

Outline for background paper

RT 3.2. Migrant asset transfers and their effects on health and education

The outcome from this Roundtable will focus on how policies and bilateral or multilateral cooperation could improve positive development outcomes from migration in the area of health and education, taking into account gender equality.

Introduction

This roundtable will address the issue of assets transfers, which entails economic as well as social and skills assets. Migrants transfer their social and economic assets either by moving themselves, or by bringing back home financial remittances, knowledge, innovations and values. The capabilities of migrants to improve their lives and those of their families and communities depend on how these assets can be born to fruition. Progress in human development depends on viable investments in education and health in order to enhance people's capabilities. Health and education are thus crucial development dimensions addressed by the MDGs, but have received less systematic attention in previous GFMD meetings. This Roundtable will operationalize these development dimensions, also with a view to make it relevant to the Post-2015 debate.

Skilled migrants such as doctors, nurses and teachers often seek to leave poorer, unstable developing countries in search of better opportunities abroad where they can realize their capabilities and have access to higher wages. Some countries suffer from brain drain or human capital flight and in this regard ethical recruitment can be promoted. The question of how to retain or attract back skills (including from diaspora communities) is a broader issue of development, including standards in the health and education services. Many of these migrants, meanwhile, are often not able to fully utilize their skills due to the lack of recognition of their qualifications in countries of destination. Hence, the discussion of migration issues could transcend and become relevant including at working parties on domestic regulations on trade in services, regarding services supplied through the movement of natural persons also in the context of the World Trade Organization (WTO)

This Roundtable will highlight policies and practices that could facilitate the contribution of financial remittances towards household spending on health and education. There are differences in spending patterns between high skilled and low skilled migrants, and development impacts depend on transaction costs and how such resources are invested. Moreover, transformative changes to values, norms and gender relations brought by "social remittances" may sensitize the migrant household to the importance of prioritizing health and education. Cross-generational values may influence spending patterns, for instance as female migrants often remit a larger share of their income and forsake spending on their own health and education to the benefit of their children.

Links to other GFMD Roundtables

The work in this roundtable is closely linked to the work in other GFMD Roundtables. There is a strong link to RT 1.2 *Framing migration for the MDGs and the Post-2015 UN Development Agenda*. Health and education are and will most probably continue to be important areas for any global development agenda. The decision is that RT 1.2 will not focus on health and education but would leave these considerations to RT 3.2. RT 3.2 therefore needs to think about how migration can contribute to positive development outcomes in the areas of health and education with a view to make it relevant to the discussion on the UN Post-2015 Development Agenda.

Another obvious link is to RT 2.2 *Facilitating positive development impacts of diaspora engagement in skills transfer, investment and trade between countries of residence and origin*. RT 2.2 is focusing more on the diaspora's contribution to economic development per se with a specific focus on skills transfers to economic sectors, investments and trade and transnational entrepreneurs. The RT 3.2 focuses on the contribution of diaspora to social development and more specifically in the areas of health and education. As for the links between 3.1 *Empowering migrants, their households and communities for improved protection of rights and social development outcomes* and 3.2, the first could consider migrants empowerment and access to social protection, financial credit, employment market as well as health and education. 3.2 is more specifically on how migrants and migration as a phenomenon (including remittances, diaspora engagement, temporary or permanent mobility) contributes to positive development impacts in the areas of health and education.

The evidence of the links between migration and health

Research has shown that the presence of remittance income in a household can correspond with positive health outcomes, especially for children. Infants in remittance-receiving households in Mexico and Sri Lanka have been found to have higher birth weights. Members of remittance-receiving households have also been observed to have lower rates of infant mortality, higher weights during early childhood, as well as higher health-related knowledge vis-à-vis households that do not receive remittances.¹

Social remittances can also be important in the area of health. Visiting and returning migrants may also bring back health-improving practices, such as access to safe water keeping animals out of living spaces and practices to their communities of origin² as well as keeping animals out of living spaces and practices such as annual medical check-ups. The access to health and education of migrants could also affect their transfer of assets to their country of origin.

The issue of brain-drain can be a concern especially in the health sector. The emigration of health workers can be a real problem for certain countries of origin, especially small countries, who already struggle with weak health systems. Demand for health workers is increasing in high-income countries, where health systems can depend heavily on doctors,

¹ Hildebrandt and McKenzie, 2005; UNDP 2009, p. 124; Prabal K. De and Dilip Ratha, "Impact of Remittances on Household Income, Asset and Human Capital: Evidence from Sri Lanka," *Migration and Development*, 1, no. 1 (2012): 163-179.

² UNDP 2009 Human Development Report

nurses and other health workers who have been trained abroad. In OECD countries, around 20% of doctors come from abroad. Nurses from the Philippines (110 000) and doctors from India (56 000) account for the largest share of migrant health workforce in OECD countries.³ However for large countries such as India the emigration of health workers is not a concern in the same way.

However, migration can be seen as a symptom, not a cause, of failing health systems. One needs to look at the underlying factors of the migration i.e. weak incentive, inadequate resources, and limited administrative capacity. One important issue is finding optimal approaches to emigration policy that leverage the development outcomes of skilled worker's migration while making sure that enough human resources remain in a given country. However, brain Drain is only part of the story. Brain Circulations or circular migration, can have a positive impact on social development in the country of origin. That relates to the social contacts, international experience and social assets that the migrant gain when working in another country that could be transferred back to the country of origin. The importance is to see how these resources can be maximized to create as much positive development outcomes as possible. However, the concern of brain-drain should not limit the possibility for people to migrate. Our common goal must be to ensure that people migrate by choice rather than necessity.

WHO has developed a Global Code of Practice on the International Recruitment of Health Personnel to achieve an equitable balance of the interests of health workers, source countries and destination countries. The equitable balance of the interests of health workers, source countries and destination countries is promoted, with a particular emphasis on redressing the negative effects of health worker migration on countries experiencing a health workforce crisis.

The evidence of the links between migration and education

Migration has been seen to have the potential to increase educational attainment for households in the sending country. There are numerous examples on how remittances influence the quantity of education positively. Households that receive remittances invest more heavily in child education than non-remittance-receiving households, as has been seen in Ethiopia and Sri Lanka—where children of migrants are more likely to be enrolled in private education as opposed to their counterparts.⁴ There are also studies showing that remittances improve child literacy and school attendance (Mexico)⁵, and can influence reduction in dropout rates (El Salvador)⁶ One study from rural Pakistan suggests that temporary migration is associated with higher school enrollment, especially for girls, and

³ OECD Policy Brief February 2010, International Migration and Health Workers: Improving international co-operation to address the global health workforce crises.

⁴ Dendir and Pozo 2006; De and Ratha, 2012.

⁵ Lopez-Cordova, E (2005) "Globalization, Migration and Development: The Role of Mexican Migrant Remittances" *Economia* 6 (1): 217-256

⁶ Edwards, A and Ureta, M (2003) – International Migration, Remittances, and Chooling: Evidence from El Salvador. *Journal of Development Economics* 72 (2)

similar trends have been observed in Ethiopia, Ghana, and India— the study showing this did however look at remittances sent by internal rather than international migrants.⁷

A cross-country comparison of six sub-Saharan African nations shows a strong and positive correlation between the average number of household members with secondary education and receipt of international remittances from outside the continent.⁸ In the Philippines remittances are often used to send children to private schools which are considered better than public schools.

However there is also some challenges with regard to the link between migration and education especially in relation to the psychological factors for children with one or two parents that have migrated; some children do worse in school due to lack of parental support and control; some children need to devote themselves to family duties and can be forced to drop out of schools. The positive impact of remittances therefore needs to be seen also in relation to the possible negative effects that parental absence has on development and overall school performance.

Guiding questions

– What models for managing human resources in the health and education sectors in developing countries can help retain or attract back skilled professionals (e.g. twinning initiatives between hospitals and education centers in countries of origin and residence, sabbatical leave-systems for contribution to health systems in countries of origin etc)?

Although, it can be complicated for low-income countries with weak systems to attract back skilled professions, there have in recent years been numerous initiatives to retain or attract back skilled personal and utilizing the diaspora to maximize the positive implications that migration can have. International agreements between both public as well as private sector actors, both at local and national level, such as twinning projects can be important contributions. International organisations can also help facilitate this.

One often cited example is the Migration for development in Africa (MIDA) initiative, operating in 11 African countries, which links the skills and expertise in the diaspora to the development of home countries. A more specific example is the MIDA Ghana Health Project. The main purpose of the project is to facilitate the temporary return to of Ghanaian health professionals, from the mainly the Netherlands, UK and Germany, for the benefit of local health institutions. An evaluation of the program suggests that the project has broadened collaboration among individuals and institutions.

Another policy option is to reduce try to reduce the migration of high-skilled personal to train more and create incentives to for more of them to stay. There have been several

⁷ Mansuri 2006; Dendir and Pozo 2005; Gyimah-Brempong and Aseidu 2009; V. Mueller and A. Shariff, "Preliminary evidence on internal migration, remittances, and teen schooling in India," *Contemporary Economic Policy*, 29, no. 2 (2011): 207-217.

⁸ Taken from Dilip's PowerPoint at The Graduate Institute, Geneva on May 30, 2013

approaches identified in that regard those include: wage supplements for public-sector workers, training tailored to be especially useful in the country (for example paramedics rather than doctors. Another is to reform education financing to allow for private-sector provision so that people seeking training as a way to move abroad do not rely on public financing. This is already taking place in the Philippines with regard to nurses.⁹ In Ghana improved salaries and allowances have been provided to health workers, as have other benefits such as new cars, in order to try to retain medical personnel in the country's public health system.

The investments of diaspora in their country of origin can also be important. The private hospital sector is one example in which the Indian diaspora has stimulated growth, including in medical tourism. An Indian cardiologist practicing in the United States, Dr. Prathap Reddy, returned to India and opened a 150-bed private hospital in Chennai in 1983. Since then, his Apollo Hospitals group has grown to 8500 beds in 50 hospitals (seven of which have JCI international accreditation), and is one of the largest health-care groups in Asia. The Apollo hospital network has pioneered telemedicine to take higher-quality care to India's villages, as well as robotic surgery, medical tourism and vertical integration of medical services from health insurance to hospital administration to diagnostic services and many others. It is also active in public health initiatives to promote heart health as well as many other philanthropic projects.

– How can governments, local authorities, international organisations and the private sector in countries of origin and destination assist migrant households so that their voluntary spending, remittances, micro-insurances or projects can improve access to education and health?

Here the Roundtable can explore what the most successful policy options and best practices around the world are in countries whose diasporas actively participate in the development strategies of their countries of origin and improve the quality of life regarding their access to education and health.

– How can models of government support to migrant households as well as communities who stay behind be developed in order to accommodate for the social remittances and changes in values and norms caused by migration?

⁹ World Migration Report 2010, International Organisation for Migration (IOM)

Annex

This Annex contains descriptions and references to examples of relevant frameworks, policies, programmes, projects and other experiences in relation to the issues raised in the policy part of the Background paper. This second part of the Background paper aims to form the basis of an evolving catalogue of policies and practices with a view to be stored and displayed on the GFMD PjP website in a Policy and Practice Database.

Main issue areas

Models for managing human resources in the health and education sectors in developing countries can help retain or attract back skilled professionals

Support to assist migrant households so that their voluntary spending, remittances, micro-insurances or projects to improve access to education and health

Models of governments support to accommodate for social remittances and changes in values and norms