia Pacific Policy Center, UNICEF, 2008.

<sup>45</sup> Institute for Economy, finance and Business. 2007. "Impact of Remittances and Migration on Children and Families Left Behind" and UNICEF Moldova, undated.

<sup>46</sup> Bensaid, M and A, Ibourk. (2008) Impact social des transferts de Fonds des Marocains résidant à l'étranger: Une revue de littérature UNICEF- DPS, Policy and Strategy Working Paper.

<sup>47</sup> Other factors include mother versus father migration, remittance behaviour, length of absence, frequency of visits, means of communication, household dynamics.

<sup>48</sup> Gavriluc, Cezar, Daniela Platon, and Viorica Afteni. 2006. The Situation of Children Left Behind by Migrating Parents. CIDDC Study Report. UNICEF, page 18

the positive impact of remittances on education must be weighed against the negative effect that parental absence – particularly that of the mother<sup>49</sup> – has on the development and overall school performance of children left behind.<sup>50</sup>

Some children do worse because of the lack of parental support and control, sometimes exacerbated by feelings of depression and abandonment. For example, a study showed that the reaction of some Jamaican children to their parents' migration was directly connected to long-term psychological difficulties and underperformance in school.<sup>51</sup> Children may also be affected by the emerging need for them to devote more time to family duties. This is mostly problematic in rural areas with a shortage of labour, where children can be forced to drop out of school to engage in farming in order to support the family.<sup>52</sup> Adolescents are particularly affected due to the expectation either to become the new caregiver or the new breadwinner for the family after the migration of one or both of the parents.

Remittances themselves may have externalities, as one study in Egypt<sup>53</sup> has noted, if they signal that unskilled work can be rewarding and that additional income can be earned independently of schooling. This could also be characterized as an aspect of social remittances; i.e. the emulation effect of having a migrant family member, making migration a more attractive proposition, possibly at the expense of education. Remittances may also be saved to finance a young household member's future migration.

Although there is some evidence that the increasing feminization of migration contributes to greater investment in education (see page 3), some studies suggest that the impact is not uniform across all school-age children. For example, a study in Jordan found evidence that in some communities the eldest daughter's education may end because she is required to take on additional household responsibilities in the absence of her mother, even as her young siblings benefit from greater educational opportunities derived from increased household income.

Social remittances can shift attitudes towards education. Highly-skilled immigrants can encourage the non-migrant population in their home countries to invest in education and contributing to human capital generation.<sup>54</sup> A study found that as more young migrants from one area of the Dominican Republic completed high school and went on to higher education in the United States, their non-migrant peers also increasingly wanted to go to college. In the Gujarati migrant community in the United States, as young people ventured into a wider range of careers, it became more acceptable to study international relations and humanities instead of just finance, medicine or pharmacology.<sup>55</sup>

### *Health*

Migration also affects the health of children. Its effects seem to be mediated by the length of time since parental migration took place and the age of the child. A study on Mexico shows that the general health of children declines during the first years of their parents' migration. In later years, however, it improves in part because remittances enable children to have improved access to healthcare facilities.<sup>56</sup> Similarly, a study in Albania found that remittances improve children's overall health

---

<sup>49</sup> Rojas, Saab, Taylor, 2013, "Transnational Families in the Context of International Migration. Available at: <http://www.qscience.com/doi/pdf/10.5339/qproc.2013.fmd.23> (access 5 May 2013)

<sup>50</sup> UNICEF Moldova, undated, 21.

<sup>51</sup> The Impact of Migration on Children in the Caribbean UNICEF Office for Barbados and Eastern Caribbean Caroline Bakker, Martina Elings-Pels and Michele Reis [http://www.unicef.org/barbados/Impact\\_of\\_Migration\\_Paper.pdf](http://www.unicef.org/barbados/Impact_of_Migration_Paper.pdf)

<sup>52</sup> Institute for Economy, Finance and Business 2007

<sup>53</sup> International migration, remittances, and the human capital formation of Egyptian children

<sup>54</sup> Stark, O. (2002). The Economics of the Brain Drain Turned on its Head, paper presented at the ABCDE-Europe World Bank Conference, Oslo. Referenced in: Şule Akkoyunlu (2013),.

<sup>55</sup> Levitt, P., and Lamba-Nieves, D., (2010) "'It's Not Just About the Economy, Stupid' -- Social Remittances Revisited"

<sup>56</sup> Cortés 2007, page 16.

because they enable families to provide better diets and to attain access to health care.<sup>57</sup> Experiences in Mexico, Guatemala and Nicaragua support the conclusion that positive health outcomes are mainly due to remittances, which over time improve access to health care.<sup>58</sup>

Mexico-based research also indicates that migration's impact on children's health depends on the age of children.<sup>59</sup> This conclusion was based on the finding that infant mortality increased in the period immediately following parental migration. Additionally, there is evidence that, despite the higher living standards afforded by remittances, negative effects on children's health are generally linked to the initial phase of migration, when the sense of family disruption may be at its height. Among the possible negative health impacts cited in the research are symptoms of psychological disturbance.<sup>60</sup>

As noted above, children left behind may also experience depression and feelings of abandonment at different stages of their migrating parents' absence,<sup>61</sup> which can have significant negative behavioural consequences for children transitioning to adolescence. Adolescents whose parents have migrated often experience difficulties in social relations.<sup>62</sup>

A recent literature review on children left behind in south-east Asia looks at the impact of changing arrangements and relationships of care, including the impact on children's physical health and psychological wellbeing. It reported that: "remittances contribute to better nutrition and access to modern healthcare and child care services. On the downside, left-behind children also seem to have a higher vulnerability to the spread of HIV/AIDS, a higher rate of drug use and heroin addiction and suffer higher levels of emotional disruption, stress and sadness."<sup>63</sup>

Social remittances also influence health outcomes. A study involving migrants from the Dominican Republic to the United States found that many became more health conscious. They were more likely to drink bottled water, keep animals out of living spaces, and recognize the importance of annual check-ups. Knowledge about contraception also reached non-migrants in rural Guatemala, sent both by migrants' family members and friends in the United States and people who moved to Guatemala's cities.<sup>64</sup> Social remittances may also encourage the view that the state is responsible for providing services such as healthcare.

### *Conclusions/recommendations*

Making remittances work for development is not straightforward. Although remittances may represent a significant source of external financing for countries of origin, these flows continue to be private transfers. Their use is discretionary and limited by the preferences of households that receive them. As has been shown in this paper, remittances are mostly used at the household level, for consumption purposes. Remittances can also be seen as income that could fund future migration, or that could be used for other non-productive investments from a human development perspective. Therefore,

---

<sup>57</sup> Institute for Economy, Finance and Business 2007.

<sup>58</sup> Cortés, 2007, 20.

<sup>59</sup> Kanaiaupuni, S. and K. Donato 1999 "Migradollars and mortality: The effects of male migration on infant mortality in Mexico", *Demography*, 36(3): 339-353.

<sup>60</sup> Fletcher-Anthony, Wilma, 2008. Post-Immigration West-Indian Parent-Child Relationships, Paper presented at Working Group on Childhood and Migration, Emerging Perspectives on Children in Migrator Circumstances, June 20-21, Drexel University, Philadelphia, Univ.

<sup>61</sup> Camacho Z., Gloria and Katty Hernandez B. 2007. Children and Migration in Ecuador: Situation Diagnostic. Centre for Social Planning and Research. UNICEF.

<sup>62</sup> UNICEF 2008 "Children and Migration" Policy Brief. [http://www.globalmigrationgroup.org/uploads/gmg-topics/children/3.B\\_Policy\\_brief\\_children\\_migration\\_June07.pdf](http://www.globalmigrationgroup.org/uploads/gmg-topics/children/3.B_Policy_brief_children_migration_June07.pdf)

<sup>63</sup> Asia Research Institute in Singapore (2013) "Transnational Migration and Changing Care Arrangements for Left-Behind Children in Southeast Asia." Available at: [http://www.ari.nus.edu.sg/docs/wps/wps13\\_207.pdf](http://www.ari.nus.edu.sg/docs/wps/wps13_207.pdf).

<sup>64</sup> Levitt and Lamba-Nieves (2010)

governments' interventions that seek to influence the use of remittances are highly constrained by the private nature of the income flow.

Despite these constraints, remittances represent an important intra-household source of external financing that could potentially be used for human development purposes, including improving households' health and education. There is the potential for increasing the positive effects of remittances on children's health and education, but this depends on several factors, including the socio-economic characteristics of the household, their own private preferences, as well as the priority placed on equitable access to education and healthcare services.

Given that the use of remittances is greatly determined by household's structural vulnerabilities and by households' preferences, policymakers should devise policies that consider these two dimensions. The questions from a policymaking perspective are: 1) how to address households' structural vulnerabilities to maximize the positive effects of remittances on education and health ensuring that these two human rights are fulfilled; 2) how to affect preferences so that remittances are directed towards investments in health and education, partly by improving the quality and accessibility of these services.

Governments, local authorities and the private sector can all contribute to making remittances more effective in terms of health and educational outcomes. This can be done through three broad approaches.

First, the transfer of assets from migrants to their families left behind can be made cheaper and more secure.

- Reduce the costs of remittance transfer fees.
- Cost comparison websites and linking remittances to savings schemes may be useful.<sup>65</sup>
- Ensure that left-behind families entitled to social security transfers from the destination country (old age pensions and other benefits) actually receive them.
- Conduct studies and assessments to determine how remittances are spent in order to determine strategies to maximize the development impact of remittances.

Second, governments should address basic vulnerabilities that prevent populations from investing in health and education. These vulnerabilities could be due to migration or to the structural socioeconomic condition of the household as well as to the inadequacies and inaccessibility of health care and education which then serve as disincentives to prioritizing these services for expenditures of remittances. Interventions could mix targeted as well as universal social policies, including health and education. No further inequalities should be produced as a result of these interventions. This means that policymakers should primarily focus on strengthening universal interventions. The use of targeted interventions should consider the costs of creating inequalities in local communities.

#### *Social Service provision and intervention*

- Mainstream migration in general social protection policies.
- Consider migrant households' needs and human rights within the broader development and social protection agenda; i.e., improve the existing supply of social services and infrastructure, ensure equal and full access to education, social services and health care. Local development initiatives can be planned in partnership with migrants' NGOs and representatives.

---

<sup>65</sup> See <http://www.profeco.gob.mx/envio/envio.asp>

- Social assistance schemes such as cash transfers should consider vulnerable children and women left behind when they qualify for assistance to keep left-behind children in school. This may also include caregivers, especially grandparents or other extended family members.
- Specific programmes for children left behind may prove valuable. Social programmes should include benefits for single-parent migrant households and surrogate caregivers such as grandmothers and other relatives. Provisions should also be made for the special needs of female-headed households.
- Give children of migrants support with homework and other aspects of schooling that their caregivers might be unable to provide.
- Enhance gender equality in education among children left behind. In this regard social assistance schemes might consider bursaries to make sure that both girls and boys in condition of inequity, remain in school until the appropriate age and stage.
- Facilitate regular and reliable communication between migrant parents and their children, for instance through phone, or internet services.
- Support parents (remittance senders) and caregivers (remittance receivers) in managing remittances for long-term welfare, for instance by facilitating access to credit, savings or insurance, or supporting investment in housing.
- Recognize left-behind children and families as a vulnerable group.
- Include a module in teachers' and health workers' training curricula to raise awareness about left-behind children and women.
- Reduce stigmatization by communicating that family separation is widespread, and that families exist in many forms other than mother, father and children living together.

Third, governments and relevant stakeholders should provide enough incentives and create the adequate policy conditions so that remittances are used for better health and education outcomes. Governments can do this in several ways. On one hand governments should ensure that these vulnerable populations have access to high-quality services. For instance, providing access to high-quality schools and universities, and ensuring that the education provided may yield high returns is a signal for migrant families to invest in education. On the other hand, governments could promote the creation of more decent work opportunities. This can occur through investments in public-private partnerships with the private sector in origin countries, or members of the diaspora who would invest in their home countries, in particular on creating opportunities for adolescents and youth. Additional measures could include programmes to improve the entrepreneurship opportunities of young potential migrants to provide alternatives to migration.

- Improve the link between education and labour market to signal that it is worth investing in education and human capital.
- Expand job creation measures and support decent work conditions in countries of origin.
- Promote diaspora investment, including in health and education projects in their home communities, for which public authorities could offer matching funds. However, such investments cannot happen in a void; institutional structures need to be in place, particularly at local level.
- Support migrant and diaspora organizations in countries of destination and strengthen their links with organizations in countries of origin, in order to facilitate and enhance transfer of social remittances and empowerment of both migrants and non-migrants.
- Encourage formal and informal dialogues between migrant and non-migrant communities and organizations in countries of origin, transit and destination. This and similar policy initiatives should be based on the acknowledgement of social remittances as an important component of development and migrants' potential contributions to their countries of origin through transfer and diffusion of ideas, know-how, norms, skills, etc.

- Enable migrant parents to make direct payments for schooling, health insurance and other expenses that secure child welfare. Such possibilities can shield the child from competing expenses in the household of caregivers.
- Facilitate the reintegration of returning migrants in the labour markets and ensure their access to social protection.
- Use lump sum payments of social security entitlements and other social benefits to provide an incentive for return migration.<sup>66</sup>

### *Research*

- Establish indicators on protection of children in the specific context of migration which could feed into the Post-2015 Development Agenda process.
- More research is necessary that: a) distinguishes between the impact of remittances and the impact of migration *per se*; and b) that analyses the relationship between them. Migrant family households that do not receive remittances should not be overlooked.
- Future research should consider the different impacts of international and internal migration on left-behind households. It should also take both the origin family and the migrants into consideration in analyses of the impact of migration and remittances, and to focus on the *transnational household* as the relevant unit of analysis. This can be done through multi-sited research and using matched samples of migrants and their relatives in the country of origin.
- To improve the quality of evidence, governments should consider including a comprehensive module on the impact of remittances in their routine national surveys. International agencies can provide technical assistance to develop appropriate methodology for this purpose
- Include women and children in existing observatories' data collection and situation analysis and create Observatories of Children and Women's rights when they do not exist.

---

<sup>66</sup> Spain enacted a law to this effect in 2008 encouraging the return of migrant workers to their countries of origin.