WORLD BANK GROUP
Social Protection & Jobs

Migration as a Coping Strategy

Yashodhan Ghorpade
Samik Adhikari
Supriyo De

Economic Shocks

Shocks v/s State of Nature

- Substantial Deviation from usual state, including adverse states
- Positive or Negative effect on income stream, livelihoods and/or capital accumulation (including human capital)
- Unpredictable – associated risk
- Individual or Common
- Limited control?

Examples: earthquake, floods, epidemics, loss of employment, illness of earning member, crop loss

Marthunis, 17 (now 21?), from Alue Naga village, Banda Aceh

Marthunis’s story

That morning I was playing soccer with my friends.

…

Marthunis’s story

That morning I was playing soccer with my friends.

We ran home after the strong earthquake and after that I heard a really loud noise, like an aeroplane. My family rushed into our minivan but the road was full with everyone trying to escape. The black wave hit our minivan, turning us over several times before I blacked out. When I regained consciousness I was in the water. Holding on to a school chair, I floated until I landed on a beach… Under a mangrove tree I saw a mattress had washed up and I started searching for packets of noodles and bottles of water, collecting them around my mattress. After five days I didn’t have any water or food left. I survived there by myself until day 20. That’s when I saw people coming to collect the bodies. They rescued me and took me to Fakinah hospital where I found my father. He told me my mother and sister had died in the tsunami.

https://www.theguardian.com/global-development/2014/dec/25/indian-ocean-tsunami-survivors-stories-aceh

Types of Shocks

Specificity to Household/ Individual

- Common – common to all/ multiple households in a community / area
- Individual – only affects specific households/ individuals

- Individual factors increase susceptibility to common shocks?
- Common factors affect individual susceptibility to idiosyncratic shocks?

Classifying Shocks as Individual / Common

Forest fire

Job loss

Price rise

Family member suddenly hospitalized

Earthquake

Pension payments suddenly stop

Locust attack on standing crop

Decline in remittances because of change in remitter's circumstances

Rebel army steals livestock

Flooding

House burns down – electric fire

Indiscriminate attacks against ethnic group

Classifying Shocks

<u>Covariate Shocks</u>

Forest fire

Price rise

Earthquake

Locust attack on standing crop

Flooding

Indiscriminate attacks against ethnic group

<u>Idiosyncratic shocks</u>

Pension payments suddenly stop

Rebel army steals livestock (?)

House burns down – electric fire

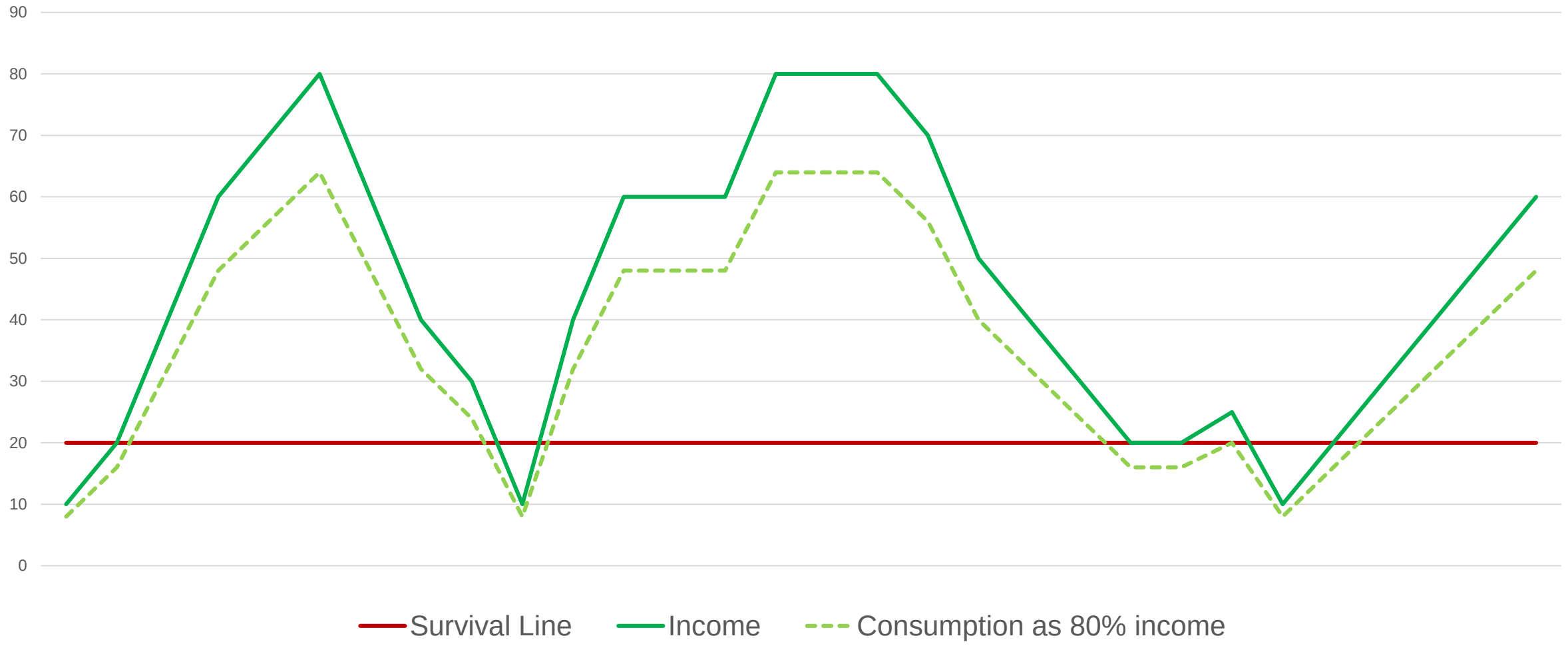
Family member suddenly hospitalized

Decline in remittances because of change in remitter's circumstances

Incomes are often Volatile, affected by Shocks

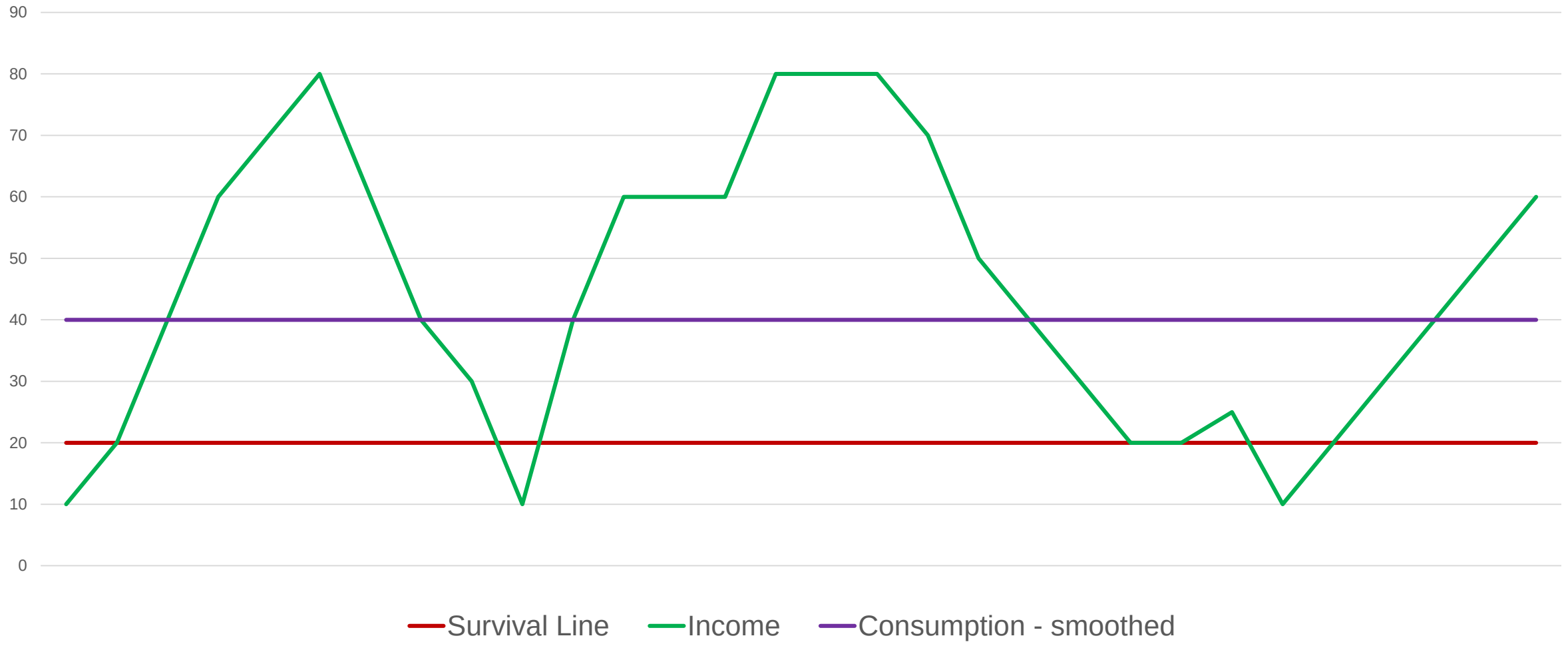
WORLD BANK GROUP
Social Protection & Jobs

Consumption if determined fully by income may also be volatile, threaten survival



WORLD BANK GROUP
Social Protection & Jobs

Shock/ Risk Management Seeks to Smooth Consumption



WORLD BANK GROUP
Social Protection & Jobs

Household Responses to Risk of Shocks

Ex-ante Strategies (Risk Reduction)

- Some Anticipation of Unknown Shocks
- Reduce exposure to shocks
  - Diversification: Farm and Off-farm labor
  - Diversification: Seasonal migration to work in mines/ plantations
  - Relocation: Moving to safer areas (IDPs/ refugees)
  - Reducing conspicuousness: Sale of visible assets
  - Specialization: Focus on less risky crops: Pearl millet cultivation in West Africa (Fafchamps, 2003)
  - Self-sufficiency: Volatility in fodder prices and fodder cultivation in Pakistan

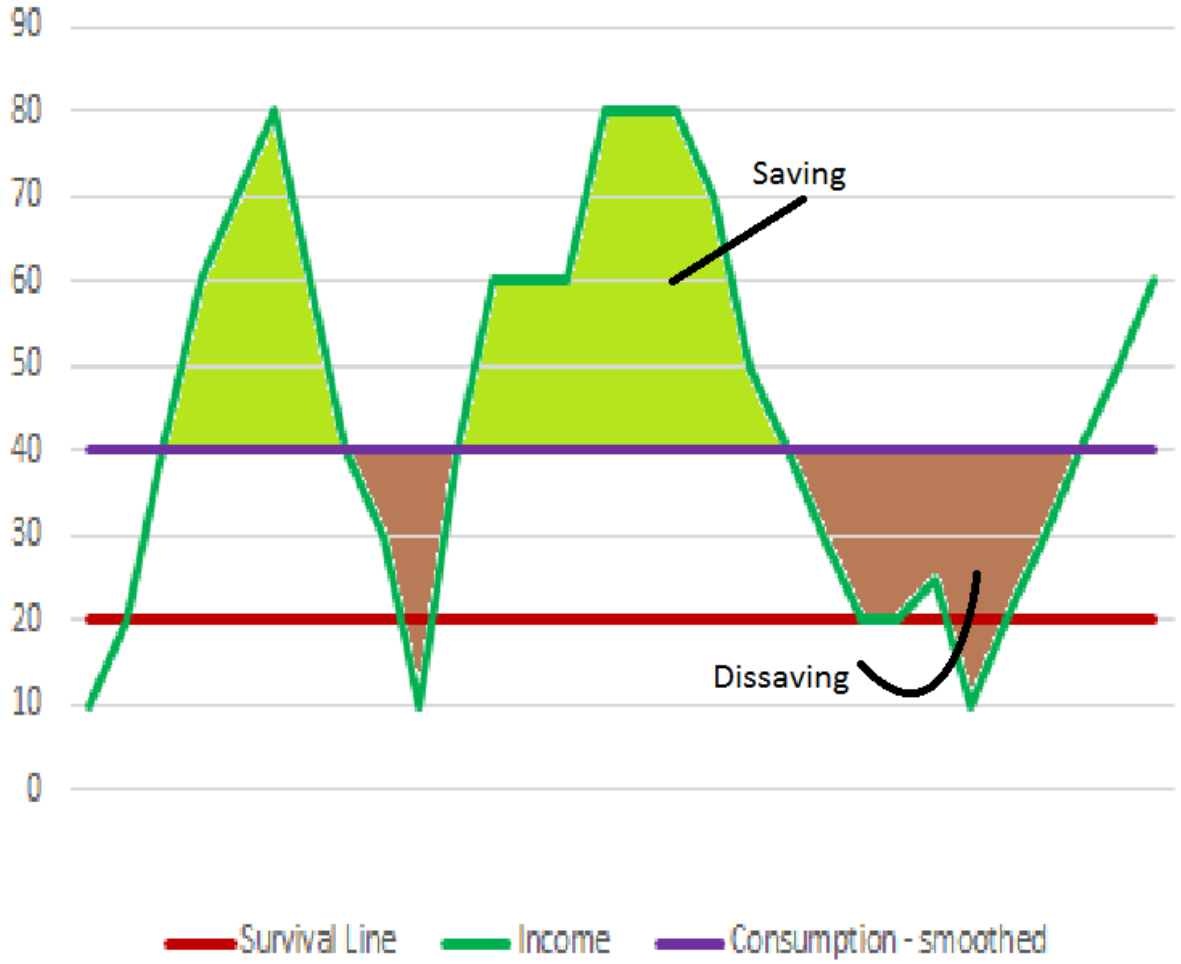
Ex-Post Strategies (Risk Coping)

Respond to shock after it has been realized

Limit losses to Household, smooth consumption

- Asset Accumulation and Sales
- Reduce consumption: including possibly food, education, health
- Borrowing
- Increase HH labor supply – including through migration, and children's work

Consumption Smoothing



Harmful coping strategies

- Harm households' long term wellbeing
- Harm capital (including human capital – health and education)
- Increase susceptibility to future shocks
- Vary across settings

Are these Coping Strategies Harmful?

Withdrawing children from school

Borrowing from Informal Money lender

Asking Sister in the city for Help

Selling Livestock

Selling Family Jewelry

Asking Old members of the Household to Start working again

Substituting Food with cheaper varieties

Cutting down consumption of meat, oil, fruits, vegetables

Asking some family members to skip a meal

Tapping into Bank savings

Some members migrate to city

Entire HH migrates to city

Migration as a Coping Strategy

Different from forced displacement, or purely economic migration

- Compelling circumstances – so some element of force
- Some element of choice, to protect wellbeing, smooth consumption

As we have seen, migration as a coping strategy could be:

- Ex-ante or ex-post (reduce direct exposure to shock, or as a means of supplementing income to smooth consumption)
- One-off or recurring/ seasonal

Migration as a Risk-Reduction Strategy/ Deployed in advance

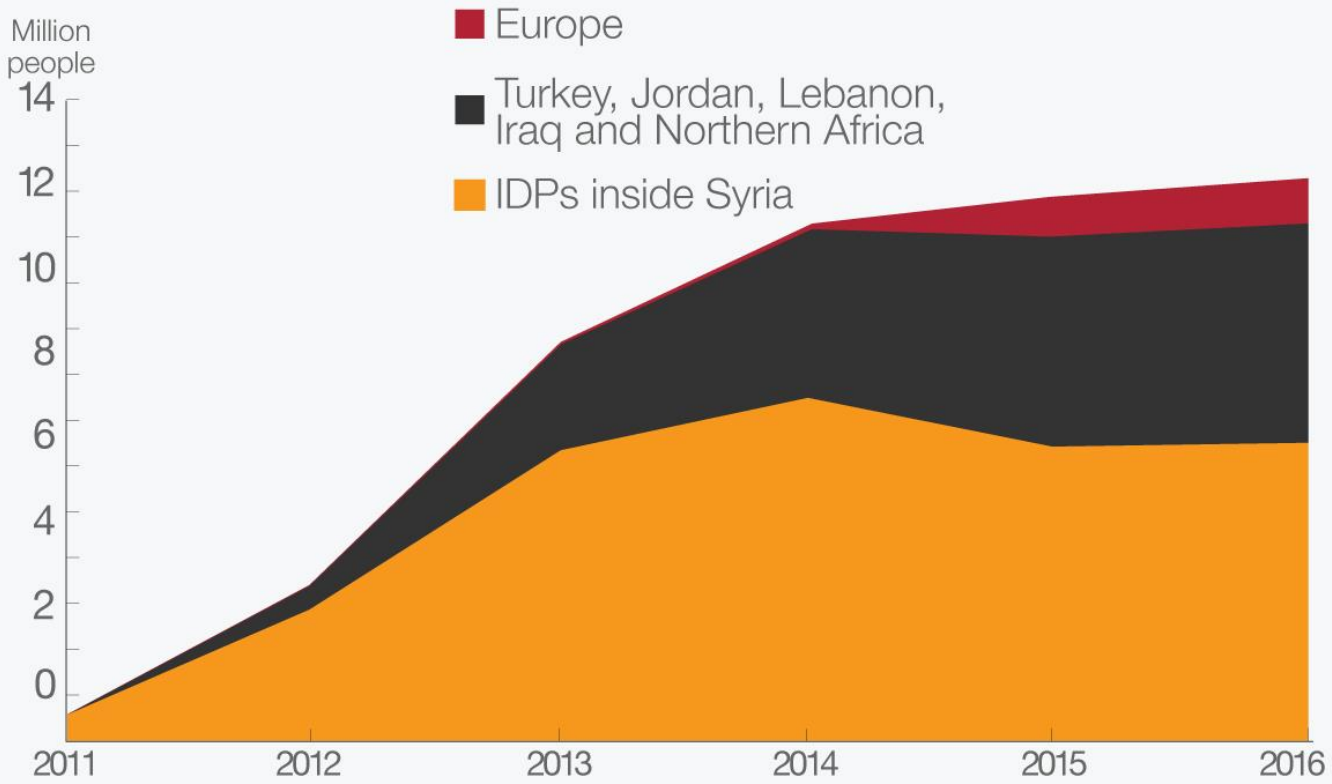
- Migration as a Household/ Collective, not Individual decision
- Diversifying Household Income: Households send member(s) away, rely on remittances in the future when faced with shocks
- Risk reduction also in response to avoiding recurrent and slow onset shocks – e.g. climate change responses

Migration as a Risk Coping Strategy / After shock occurrence

- Global evidence shows natural disasters increase both short-term and long term migration (Belasen and Polachek, 2013; Drabo & Mbaye, 2011)
- More severe shocks/ natural disasters lead to higher migration
  - Migration from Guatemala, Honduras to the US , after hurricanes (Kugler and Yuksel, 2008; Halliday, 2006)
  - Drought in Ethiopia (Gray and Muller, 2012; Meze-Hausken, 2006)
  - Migration from Louisiana (US) to neighboring states (Clayton and Spletzer, 2006)
- More recurrent shocks may lead to higher migration: people develop migration knowledge, patterns (Ghorpade, 2016)
  - Some exceptions: Migration from Mali following successive droughts low; people lacked resources (Findler 1994)
- Large refugee movements in response to conflict events

Where are the Syrian refugees?

The majority of Syrians are internally displaced in their home country.



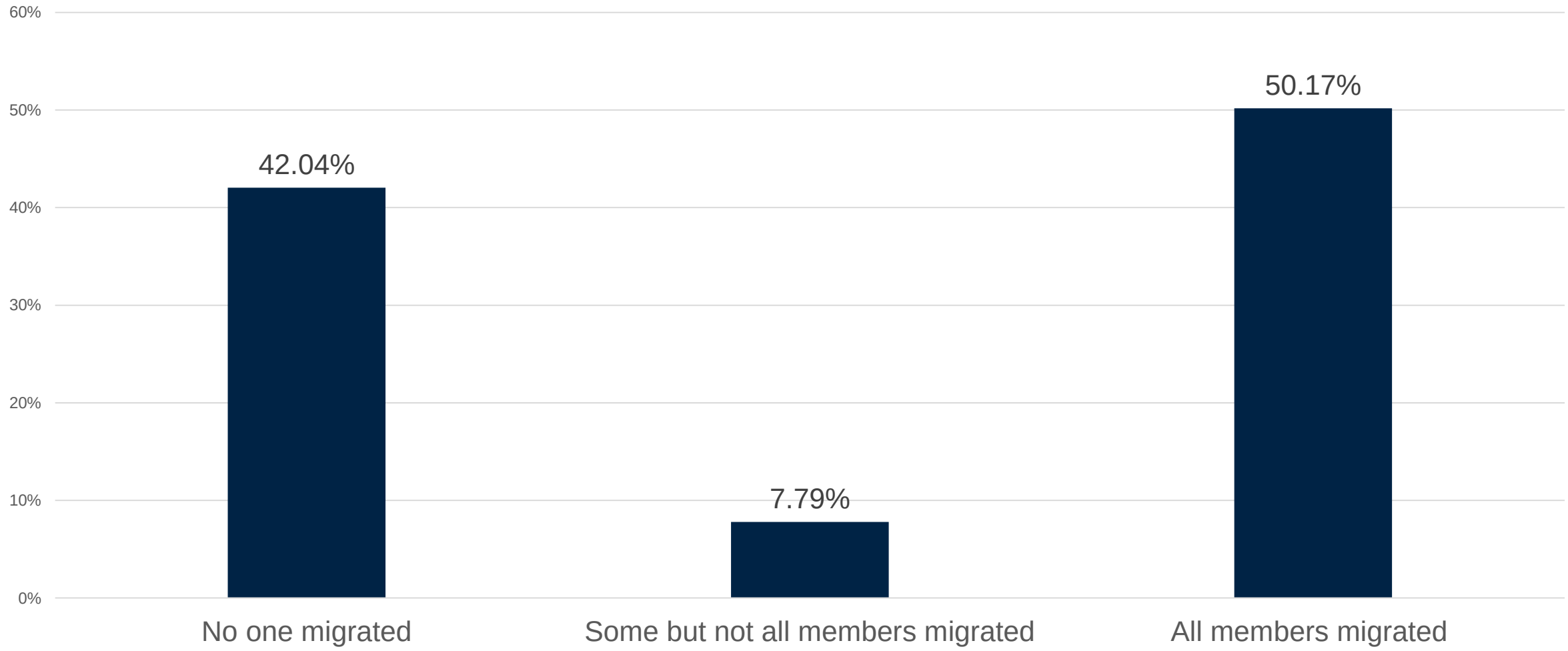
Source: UNHCR, PEW Research Center, EuroStat

ALJAZEERA

Short-term migration following the 2010 floods in Pakistan

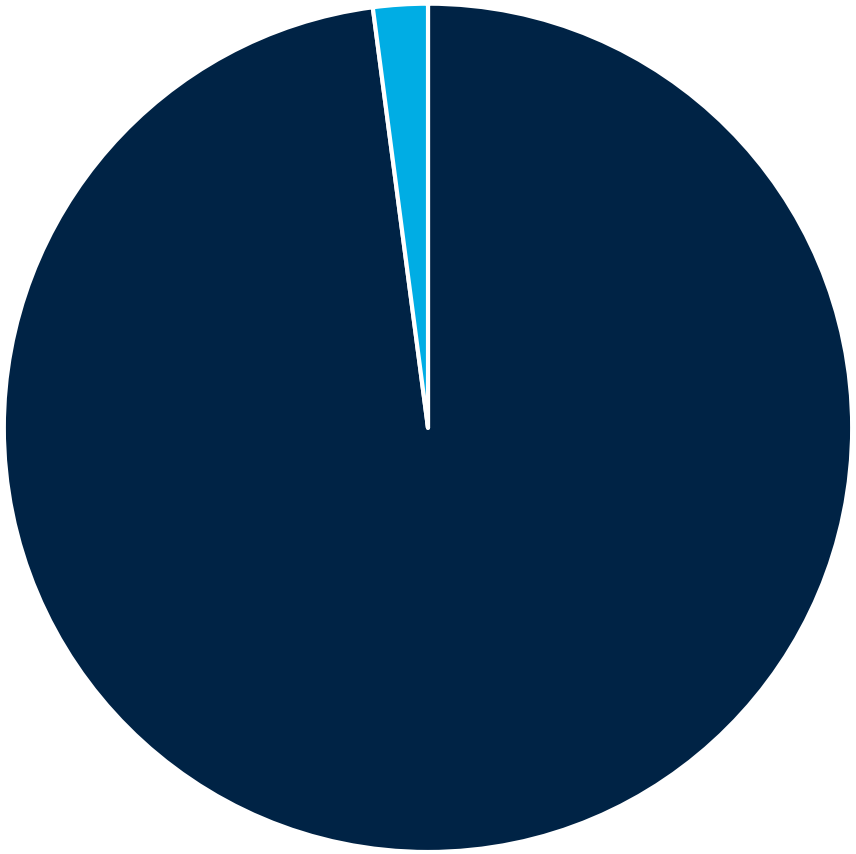
WORLD BANK GROUP
Social Protection & Jobs

HH Migration Patterns after 2010 floods in Pakistan



WORLD BANK GROUP
Social Protection & Jobs

Returning within 1 year: All Individuals who migrated



■ Returned to origin Village within a year ■ Did not return

WORLD BANK GROUP
Social Protection & Jobs

The costs and benefits of mobility/ immobility in response to shocks

	Benefits	Costs/ Requisites
Migrating	• Diversifying HH income • Access to remittances for those left behind • Escaping/ reducing direct exposure to shock • Opportunities to acquire skills, raise aspirations • ???	• Physical cost of movement • Access to credit, social networks, knowledge • Assets in origin area lost • Foregone entitlements tied to location • Skills acquired may be tied to jobs at location • Integration/ Adjustment costs • ???
Not Migrating	• Access to local entitlements, assets, jobs • Local community networks offer support • ???	• Full exposure to effects of shock • Inability to adapt in-situ poses greater risks (apple growers in HP, India) • Isolation, if most other community members move out • ???

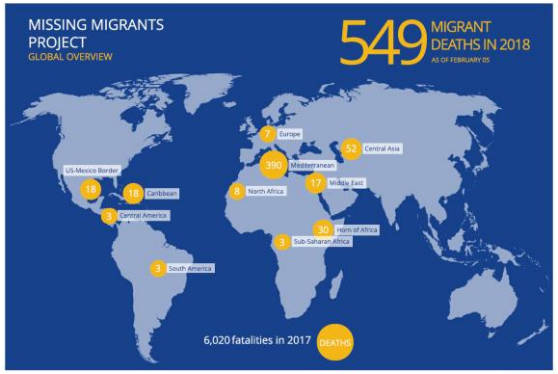
Open Questions

Blurred Lines between forced migration, migration as coping, and economic migration

Is migration available to everyone as a coping strategy? Social networks, resources, knowledge plays a role.

How easy is it to distinguish voluntary from involuntary migration in the context of shocks?

Is migration an optimal coping strategy? Are people who migrate to cope better/ worse off?



Exclusive report

People for sale

Where lives are auctioned for $400

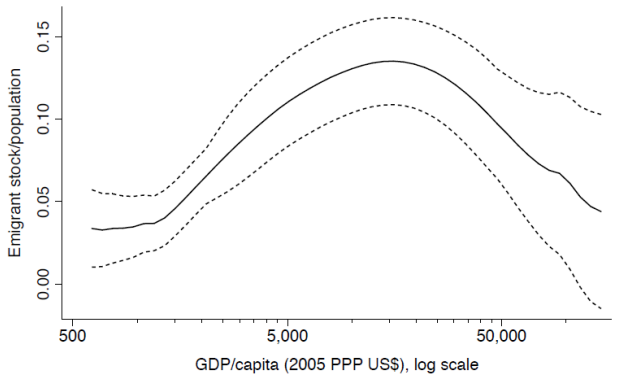
"No one leaves home unless home is the mouth of a shark"

- British-Somali poet Warsan Shire

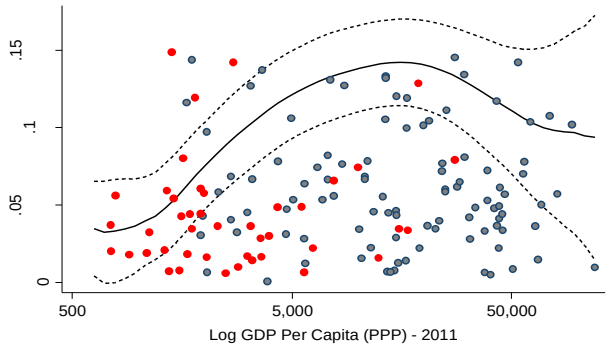
Emigration *increases* with economic development until countries reach middle-income status. Sub-Saharan Africa is just getting started.

- Multiple studies confirm an inverted U-shaped relationship between economic development and emigration (Zelinksy, 1971; Martin and Taylor, 1996; de Haas, 2010; Clemens, 2014)

(a) *Level of emigrant stock vs. level of real income, 2013*



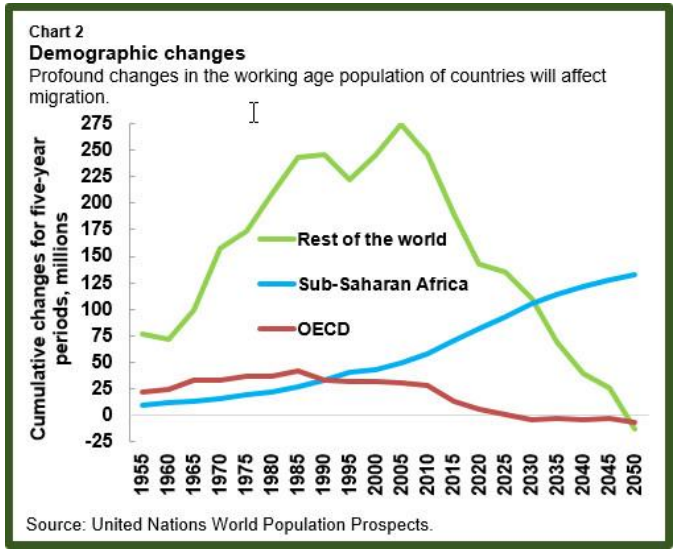
- Most sub-Saharan African countries (red) lie on the left of the "mobility transition" curve, which means more migration from the region is imminent

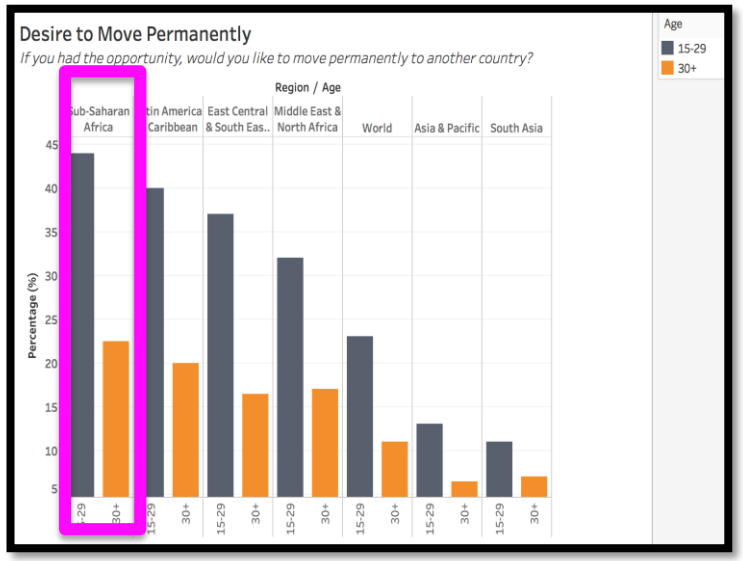


Red colored dots represent sub-Saharan African countries

Source: Based on Clemens (2014)

Demography and *Aspirations* are already putting significant upward pressure on migration of sub-Saharan African youth





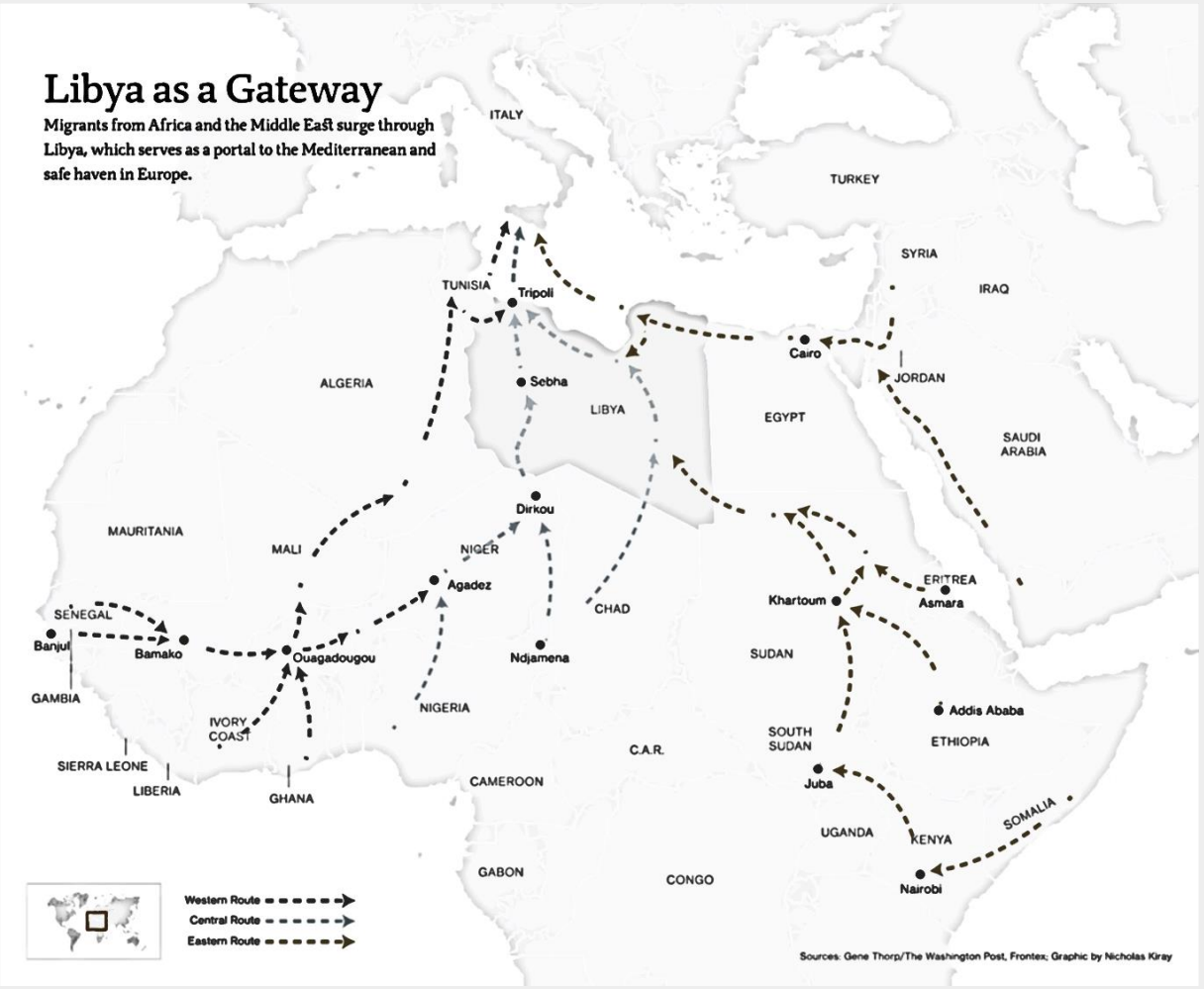
Although migration, in general, is rising in absolute numbers, international migrants represent only 2.9% of the rising sub-Saharan African population (compared to 3.3% globally).

Gap Between Population Growth and Jobs Growth in Developing Countries

	Change in working age population, 2015-2050 (million) (A)	Change in employment 2015-2050, needed to keep employment rates at 2015 level (million) (B)	"Migration pressure" created by the unemployed (million) (A–B)
All developing countries	2,119	1,243	875
East Asia & Pacific	200	135	65
Europe & Central Asia	8	4	4
Latin America & Caribbean	179	109	70
Middle East & North Africa	204	84	120
South Asia	600	317	283
Sub-Saharan Africa	928	595	333
High income: OECD	78	44	35

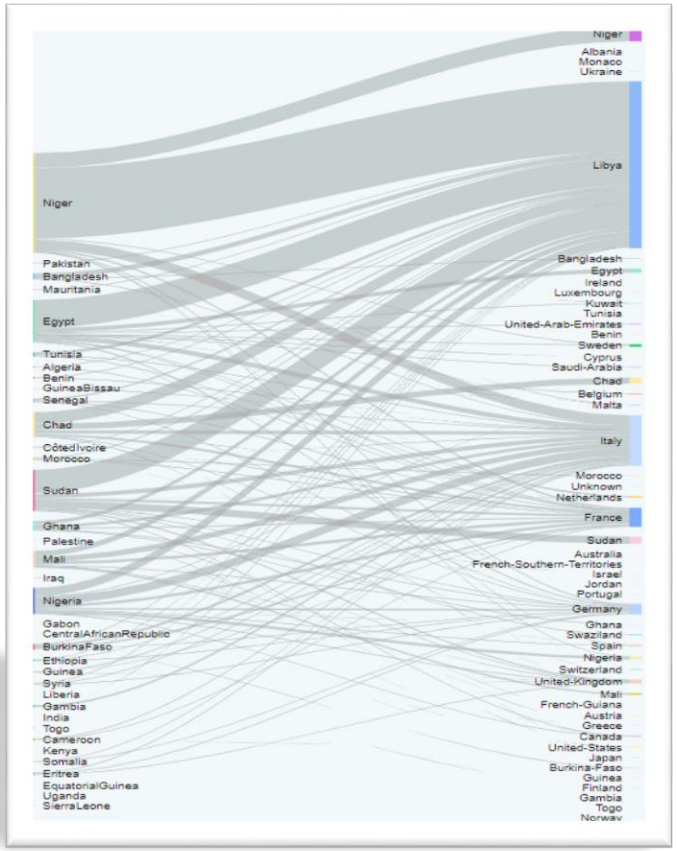
Chart Reference: ILO *Trends Econometric Models* and UN World Population Prospects 2015

One Manifestation



Source: MSNBC

Contrary to popular narrative, not all migrants in Libya are Europe bound.



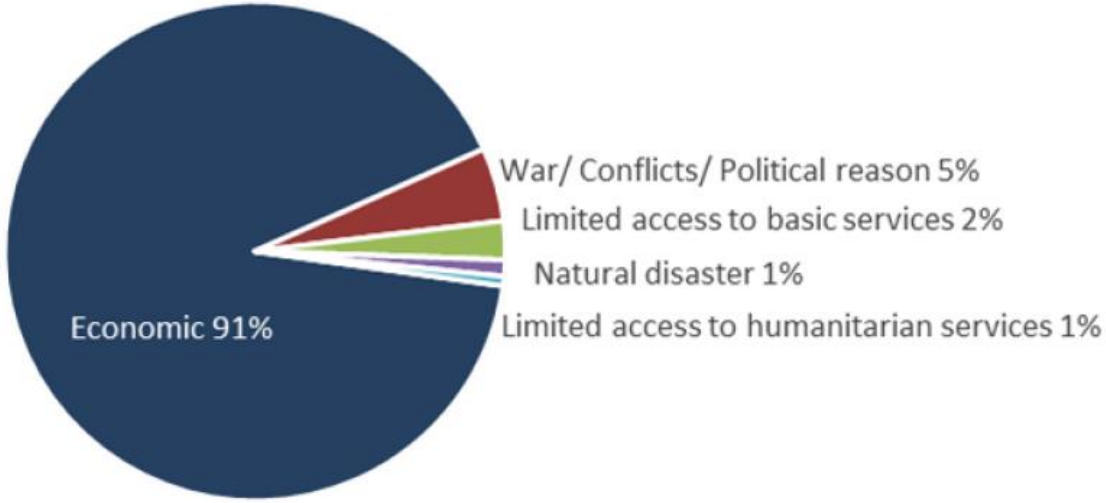
Source: Author's calculation using IOM Data of 4,251 randomly sampled migrants

And majority do not consider return an option despite facing tough conditions in Libya

WORLD BANK GROUP
Social Protection & Jobs

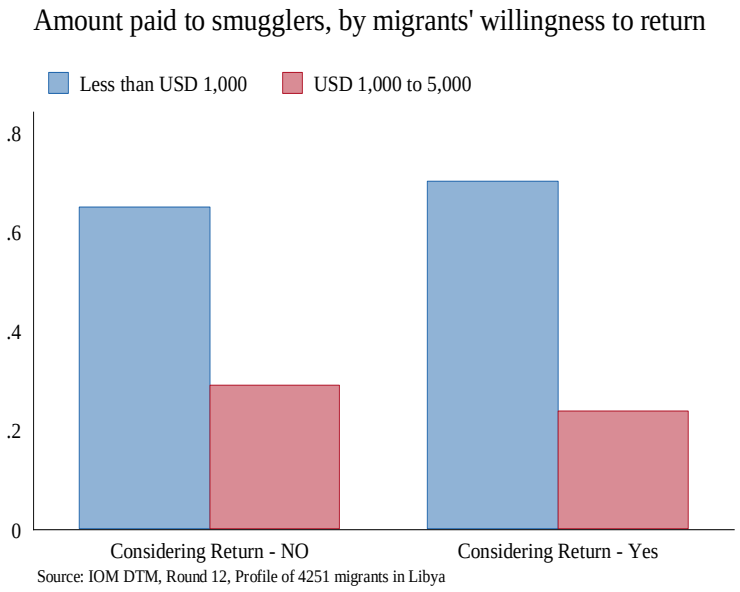
Are they escaping shocks?

Figure 12: Reasons for leaving countries of origin



Source: IOM, DTM Round 12

They sure pay a lot of money to get into Libya



And often end up in very difficult scenario!

Source: Africa Online

So, is migration an optimal coping strategy in this case?

- Important to understand different forms of migration as a transnational phenomenon and work with source countries (to understand migration drivers and migrant expectations (eg, McKenzie (2016); Shrestha (2017)), transit countries (to protect vulnerable migrants), and host countries (to help with better integration outcomes)

- No alternate to investing in building an effective migration management system, in both sending and receiving countries, no matter what the purpose of migration is

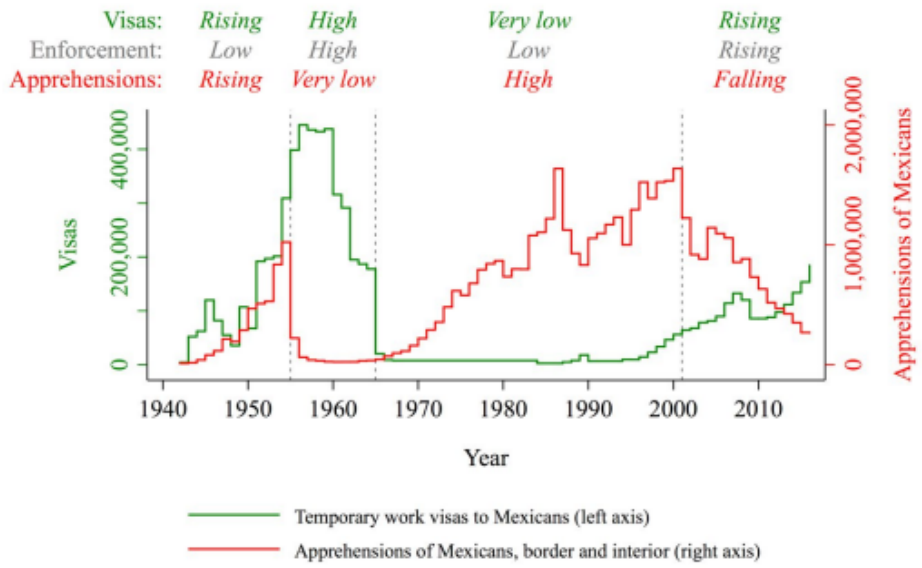
- From donor's perspective, including migrant service delivery provision in regular projects that cater to both host communities and migrants maximizes chances for social cohesion

- Pouring aid in origin countries with the sole purpose of curbing emigration will do nothing of the sort

- Collaboration between national governments, multilateral organizations, and local NGOs in everything ranging from data and systems building to service provision is key

US-Mexico example shows one way to experiment

FIGURE 1 . Regular migration channels have curbed irregular migration at the US-Mexico border—when paired with robust enforcement



Source: Data sources through 2012 given in Gutierrez et al. (2016) *op. cit.*, updated to 2016 with the DHS *Yearbook of Immigration Statistics* and *DHS Immigration Enforcement Actions* reports for 2015 and 2016. "Visas" are low-skill seasonal work visas.

Source: Clemens and Gough (2018)

Policy Priorities for addressing Migration as a Coping Strategy

Focus should not be on whether or not people should migrate

… But on helping households face shocks, smooth consumption, protect human capital

Policy Options to Support Risk Coping

Among Migrants

- Portability of Safety Nets benefits
- Access to credit
- Reducing Documentation, ID hurdles
- Information
- Skills training and certification

Among non-Migrants

- Continuity of Benefits/ entitlements
- Maximizing access to remittances, lower remittance costs and better financial inclusion
- Last-mile delivery and outreach among those isolated