

Rural Migration and Development

Outline



Global trends in international rural migration



Factors shaping international rural migration



Rural migration and development



Development interventions with a focus on transnational economic engagement



Policy options to leverage transnational economic engagement for development

Global trends in rural migration

- The volume of international migrants has increased an estimated 49% since 2000, up to 258 million people (UN, 2017)
- International rural migration consists of half of all international migration.
- Data for 13 countries in Asia, Europe and the LAC: 72% of remittance recipients are rural, of which 22% are rural youth.

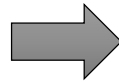
Continent	Rural Migration	Rural Population
Africa	43%	56%
Asia	53%	64%
Southern Europe	68%	39%
Latin America and the Caribbean	58%	35%
Total	54%	52%

Source: IFAD Sending Money Home Africa, Europe, Asia, IAD Scorecard on remittances to Latin America.

Factors shaping international rural migration

The relationship between international migration and economic development is **not linear**.

- This migration occurs when basic needs are met, but aspects of well-being and individual opportunities are unsatisfied
- In low-income and lower-middle income countries, emigration is positively related to improvements in per capita income. But NOT in middle- and higher- income countries.



International rural migration is mainly related to three economic issues:

- How countries integrate into the global economy (economic complexity)
- Rural residents' migration ties
- Unemployment in rural areas

Rural migration and development indicators

	25% of Intl Migration is Rural	25% - 50% of Intl Migration is Rural	More than 50% of Intl Migration is Rural
Migrant Country Concentration**	37%	39%	55%
Poverty	21%	14%	4%
Six activities as share of GDP*	23%	24%	29%
Rural Population	57%	54%	51%
Rural Youth, 14-24 yrs.	45%	53%	39%
Migrants as Share of Population	3%	7%	16%
Unemployment in Rural Areas	75%	15%	58%
National Population (Avg.)	157,898,691	116,969,778	16,747,602
Average Productivity (US\$)	5,366	4,736	9,949
Average Per Capita GDP (US\$)	2,448	2,194	4,642

Any development intervention should consider three triangulated, intersecting issues:

1. Broader challenges of economic development
2. Risk factors or drivers of migration
3. Transnational economic engagement (TEE)

These interventions can enhance economic development in countries where international rural migration is a key factor shaping society.

They may also help mitigate or reduce migration.

Development Challenges

- Economic informality
- Poorly paid jobs
- Victimization
- Transnational ties

Drivers of Migration

- Poor economic complexity
- Limited competitiveness
- Low institutional development
- Scarce social inclusion

- **Assets (financial, fixed)**
- **Human Capital**

Migrant Transnational Economic Engagement

- Family remittances
- Nostalgic trade
- Philanthropy
- Investment
- Knowledge transfer



*This intersection may point to efforts to **build assets and human capital** in ways that can **favorably reposition a country's economic condition**.*

Transnational economic engagement forms a ***value chain***. These activities directly relate to development by helping create or strengthen ***financial and fixed assets as well as human capital***.

Money transfers (remittances)

- Higher incomes, smoothing consumption
- Education, health
- Greater savings and investment
- Increasing credit in local economies
- Expansion of Money Transfer Payment Ecosystem

Philanthropy

- Donations for social development initiatives
- Schools, nutrition centers

Entrepreneurship, Capital Investment, and Knowledge Transfer

- Greater investment in agriculture and social progress initiatives
- Equity and liquid capital
- Improvement in soft skills
- Job creation and entrepreneurship
- Increase wealth in the local economy

Nostalgic Trade

- Exports of manufactured food
- Options for rural, agricultural & non-agricultural employment

Leveraging Transnational Economic Engagement for Development

TEE can have
positive
development
impacts for
rural youth

Remittances make a crucial contribution to rural youth's **baseline income**.

Remittance investment and philanthropy often target education, nutrition, and social infrastructure.

This may rural youth's benefit **health and promotes school retention**.

Investment, knowledge transfer, and partnerships can establish youth as **agents of their own development** and economic well-being.

The production and export of nostalgic goods offer **employment opportunities** for rural youth.



Policy options to forward the positive impact of transnational economic engagement

- Improving financial access in rural areas, and in working with youth, placing a particular focus on difficulties facing young men who benefit less from household assets than young women
- Reduce transaction costs and payment options for remittances to rural areas
- Consider a diaspora marketplace that is restricted to projects that partner with rural youth specifically, to harness the propensity that rural youth have in forwarding innovative solutions to issues in their hometown or village
- Rely on the durable demand for home country goods in developed nations, improve the supply chain for these local goods to connect producers to localized markets of international immigrants
- Encourage better collection of remittance data, immigrants' organizations, and investment to better track and document the scope of rural international immigration and their impact on their hometowns and countries