Migrate to invest?
An Analysis of Direct and Indirect Effects of International Migration on Personal Investment in Senegal

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Entre parcours de vie des migrants & attentes politiques, quel co-développement en Afrique subsaharienne ?
Dakar, 21 Novembre 2009

Cette table ronde a bénéficié du soutien de:

Funded under the Socio-economic Sciences & Humanities Theme

Introduction

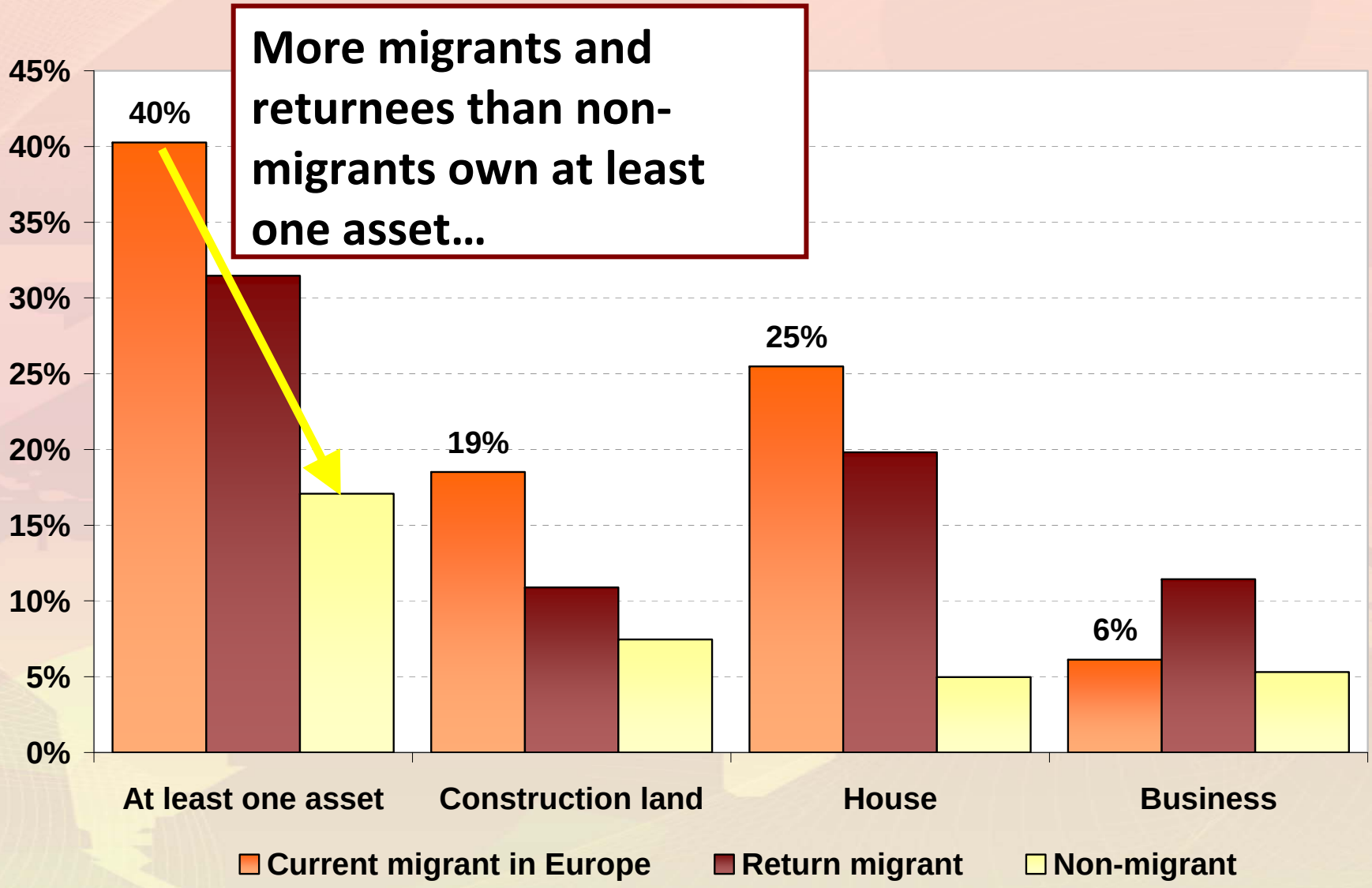
- A core idea of Co-dev':
  - Migrants as essential actors of development in origin countries, especially through investments.
  - Expectation that migrants invest in « productive assets »

- Objective: to study whether international migration triggers investments in land, housing or businesses
  - Are international migrants and returnees more likely to invest in Senegal than individuals who did not migrate? (***direct effect***)
  - Is migration experience an investment booster for people who are usually disadvantaged? (***social mobility***)
  - Are non-migrants with access to a "migrant network" more likely to invest than non-migrants without any "migrant network"? (***indirect effect***)

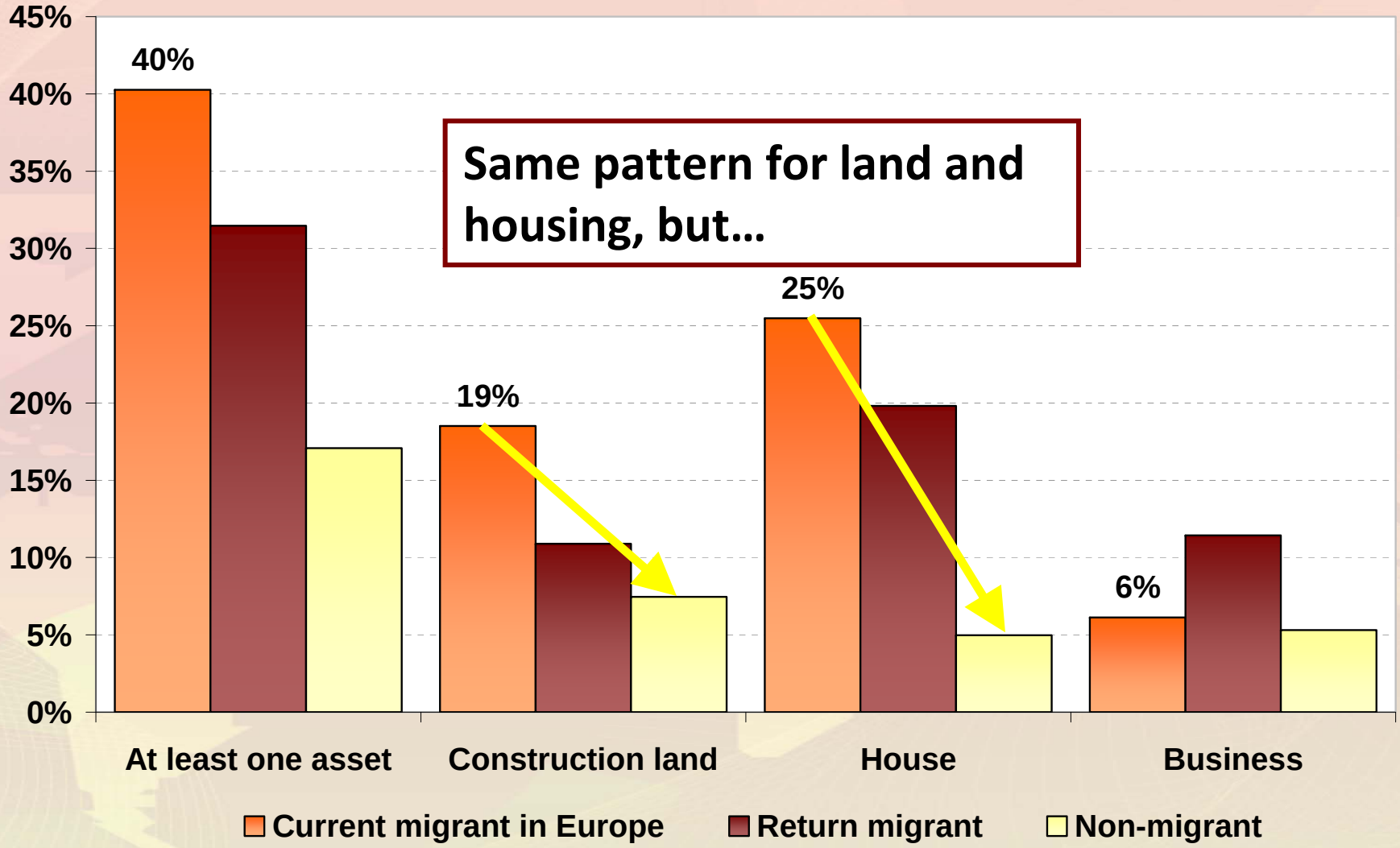
Data and Methods

- Biographic data, using all MAFE-Senegal samples (Senegal, France, Italy and Spain)
- What we want to explain:
  - 1st investment in an asset (in Senegal & not inherited)
  - Types of assets:
    - "plots of land (building plot, or under construction)"
    - "housing units (house, apartment…)"
    - "business, venture, commercial premises even on a rental basis (shop, workshop, taxis…)"
- Explanatory variables of interest
  - Migration status: non-migrant / migrant / return migrant
  - Migrant network: broad definition / narrower definitions
- Dynamic approach
  - accounting for all changes during the lifetime

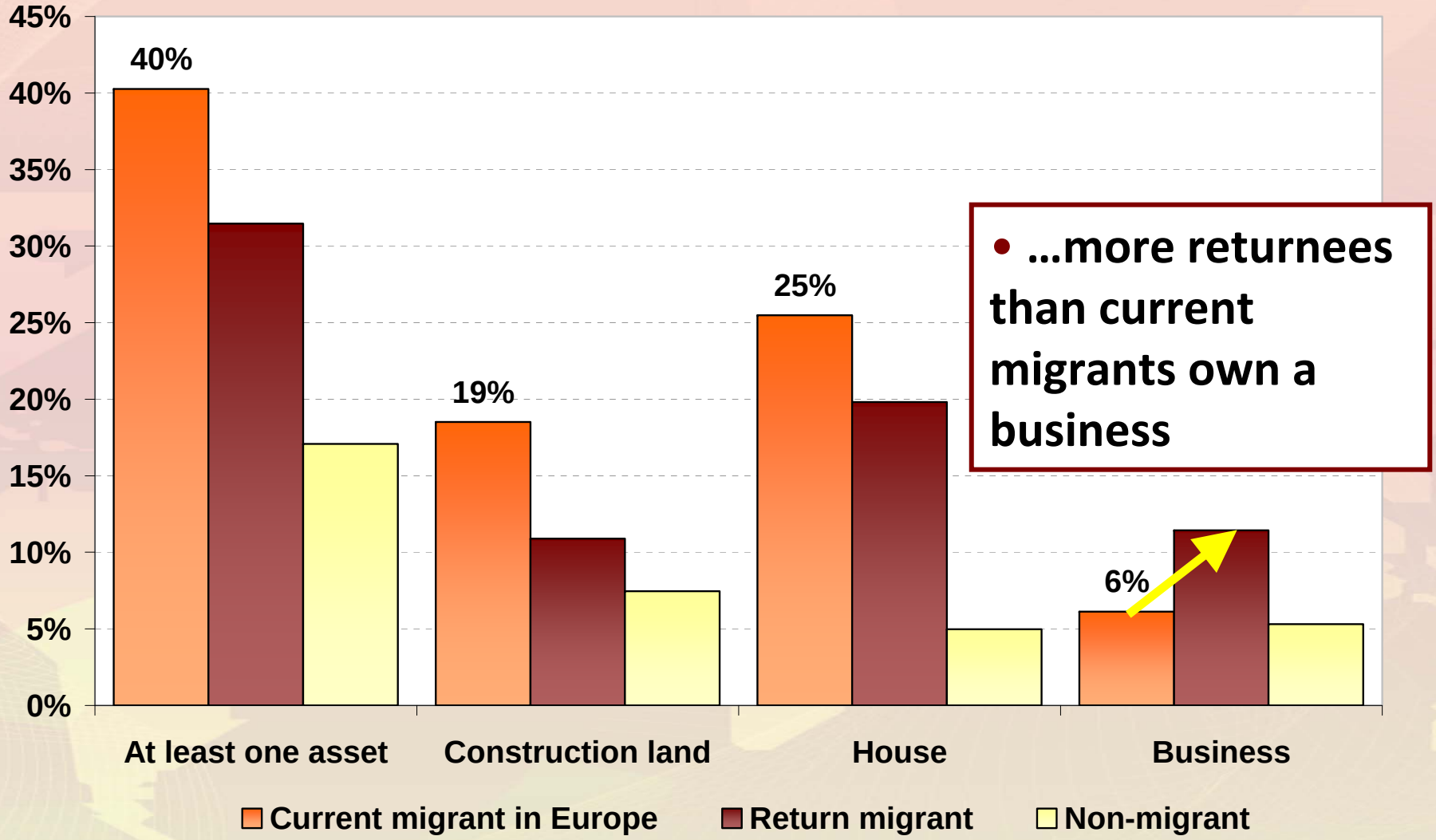
Higher asset ownership rates among migrants and returnees?



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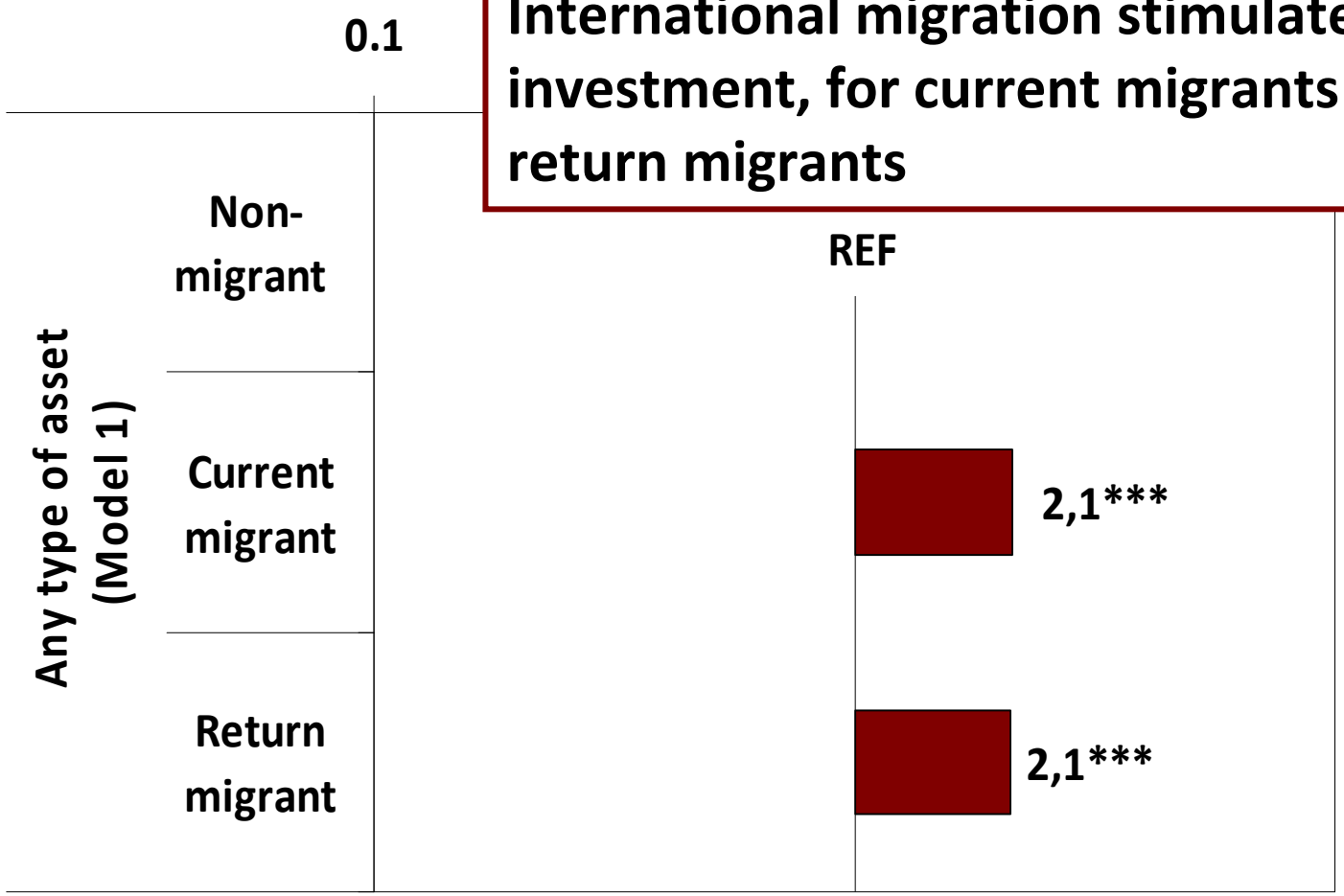


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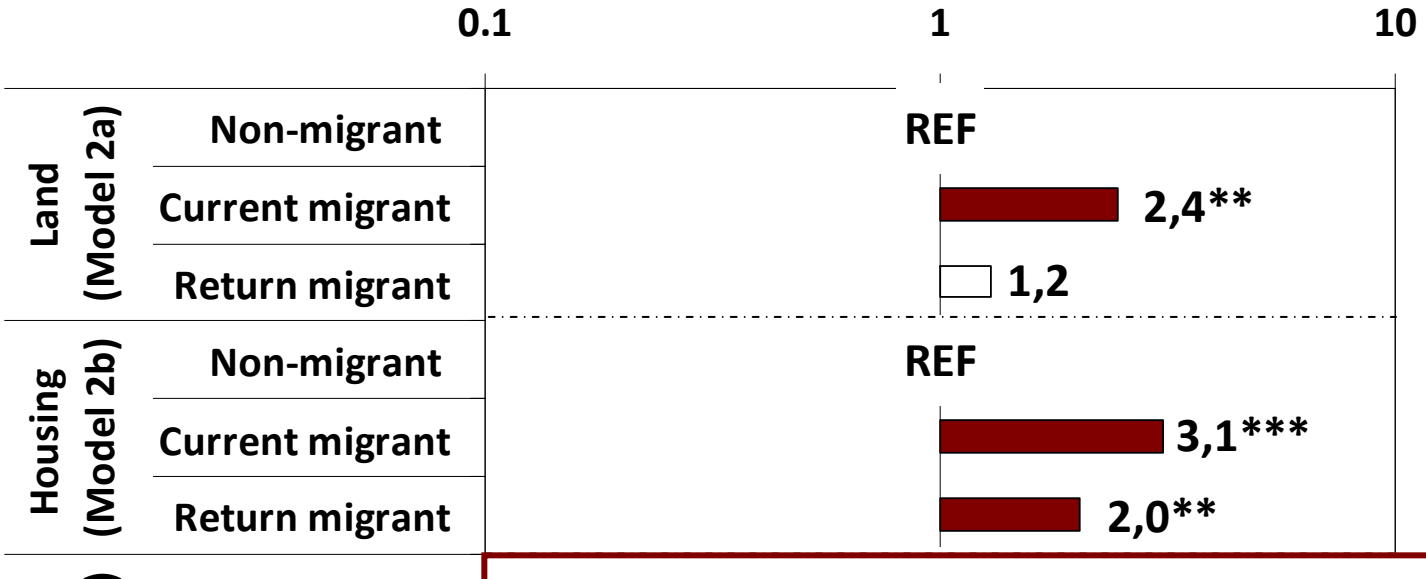
Does personal experience of migration influence the odds of investing?

International migration stimulates investment, for current migrants and return migrants



Odds Ratios
Control variables not shown
White bars: estimates not stat. significant

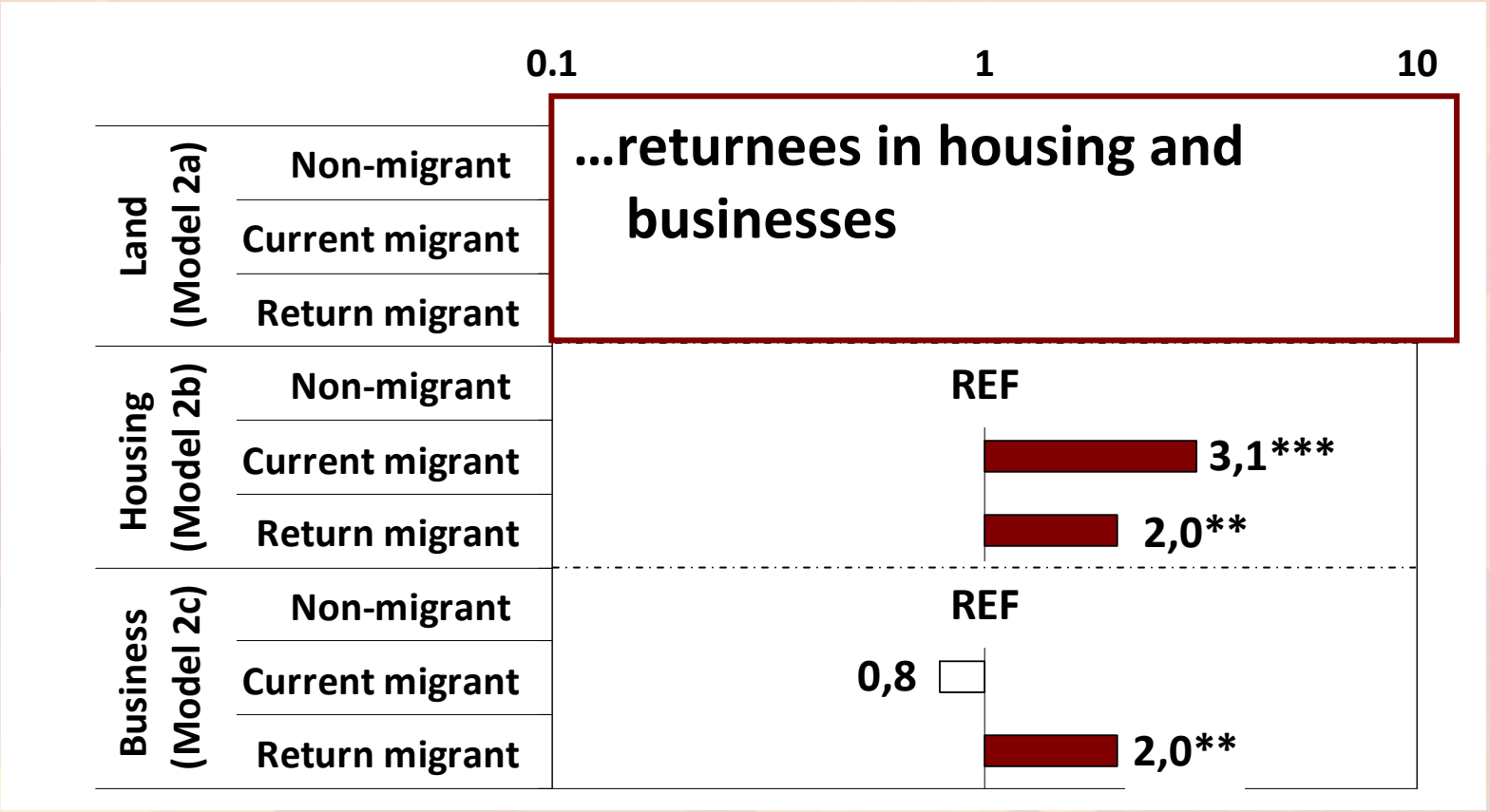
Is there any specialization in terms of investment?



- **Current migrants invest in housing and land…**

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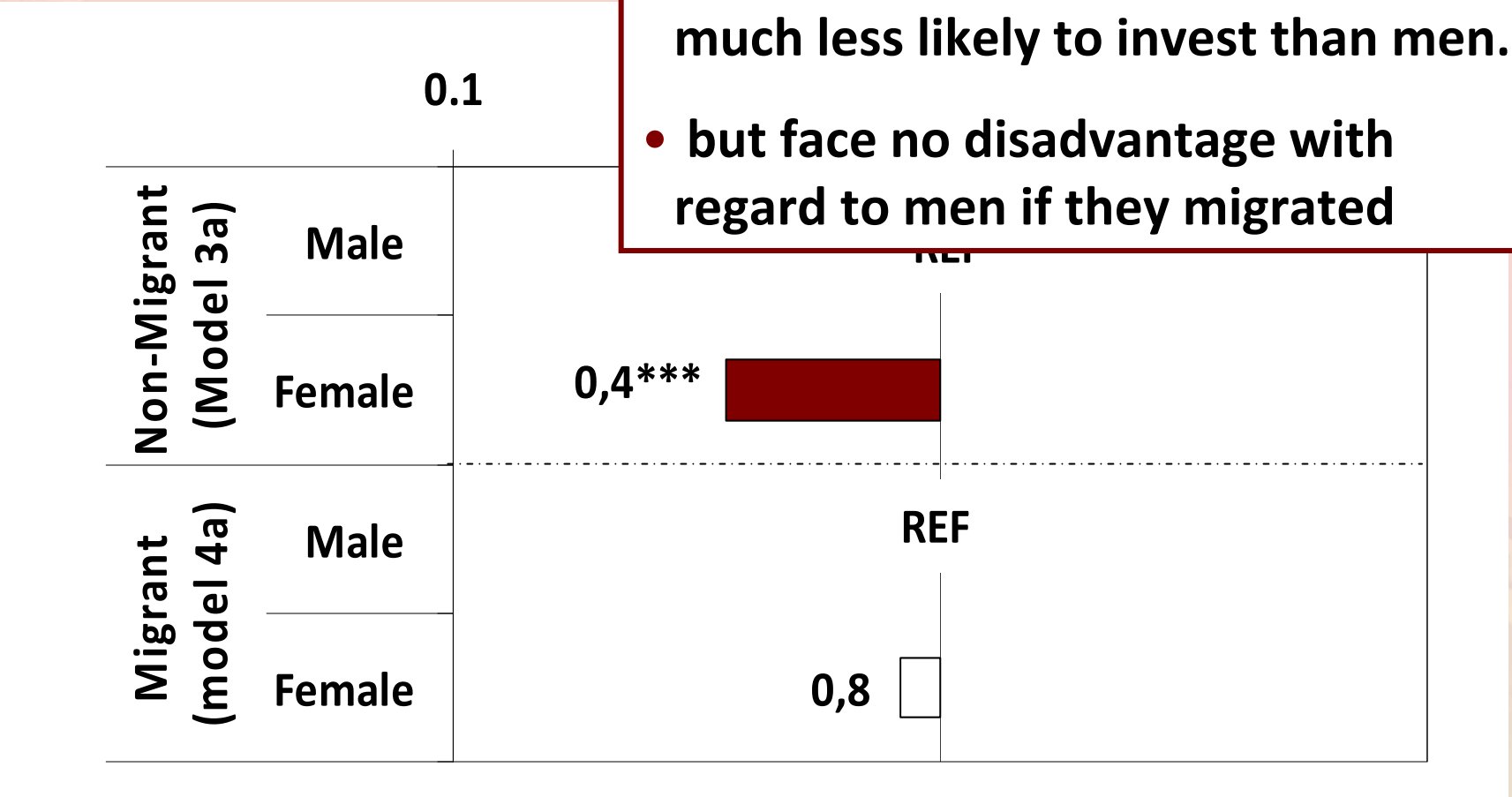
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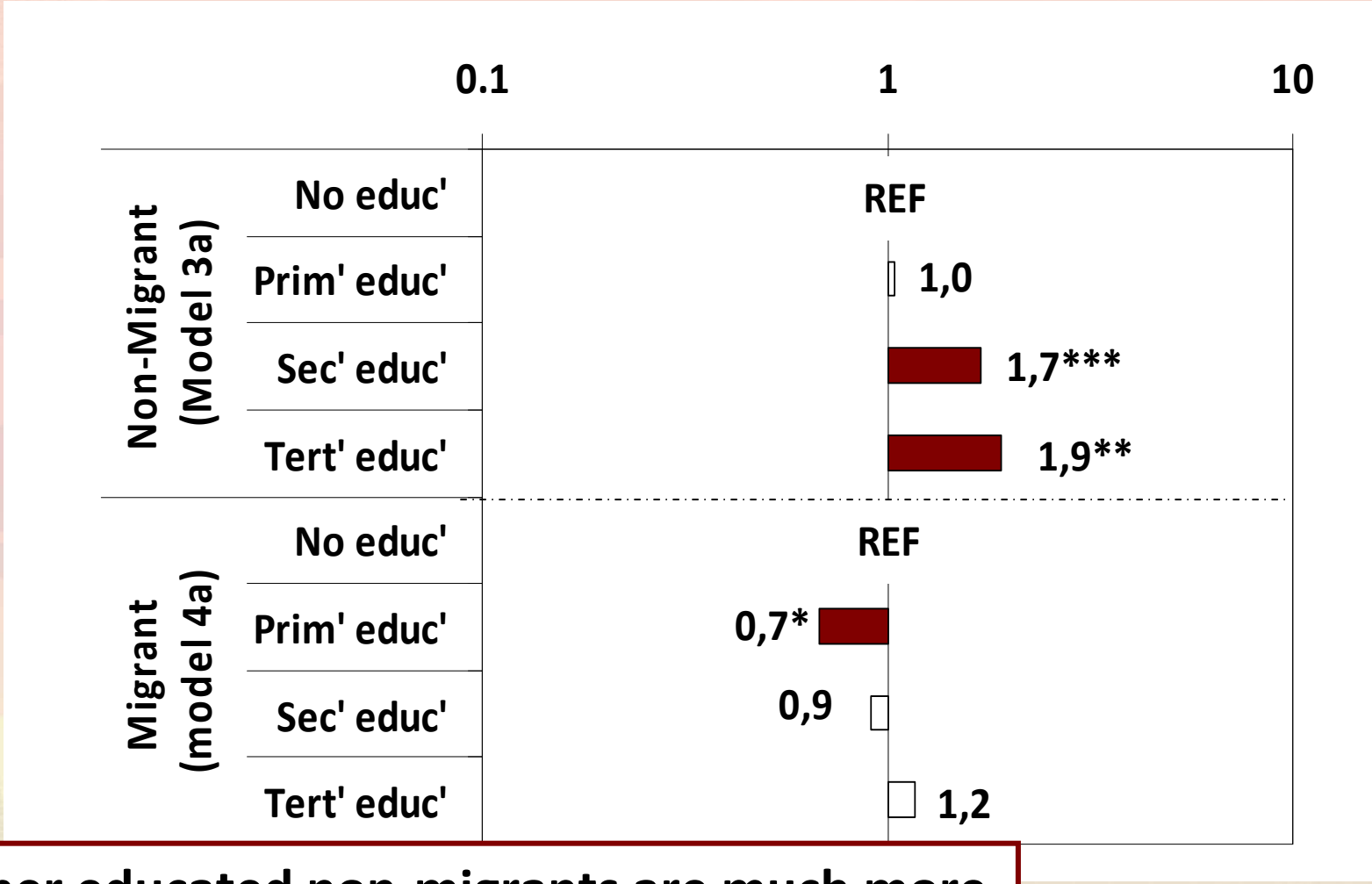
Does migration boost investments of disadvantaged individuals? - Gender

- **Women who did not migrate are much less likely to invest than men…**
- **but face no disadvantage with regard to men if they migrated**



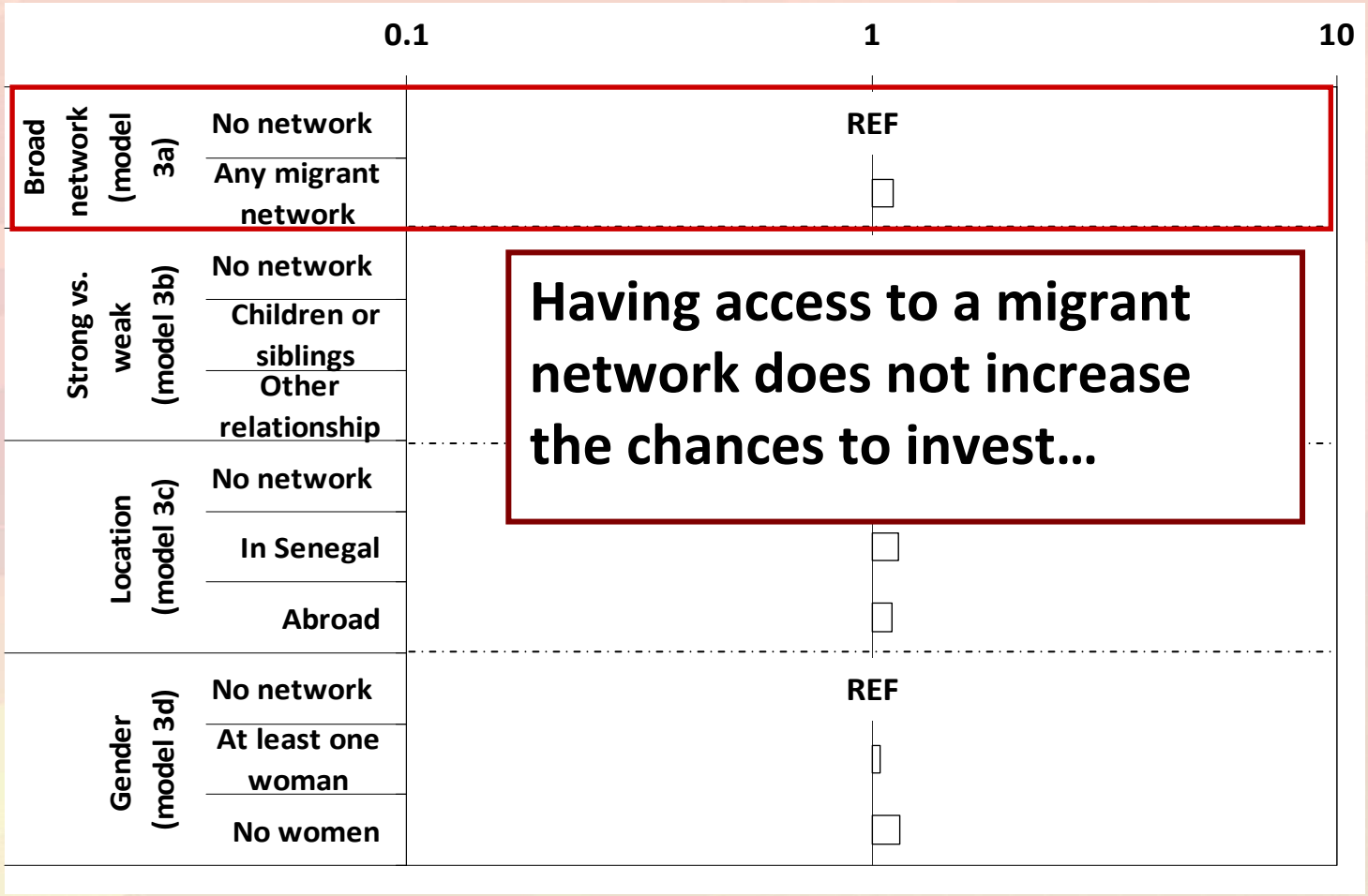
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Does migration boost investments of disadvantaged people? - Education



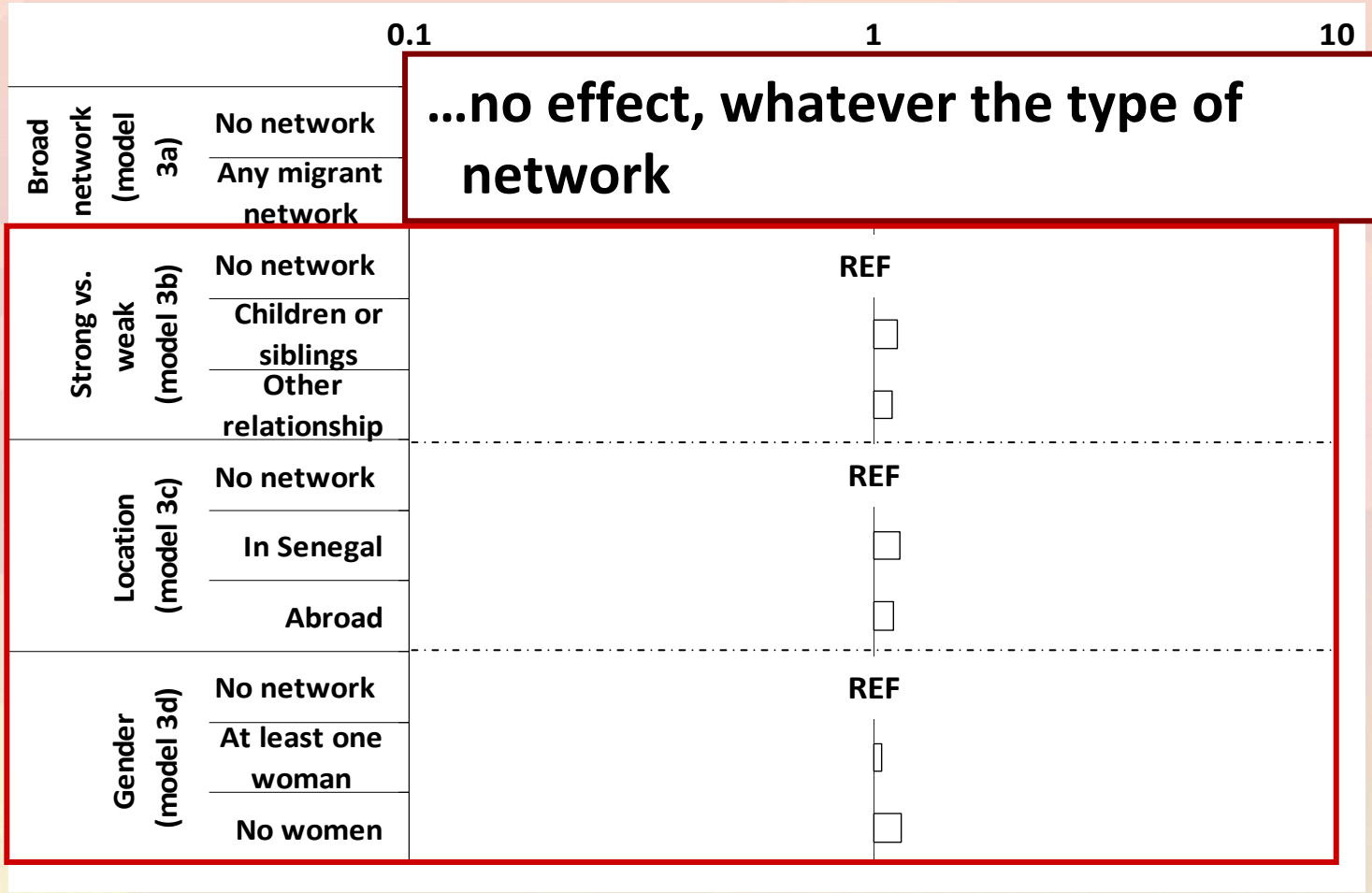
- Higher educated non-migrants are much more likely to invest …
- which is not the case among migrants

Do non-migrants invest more when they have a migrant network?



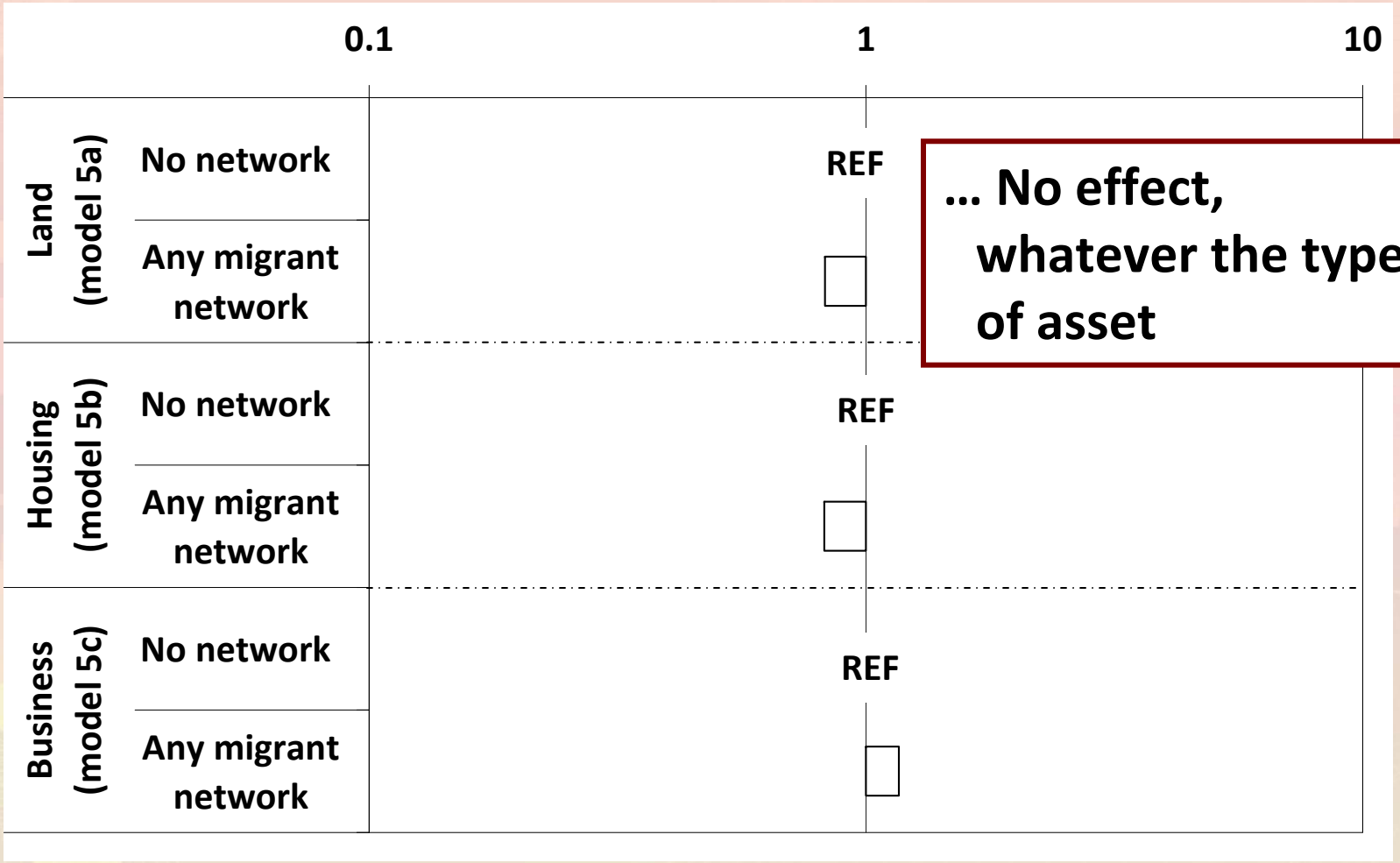
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Do non-migrants invest more when they have a specific migrant network?



Odds Ratios
Control variables not shown
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Does the network effect depend on the type of asset?



Odds Ratios
Control variables not shown
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Conclusion – Direct effect & social mobility

- There is a direct effect of migration…
  - that varies according to the type of asset and the migratory status
    - Return migrants → business…
    - Migrants abroad → real estate…
  - that seems to reduce the gap for people usually disadvantaged
    - Females, low levels of education…
    - Migration → social mobility?

Conclusion – Indirect effect

- There is no evidence for an effect of migrant networks on non-migrants' personal investments…
  - But migrants may still support non-migrants:
    - Who may use migrant's assets (housing, employment)
    - Who may inherit/receive assets from migrants or return migrants in their family
    - Other channels for direct support to social networks at origin (migrants associations, community investments)
    - Also: Spillover effects of migrants' investments possible (employment in construction…)

Further research

- What features of the migration experience influence whether migrants invest in land/housing vs. business activities? Do not invest at all?
  - Effect of the duration of the stay abroad? Legal status? Integration conditions? Circulation?
  - At stake: public policies to influence investments behaviours…
    … taking into account the equalizing role of migration.

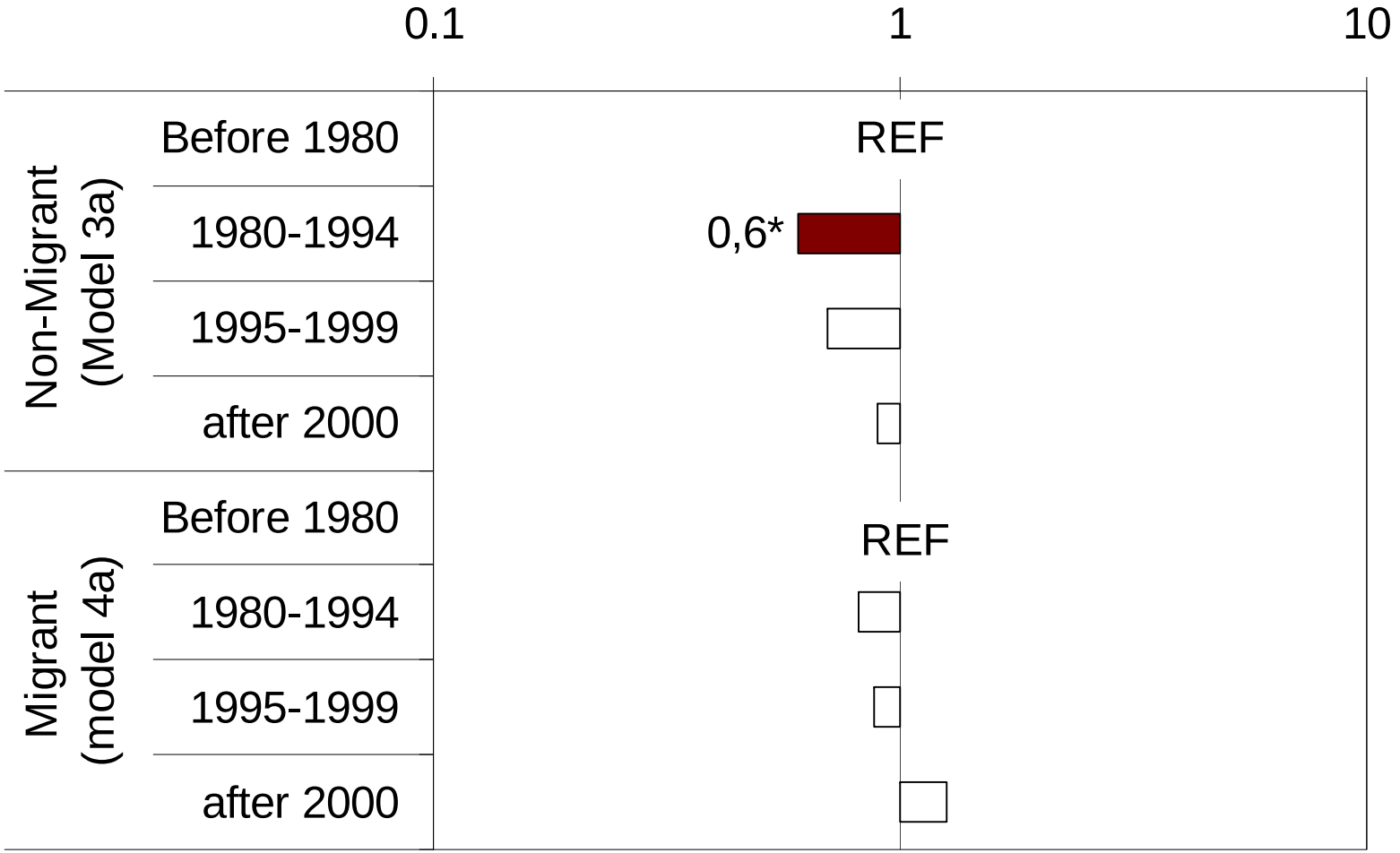
Thank you!

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Methods (1)

- At one point in time – using information at the time of the survey
  - % of individuals owning at least one asset in Senegal in 2008
  - Comparing non-migrants / returnees / current migrants
- Throughout time - using biographic information
  - A **dynamic approach**, taking account of all changes during the lifetime, to explain investment precisely at the time of acquisition (time varying variables)
  - Isolate the **net effect of migration** using a multi-variate approach (controlling for other factors)
  - Technically: various discrete time duration models (logit), applied to person-year datasets, with independent variables at the individual, family and contextual levels, including unobservables (random effects)

Devaluation effect?



How was the « migrant network » captured? (1)

“Now I would like to talk with you about the countries where your family members or the members of your personal network have lived…

Since you were born:
Has your **father** already lived for at least a year outside Ghana? Yes / No
…… **mother**…
…… one or several of your **brothers / sisters…**
…… one of your **partners or previous partners…**
…… one or several of your **children…**
…… **other relatives or close friends you could count on, or could have counted on to take you in, or help you to migrate out of Senegal?”**

How was the « migrant network » captured? (2)

- For each person with a migration experience out of Senegal, indication of:
  - the sex of the person
  - the relationship between this person and the respondent
  - If the person is a friend or a partner: “Since when do you know this person?”
  - the migration history (country / year)

1st country:

“When did he or she start living in a country outside Ghana?

In which country was that?

And until when did he/she live in that country?”

2nd country:

“And then, in which country did he/she live for at least one year?

Until when did he/she stay in that country?”

Etc.