

## How does access to social protection programmes affect the decision to migrate?

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**T**his Background Note reviews current evidence on how access to social protection programmes influences decisions to migrate internally or internationally.

Individuals or households often decide to migrate in response to shocks, stresses, poverty and uncertainty in their home areas. Economic labour migration can, therefore, be considered an informal coping strategy in a bigger portfolio of livelihood choices (Sabates-Wheeler and Waite, 2003). In theory, the availability of other sources of livelihoods — such as formal social protection — affects the decision to migrate.

Access to social protection may, therefore, increase or decrease the likelihood of migration. On the one hand, potential migrants who have access to a social protection programme may decide there is no need to migrate. On the other hand, migration and social protection could be seen as complementary strategies by prospective migrants, with the cash obtained from accessing a social protection programme used to fund migration.

Understanding this particular linkage is highly relevant to policy-making. The positive effects of migration on migrant households are obvious and well-documented (e.g. Adams and Page, 2005). These include poverty reduction, wealth creation and investments in businesses. However, migration may also have a negative impact on households with migrants — such as child abandonment — and on their home areas, including labour shortages. For these reasons, and others, policy-makers often wish to reduce migration.

The decision to migrate is highly personal, and is influenced by a variety of social and economic factors. The academic evidence suggests that the impact of specific migration policies on migration flows has

been limited, compared to other factors (Czaika and de Haas, 2011). Other factors might include other public policies, such as the provision of social protection. The question of whether and how access to social protection programmes affects the decision to migrate should, therefore, be of great interest to policy-makers.

### Theoretical links between migration and social protection

In theory, access to formal social protection programmes can influence whether individuals or households migrate or not, and can, therefore, influence overall migration flows. Whether and how migration flows change depends on the details of the social protection programme (e.g. whether the transfer is conditional or unconditional) as well as the mechanisms that drive migration (Stecklov et al., 2005).

If one assumes that the decision to migrate is made on the basis of a simple cost-benefit calculation, access to social protection programmes can increase the costs of migration as the transfer could be lost when migrating — and thus reduce migration flows. This is particularly the case if the beneficiary of the programme has to stay in the area of origin to receive the transfer. Households may also be concerned with diversifying income sources and reducing risks (Stark and Bloom, 1985) and have one or more household members migrate to another labour market in order to achieve this. A public transfer would provide another local income source that is uncorrelated with other earnings and, therefore, reduce the incentive to migrate (Stecklov et al., 2005).

However, if migration is very costly, receiving a transfer may help to relax the credit constraints faced by poor households and, instead, help to finance migration. Social protection may, therefore, lead to an expansion of migration. Finally, in the absence of effective retirement provisions, savings derived from migration may be seen as a substitute for formal pensions (Sana and Massey, 2000).

So whilst in theory, the provision of social protection affects the decision to migrate in a number of ways, in practice it is difficult to see whether social protection reduces or increases the incentives to migrate without considering the specific programme design and the particular factors that influence the migration decision.

## Review methodology

This review focused on empirical studies looking at the impact of access to social protection programmes on 1) individual or household propensity to migrate, and 2) aggregate migration flows in migration source areas in low- and middle-income countries.

We only considered publicly mandated social protection programmes, including cash transfers, public works programmes, health insurance, unemployment insurance, health fee waivers, school subsidies or fee waivers, and asset transfers. Furthermore, we only considered economic labour migration and not other migrant flows, e.g. refugees. A formal literature search was conducted in November-December 2011, using pre-defined search strings to explore five academic databases, 12 journals and ten websites/ search engines. In addition, six experts in the field suggested relevant studies.

All studies that fit the search criteria were included without further assessment of their quality. We included both qualitative and quantitative studies, but the literature has a strong bias towards quantitative studies (19 studies).

The search resulted in 22 studies that explicitly examine the impact of social protection on migration decisions or aggregate migration flows. The results of these studies are analysed according to type of intervention, beneficiary characteristics and context.

## Overall findings

The overall findings of our review are summarised in Table 1. Most studies consider the impact on the individual or household propensity to migrate, with only two looking at the impact on aggregate migration flows. There is a strong geographical bias towards Mexico (nine studies) and South Africa (five studies). Taken together, the studies find a near balance of positive and negative impacts on migration: ten studies find that access to social protection programmes increases migration, while another ten studies show it decreases migration. Five studies find that social protection programmes have no impact on migration.

## Types of social protection interventions

The studies consider four distinct types of social protection interventions:

- conditional cash transfers that provide a cash transfer to beneficiaries provided that beneficiaries adhere to a set of pre-defined conditions
- unconditional cash transfers that provide a cash transfer to beneficiaries without any conditions attached
- social insurance schemes that provide a transfer to beneficiaries who have previously contributed to the scheme, for instance pension schemes
- employment guarantee schemes that guarantee a fixed time period of paid employment on public works projects to beneficiaries.

These interventions are now discussed in turn.

### Conditional cash transfers

Looking at five different conditional cash transfers in Latin-America, the studies find a variety of impacts. Again, about half of the studies show that the propensity to migrate increased for households receiving the transfer, while half show a decrease. The possible explanation for an increased propensity to migrate are: 1) the transfer is not large enough to satisfy household needs; 2) the transfer facilitates migration by financing migration; and 3) the conditionalities fail to keep all household members at home. In Nicaragua, for example, the *Red de Protección Social* transfer appears to have enabled migration of male adults — unconstrained by any of the conditions — during times of crisis (Winters et al., 2005).

Even when considering only one intervention, it is far from clear whether access to a conditional cash transfer increases or decreases the propensity to migrate. *Oportunidades* is a conditional cash transfer in Mexico that gives a cash transfer to beneficiary households, provided that households ensure regular school attendance and visits to health clinics, and take nutritional supplements. Four of the six studies on the *Oportunidades* programme in Mexico find that it increased migration. The conditional cash transfer seems to have relaxed credit constraints for households that did not manage to migrate before receiving the transfer — with the entitlement to a transfer already being sufficient as collateral for a loan (Angelucci, 2004; Angelucci, 2011).

Azuara (2009) also finds an increase in the propensity to migrate and suggests that the school attendance condition may have increased potential migrants' marginal productivity and, therefore, increased the returns to migration. Rubalcava and Teruel (2006) — explaining a greater propensity to

migrate internally — argue that the transfer made it financially feasible for young couples to move away from the main household.

However, two studies find a decrease in the propensity to migrate as a result of *Oportunidades*. It appears

that the transfer may reduce migration of beneficiaries in the short term due to compulsory school attendance and other conditions (Behrman et al., 2008; Steklov et al., 2005). More research is needed to understand whether conditional cash transfers prevent migration

**Table 1. Studies on the impact of social protection on propensity to migrate and aggregate migration flows**

Author	Country	Social protection programme	Type of programme	Impact on propensity to migrate/ aggregate migration flows
Angelucci (2004)	Mexico	Oportunidades	Conditional cash transfer	Increase (international)
Angelucci (2011)	Mexico	Oportunidades	Conditional cash transfer	Increase (international) No impact (domestic)
Azuara (2009)	Mexico	Oportunidades	Conditional cash transfer	Increase
Behrman et al. (2008)	Mexico	Oportunidades	Conditional cash transfer	Decrease
Steklov et al. (2005)	Mexico	Oportunidades	Conditional cash transfer	Decrease (international) No impact (domestic)
Gonzalez-Konig & Wodon (2005)	Mexico	Procampo	Conditional cash transfer for farmers	Decrease
Sana & Massey (2000)	Mexico	Social insurance (contributory)	Unemployment insurance Disability pay Free medical care Day-care for children Old age pension	Decrease
Sana & Hu (2007)	Mexico	Social insurance (contributory)	Unemployment insurance Disability pay Free medical care Day-care for children Old age pension	Decrease
Da Mota (2008)	Brazil	Bolsa Familia	Conditional cash transfer	Decrease
Winters et al. (2005)	Honduras Nicaragua	Programa de Asignacion Familiar Red de Protección Social	Conditional cash transfer	No impact for Honduras Increase for Nicaragua
Ardington et al. (2009)	South Africa	Old-Age Grant	Non-contributory pension	Increase
Inder & Maitra (2004)	South Africa	Old-Age Grant	Non-contributory pension	Increase
Posel et al. (2006)	South Africa	Old-Age Grant	Non-contributory pension	Increase
Sienaert (2008)	South Africa	Old-Age Grant	Non-contributory pension	Increase
Sienaert (2007)	South Africa	Old-Age Grant	Non-contributory pension	Increase
Deshingar et al. (2010)	India	Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)	Employment guarantee scheme	No impact
Jacob (2008)	India	MGNREGA	Employment guarantee scheme	No measurable impact
NFIW (2008)	India	MGNREGA	Employment guarantee scheme	Decrease
Hagen-Zanker et al. (2009)	Albania	Social insurance (contributory)	Social assistance Old Age allowance Disability pay Unemployment benefit Maternity allowance	Decrease
Greenwood et al. (1999)	60 countries of origin	Social insurance (contributory)	Old-age pensions Sickness programmes Unemployment benefit Family assistance	Decrease
Greenwood & McDowell (2011)	82 countries of origin	Social insurance (contributory)	Old-age pensions Sickness programmes Unemployment benefit Family assistance	Decrease

by restricting individual choices through conditions or by improving beneficiaries' living conditions.

### Unconditional cash transfers

There are five studies on the *Old Age Grant* in South Africa, which is a non-contributory pension for older persons. All studies in the review show that the Old Age Grant led to an increase in migration. There is strong evidence that receipt of the Old Age Grant by a pensioner within a multi-generational household enabled working-age adults in the household — particularly females — to seek employment in urban centres, thereby overcoming previous credit constraints and enabling them to spend more time searching for work. Migration is facilitated, because the Old Age Grant provides households with an additional income to finance migration and as the older person is available to stay behind and to look after children living in the household (Posel et al. 2006).

### Social insurance

A number of macro-economic studies on access to social insurance in a large number of countries (e.g. Greenwood et al., 1999), as well as in-depth studies on social insurance programmes in Mexico and Albania (Sana and Massey, 2000; Sana and Hu, 2007; Hagen-Zanker et al., 2009), find that an increase in social insurance coverage is linked to a decrease in migration.

Two studies on Mexico, for example, consider Mexico's social insurance system, which includes unemployment insurance, disability pay, free medical care, day care for children and old-age pensions. These studies show that those who have access to social insurance had a lower propensity to migrate, while those without access were more likely to migrate, possibly because of concerns about poor retirement prospects at home (Sana and Hu 2007; Sana and Massey 2000). The authors argue that savings built up during the course of migration can be seen as a substitute for a formal pension.

However, the causal relation between social insurance and migration is far from clear: access to social security indicates that the beneficiary has a stable and relatively well-paid job in the formal sector. Further research needs to analyse whether it is the job or the associated social insurance provision that provides the disincentive for migration.

### Employment guarantee schemes

The *Mahatma Gandhi National Rural Employment Guarantee Act* (MGNREGA) is an employment guarantee scheme in India that provides up to 100 days of paid employment on public works to rural households each year. Despite its potential to provide beneficiaries with

a stable income source, it did not have a clear impact on overall migration — though some evidence suggests that distress migration was reduced (Deshingar et al., 2010). It is possible that overall migration flows were unaffected because of the uneven implementation of MGNREGA throughout the country and its subsequent failure to provide the expected security (Jacob, 2008).

### Beneficiary characteristics

The findings indicate that the characteristics of the beneficiary receiving the transfer are vital in explaining the level and type of migration flows. In a macro-economic study of 82 source countries, Greenwood and McDowell (2011) show that the average skill level of migrants tends to be lower when more social insurance programmes are available in their country of origin. In other words, those with greater skills, who can afford to contribute to a social insurance programme, stay at home.

Likewise, Angelucci (2011) shows that unskilled migration — in particular — increases as a result of *Oportunidades* in Mexico because unskilled households face the greatest financial constraints in funding the cost of migration. The same holds for extremely poor households, but households with a greater proportion of secondary school children (for whom conditionalities are binding) have lower migration rates in the short term (Angelucci, 2004).

One important lesson from South Africa is that gender matters: when women receive pensions, other household members are more likely to migrate (e.g. Sienaert, 2007). In India, men said they would continue to migrate despite access to MGNREGA, as the transfer is not high enough for them to make ends meet. For women, on the other hand, participation in MGNREGA is preferable to migrating on their own, as migration is more costly and difficult for women than for men (Deshingar, 2010).

These findings suggest that it is important to understand the beneficiary, the households and the underlying dynamics of migration in order to assess the potential impact of social protection on migration itself.

### The context

A number of contextual factors also help to explain the impact of access to social protection programme on the propensity to migrate.

#### Contextual factors that increase migration

Some factors increase the propensity to migrate. First, a combination of poverty and uncertainty in areas of origin plus access to a social protection programme

seem to lead to greater migration. In deprived areas of origin, with poor employment prospects, the transfer may be used to finance migration, as documented in various studies on South Africa (e.g. Sienaert, 2008). Likewise, if there is a shock, such as a sudden drop in the income of farmers, the transfer may be used to finance migration, as happened in Nicaragua during the coffee crisis (Winters et al., 2005).

Second, social protection programmes that increase human capital or productivity and, therefore, enhance future gains from migration can lead to higher migration rates in the medium term or after the beneficiary loses eligibility for the transfer. Whether migration indeed increases, again depends on economic conditions and employment conditions in the areas of origin. Azuara (2009), for example, argues that *Oportunidades* beneficiaries are more likely to migrate after graduating from high school if they cannot find skilled employment at home.

### Contextual factors that decrease migration

A number of contextual factors seem to make migration less likely. First, households having greater security as a result of access to social insurance or formal employment, clearly reduces migration, as the macro-economic studies on aggregate migration flows show (e.g. Greenwood et al., 1999).

Second, the provision of a stable income source can reduce the need to seek income elsewhere. MGNREGA, for example, was documented to provide a safety net for women that allowed them to forgo migration (Deshingar, 2010). However, this depends strongly on successful implementation of the programme and on the regular payment of the transfer (Deshingar, 2010; Jacob, 2008).

Third, conditions force beneficiaries to stay at home, at least in the short run, as in the case of *Oportunidades* (Angelucci 2004). However, these conditions rarely apply to all household members and have not, for example, prevented male adults from migrating in Nicaragua (Winters et al., 2005). Furthermore, transfers and conditions have a limited time-span and migration patterns may change in the medium term, particularly if beneficiaries have greater human capital and if economic conditions in the area of origin have not improved.

### Considerations for policy-makers

This analysis of the literature has shown that the provision of social protection can affect the propensity to migrate in a number of ways. Policy-makers cannot take it for granted that migration flows can be

reduced with the provision of social protection. When designing social protection instruments that may also affect migration flows, policy-makers need to carefully consider intervention design, beneficiary characteristics, and context, and how these will impact on the decision to migrate. The following questions can be considered by policy-makers in this process:

- *In terms of intervention design:* Would the conditions keep (all) household members at home? Would the transfer be adequate enough to prevent individuals or households from migrating? Would the transfer lead to greater human capital or productivity?
- *In terms of beneficiaries:* Would the transfer affect men and women differently? How would the transfer affect the propensity to migrate of other household members who are not direct beneficiaries?
- *In terms of context:* What would happen to migration flows over time, in particular once households lose eligibility for the transfer? Are employment opportunities sufficient to keep households at home, particularly if households acquire new skills as a result of the social protection programme?

As this review has shown, however, the impacts of social protection on migration flows are still poorly understood. Further empirical research is needed on the influence of intervention design, beneficiary characteristics, and context.

### Conclusion

This Background Note has assessed the current state of knowledge on the impact of access to formal social protection programmes on the propensity to migrate.

The 22 reviewed studies show that access to social protection can affect the propensity to migrate in a number of ways, with half showing that migration increased and the other half showing that migration decreased.

The relationship between access to social protection and migration flows is clearly not linear. Whether access to social protection increases or decreases the propensity to migrate ultimately depends on context, the design and implementation of the social protection programme, beneficiary characteristics, as well as the reasons that underpin a household's decision to migrate.

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